



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

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, July 18, 1991

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Mr. Daryl Reid (Transcona):** Mr. Speaker, I beg to present the petition of Luc Paquet, Chris Bomek, Sean Warnier and others requesting withdrawal of funding and the prevention of construction of The Pines project and to prevent projects similar in nature from destroying the community.

**Mr. Doug Martindale (Burrows):** Mr. Speaker, I beg to present the petition of Ed Coleman, Hans Munsters, Vicki Klassen and others requesting withdrawal of funding and the prevention of construction of The Pines project and to prevent projects similar in nature from destroying the community.

**Ms. Jean Friesen (Wolseley):** I beg to present the petition of Keith Reavie, Jamie Hay, Rob LaCombe and others requesting the withdrawal of funding and the prevention of construction of The Pines project.

### READING AND RECEIVING PETITIONS

**Mr. Speaker:** I have reviewed the petition of the honourable member for Burrows (Mr. Martindale), and it conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

**Mr. Clerk (William Remnant):** The petition of the undersigned, of the province of Manitoba, humbly sheweth:

THAT the Winnipeg International Airport is vital to the economic health of the city of Winnipeg, and the project known as "The Pines," in its current location, will jeopardize the future of Winnipeg International Airport.

THAT to risk the jobs of the hundreds of people who are employed at the airport is not in the best interests of the community.

THAT "The Pines" project will inhibit riverbank access to the general public.

THAT the strip mall portion of "The Pines" project will give a foothold to commercial development which is incompatible with the residential nature of the neighbourhood.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to respect the wishes of the neighbourhood by requesting the provincial government to withdraw provincial funding of "The Pines" project.

AND as in duty bound your petitioners will ever pray.

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**Mr. Jack Reimer (Chairman of the Standing Committee on Law Amendments):** Mr. Speaker, I beg to present the Fourth Report on the Committee on Law Amendments.

**Mr. Clerk (William Remnant):** Your Standing Committee on Law Amendments presents the following as their Fourth Report:

Your committee met on Tuesday, July 16, 1991 at 7 p.m. in Room 255 of the Legislative Building to consider bills referred.

Your committee heard representation on bills as follows:

Bill 2—The Amusements Amendment Act; Loi modifiant la Loi sur les divertissements

Mr. George Mironuk - Motion Pictures Projectionists - IATSE - Local 299

Bill 47—The Highway Traffic Amendment and Consequential Amendments Act; Loi modifiant le Code de la route et d'autres dispositions législatives

Ms. Barb Stuber - Society for Manitobans with Disabilities

Mr. Mark Minenko - Private Citizen

Your committee has considered:

Bill 2—The Amusements Amendment Act; Loi modifiant la Loi sur les divertissements;

and has agreed to report the same without amendment.

Your committee has also considered:

Bill 45—The Securities Amendment Act; Loi modifiant la Loi sur les valeurs mobilières;

and has agreed to report the same with the following amendments:

**MOTION:**

THAT proposed section 7 of Bill 45 be struck out and the following substituted:

**Coming into force of Act**

7(1) This Act, except sections 3 and 4, comes into force on the day it receives royal assent.

**Coming into force of sections 3 and 4**

7(2) Sections 3 and 4 come into force on a day fixed by proclamation.

Your committee has also considered:

Bill 47—The Highway Traffic Amendment and Consequential Amendments Act; Loi modifiant le Code de la route et d'autres dispositions législatives and has agreed to report the same with the following amendments:

**MOTION:**

THAT the proposed subsection 124.2(2), as added by section 3 of the Bill, be amended by striking out "and" at the end of clause (c), by re-lettering clause (d) as clause (e), and by adding the following as clause (d):

(d) where the motor vehicle's emergency lamps, as described in subsection 37(13), are lighted intermittently or put into a flashing operation; and

**MOTION:**

THAT the proposed subsection 124.3(4), as added by section 3 of the Bill, be amended by adding ", but it expires 3 months after the holder becomes a resident of the province" at the end of the subsection.

Your committee has also considered:

Bill 61—The Communities Economic Development Fund Amendment Act; Loi modifiant la Loi sur le Fonds de développement économique local

and has agreed to report the same without amendment:

Your committee has also considered:

Bill 63—The Northern Affairs Amendment Act; Loi modifiant la Loi sur les Affaires du Nord

and has agreed to report the same with the following amendments:

**MOTION:**

THAT the proposed subsection 13(6), as set out in section 10 of the Bill, be amended by striking out "or" at the end of clause (a), renumbering clause (b) as clause (c), and adding the following as a new clause (b):

(b) appoint a local committee under subsection (1); or

**MOTION:**

THAT the proposed clause 109(1)(l), as set out in subsection 33(1) of the Bill, be struck out and clauses 109(1)(m) to (s) be renumbered as clauses 109(1)(l) to (r), respectively.

Your committee has also considered:

Bill 64—The Energy Rate Stabilization Repeal Act; Loi abrogeant la Loi sur la stabilisation des emprunts d'Hydro-Manitoba à l'étranger and has agreed to report the same without amendment.

Your committee has also considered:

Bill 71—The Mineral Exploration Incentive Program Act; Loi sur le Programme d'encouragement à l'exploration minière and has agreed to report the same without amendment.

Your committee has also considered:

Bill 73—The Rural Development Bonds Act; Loi sur les obligations de développement rural and has agreed to report the same without amendment.

All of which is respectfully submitted.

**Mr. Reimer:** I move, seconded by the honourable member for Fort Garry (Mrs. Vodrey), that the report of the committee be received.

**Motion agreed to.**

\* (1335)

## MINISTERIAL STATEMENTS

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, I have a statement to make to the House.

Mr. Speaker, I rise again today to express the continued profound concern of the government of Manitoba regarding the possible closure or downsizing of military operations at Canadian Forces Base Shilo.

At a time when the Department of National Defence is proposing closing military bases across the country, our concern is heightened significantly by the fact that the federal Treasury Board has approved the design phase of a major new naval reserve facility to be constructed at Pointe-a-Carcy, Quebec. Manitobans, who have already felt the impact of numerous base closures over the years, would like an explanation from the Honourable Marcel Masse, Minister of National Defence, about his recent announcement.

Despite numerous and repeated efforts to have Mr. Masse agree to meet with Manitoba representatives to discuss his department's plans for the future of CFB Shilo, my office has succeeded to this point only in obtaining vague commitments. My own frustration about this was exacerbated on Monday of this week when I learned through newspaper reports about Mr. Masse's willingness to meet and to dine with Mayor Harry Baikie of Goose Bay, Labrador, and to discuss with him the future plans of the Department of National Defence respecting CFB Goose Bay.

We are grateful to the federal members of Parliament of all three political parties who met on June 20 with representatives from Manitoba. Many people adjusted their schedules to extend to us the courtesy of meetings in Ottawa. All of that would have been unnecessary if Mr. Masse had agreed to meet with us as we had repeatedly requested.

I believe we have not been accorded fair treatment by Mr. Masse, and the time to right that wrong is now. I am writing to Mr. Masse today to remind him that the people of southwestern Manitoba and indeed all Manitobans are fair-minded people. We expect no better treatment than the treatment given to people in other regions of Canada, but we certainly expect nothing less. We will not stand idly by while decisions are made in Ottawa, which work to the disadvantage of our province. I call on all members of this House and all Manitobans to redouble efforts to save CFB Shilo and to ensure fair treatment for Manitoba.

Mr. Speaker, I table the letter of today's date that is going to the Honourable Marcel Masse.

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, I thank the minister for his statement. Obviously it goes without saying that we on this side certainly share the minister's concerns with regard to the future of CFB Shilo, a military base with a long

history and one that is very vital to the economy of Manitoba and particularly to the city of Brandon.

I point out, Mr. Speaker, that I raised this matter in the Legislature in early May, that it was something that should be pursued. I questioned the Minister of Industry, Trade and Tourism, and I have been pressing for this all along. I was pleased that we did have an all-party delegation go to Ottawa to try to meet with Mr. Masse but, unfortunately, not able to do so.

At any rate, I would just suggest that perhaps it is time for the Premier—again I suggest to the Premier that he pick up the phone and talk to the Prime Minister of this country about this matter. In fact, I would go further and remind the members opposite and remind the House, Mr. Speaker, that I also suggested that we have an all-party delegation with the Leaders of the parties, the Premier and the Leader of the official opposition, the Leader of the second opposition, plus appropriate delegates, including municipal representatives, union people and so on, to go and meet with the Prime Minister of this country. I think we can do no less.

I share the concerns raised by the Minister of Justice (Mr. McCrae). It seems that we are not being treated fairly. I agree. We have been shafted in the past with regard to the CF-18 and with regard to many other matters. I just remind the House that I did not campaign to put this government in office. We are suffering because of this Mulroney government, Mr. Speaker, and we have to fight as hard as we can to get what little we do get for the province of Manitoba. Thank you.

\* (1340)

**Mr. James Carr (Crescentwood):** Mr. Speaker, I am astonished and shocked by the nature of the statement that the Minister of Justice is making in the House today. Let me tell you why. When we met with the three federal caucuses in Ottawa, after having spent many hours on a very small plane together, the all-party delegation had a very interesting conversation with Bill Rompkey, who is the Liberal Defence critic.

Mr. Rompkey made a point of saying to the delegation that he wanted to compliment the city of Brandon and all three parties of the Manitoba Legislature for the effectiveness of their lobbying. He wanted to know if the people of Goose Bay, Labrador, could get into touch with Brandon to see

how more effective they could be, using the model of what was done in Manitoba.

Now, we read today that Marcel Masse, who refuses to return the calls of the Minister of Justice and his repeated pleadings to meet with an all-party committee, is now dining with the mayor of Goose Bay, Labrador.

My second observation is that, in the meeting that we had with the federal Conservative caucus, a very difficult meeting that was characterized by high tension, Jake Epp, who is the senior minister from Manitoba, told us—and I consider that conversation to be on the record—that the reason Mr. Masse was not meeting with us is because, if he did, he would have to meet with the other 40 or 44 communities across the country in order to play it fair. We do not have to be reminded that the federal government has not played it fair with the people of Manitoba. I do not intend to take the time of the House to cite the litany of complaints we have with them.

This is shocking and astonishing that the federal government, both through the Minister of National Defence and Mr. Epp, the minister from Manitoba who has broken faith with the people of Manitoba—and we will continue in a nonpartisan way, representing all political interests in this House, the rural municipality involved and the city of Brandon, to fight for justice for Shilo base, for the people of southwestern Manitoba and indeed all residents of this province.

Thank you, Mr. Speaker.

## ORAL QUESTION PERIOD

### Michael Bessey Investigation

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, the last number of weeks we have been asking questions of the Premier dealing with his senior staff and people involved in alleged immigration scandals. Some of the contradictions, some of the statements the Premier has made about the Civil Service Commission, some of the statements he has made about conflict-of-interest dates, the contradictions and arguments of the Premier are so full of holes, it is like Swiss cheese unfortunately sometimes dealing with these issues.

We cited yesterday that the Premier's staff—and the day before—the Premier's senior Treasury Board staff attended meetings dealing with the

Asian Manitoba Investment fund in 1990, a company that the RCMP have reasonable and probable grounds to believe that it would have an immigration process of persons into Canada that would not normally be allowed in Canada, contrary to Section 465(1)(a) of the Criminal Code. We asked yesterday those questions to the Premier and received no answers about Mr. Bessey's attendance, and secondly, there were questions raised yesterday again about Mr. Gajadharsingh and Mr. Bessey at the same meeting and whether that was indeed a conflict of interest in dealing with Mr. Gajadharsingh's role in the provincial government.

I would ask the Premier: What action is he taking with his senior member of staff, the secretary to the Treasury Board, in both the issue of the reporting of the conflict of interest and the second issue of participating in meetings allegedly on behalf of the Premier and the Province of Manitoba, dealing with questionable companies and questionable ethics in terms of immigration?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I will remind the Leader of the Opposition, as I did yesterday, and he may choose to ignore it, but it is absolutely false to say that I did not respond to his questions. I quoted directly from the RCMP officer who is in charge of the investigation, as reported in the Winnipeg Sun. RCMP Sergeant Jim Stinson said Treasury Board Secretary Mike Bessey is not a target in the investigation.

If the Leader of the Opposition persists in insisting to imply that Mr. Bessey was involved in these immigration act offences, let him put some evidence on the record, let him lay a charge, let him make an allegation. I implore him, in carrying on the same kind of high-road respect for our responsibilities in this Chamber that his House leader spoke about yesterday, that the member for St. James (Mr. Edwards) spoke about yesterday, do not slander people with innuendo for your own political purposes. Put an allegation on the record, put on the record any information that you have that the RCMP should be investigating. If not, Mr. Speaker, I will put my faith in the RCMP, their security and their credibility, and I will take my lead from the RCMP officer in charge of the investigation, who said Mike Bessey is not a target in the investigation. I will take that over the political innuendo that the Leader of the Opposition is attempting to sell in this Chamber and outside.

\* (1345)

### Immigration Consultants Independent Inquiry

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, the Premier's answer was, he is taking no action on the issue with his senior staff, the senior staff at Treasury Board. What about the ethical considerations? Has the Premier not thought that those meetings took place in 1990, a full 12 months before the I-Team report reported on alleged immigration consultants in the province of Manitoba? If his own staff had raised those issues to the Premier, who he reports to, how many families and how many immigrants could have been spared a possible exploitation, as we have seen from the documentary reports that have taken place? If that does not concern the Premier, I am sorry, because it concerns members on this side of the House.

All we have asked for is an inquiry independent of government. That is all we have asked for from Day One on this issue.

Today I received a letter that was delivered to the Premier of the province from the former chair of the Manitoba Intercultural Council raising serious questions of Mr. Gajadharsingh dealing with potential government jobs for her and, she believes, for other people in the period of the election. The Premier has this letter, Mr. Speaker.

What action is he taking on the letter from the former chair of the Manitoba Intercultural Council, because, as we have been saying, many people in the multicultural community want that inquiry that the Premier is denying them?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I will repeat for the edification for the Leader of the Opposition that Mr. Bessey attended the meetings with the individuals involved with respect to investors who were being presented to him as being interested in the purchase of certain businesses, notably Wescott Fashions, which would involve several hundred jobs for the province of Manitoba and in which he was asked to provide information as to the province's interest, as to the province's economic climate, as to potential programs and whatever else that might assist in attracting that investment. At no time was there any indication or discussion of anything that might have involved a conflict of interest.

I might also say to him that, in reading the summaries of those RCMP investigations, he might

be well to acknowledge that the RCMP were aware of potential breaches of the immigration act, of potential influence peddling and many other things, because at least two months prior to that I-Team report being aired, March 18, 1991, the phone tap authorizations were granted.

Mr. Speaker, let him not suggest that somehow all of these matters have all of a sudden come forward and all this knowledge. Obviously those people who were involved who are not Mr. Bessey, who are not the people he is now attempting to somehow slander by innuendo, those people were not the subject of this investigation. In fact, the chief investigator has indicated that there is no evidence and no indication that the individual he is mentioning was involved with it.

\* (1350)

**Mr. Doer:** Mr. Speaker, we will never know, unless we have an independent inquiry, what really took place at those meetings and whether we could have saved hundreds of families the exploitation that we are hearing about and being revealed in the documentaries from the 12-month period that his senior staff attended with his leadership supporters at a meeting—and principals, I might add. Mr. Paqueo is the principal of one of the companies cited by the RCMP.

We will never know that until we have an independent process, Mr. Speaker, in terms of the ethical issues that are being raised with the government and with supporters of this Premier in high places.

Mr. Speaker, again, Mrs. Rebello asked the Premier to have a completely independent external inquiry so that other people like her can tell their stories and retain the integrity of the office of the government in dealing with immigration. Surely a voice from outside, a credible voice from outside, a former chair of the Manitoba Intercultural Council confirms what we have been saying in this House, what other people have been saying to us verbally, that they need that independent inquiry, we need that independent inquiry. Why can the Premier not do that today, and let us just end this so that the public can be confident in the integrity of our government and the integrity of the immigration process in our province?

**Mr. Filmon:** Mr. Speaker, despite the fact that Mrs. Rebello was a New Democratic appointment as chair of MIC against the wishes of MIC, I take any

and all allegations seriously. This morning when I received that piece of mail from Mrs. Rebello, I asked my staff to refer that to both the RCMP for their possible concern about it and to the investigation being conducted by the Civil Service Commission staff to see whether or not there was any suggestion of influence by Mr. Gajadharsingh in employment opportunities at the provincial government.

### Provincial Judges Salary Increase

**Mr. Dave Chomlak (Kildonan):** My question is for the Minister of Justice.

Only two groups have been exempted from the government's wage freeze. First the government doctors, and now the government has exempted judges by virtue of its actions this morning in not making a decision, not taking a stand on the government bill, on the government process that they have put in place.

Does the minister think it is fair that nurse's aides, casino workers and 48,000 other workers have their wages frozen and judges do not?

**Mr. Speaker:** Order, please. The honourable member's question is seeking an opinion, therefore out of order. The honourable member, kindly rephrase your question, please.

**Mr. Chomlak:** Thank you, Mr. Speaker.

What is the government's policy with respect to the judges' salaries which, by virtue of their actions today, are not frozen like the 48,000 other workers in the province of Manitoba?

**Hon. James McCrae (Minister of Justice and Attorney General):** I can hardly believe that the honourable member should be so confused about his own party's position on this that he would raise this matter in the House today. I frankly thought, after this morning's committee, that I might have expected a question from the honourable member for St. James (Mr. Edwards) so that I might be given a chance to make public the position of the NDP with respect to judges. They seemed to want to have judges' salaries, pensions and other arrangements increased now. Of course, they may want to correct that impression, but it is certainly the impression that they have left.

I would like it to be very clear for the honourable member who suggests that no stand is being taken that the situation this fiscal year for judges is no

different from anyone else in the public service—zero, Mr. Speaker. I think that is clear.

**Mr. Chomlak:** Mr. Speaker, as the minister did this morning, he has avoided the question.

What is the government's position on their bill, their committee that recommended a \$7,000 wage increase, a doubling of pensions and retroactivity of judges' salaries? You know our position. Our position is against it. What is this government's position? Can he tell us today?

**Mr. McCrae:** The basic misunderstanding goes back to the Leader of the Opposition (Mr. Doer), who had very strong concerns about the amendments to The Provincial Court Act that sets up this committee. I guess the Leader of the Opposition had it in his mind that the government and this Legislature would be a rubber stamp for a judicial compensation committee when it produced its reports. I have always made it clear that what was happening was that the decision making with respect to judges, in order to respect their independence in our government system, was being taken from the cabinet—(interjection)—

\* (1355)

**Mr. Speaker:** Order, please. The honourable Attorney General, to finish his response.

**Mr. McCrae:** —in order to preserve the independence of the judiciary, something the NDP has no understanding of whatsoever. The decision making with respect to—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. The honourable member for Kildonan has asked a very valid question, and I am sure the honourable member would like to hear a response.

**Mr. McCrae:** The decision making with respect to arrangements for judges is not solely the preserve of the Executive Council any more because of amendments to The Provincial Court Act. They are now the decision of the Legislature, which is what everyone agreed except the member for Concordia (Mr. Doer) who just fails to understand the whole concept of judicial independence. It was agreed that this was a more appropriate way to deal with it. Never was it ever felt by anyone, except, I suppose, the Leader of the Opposition, who has passed this on to the member for Kildonan, that this House is somehow supposed to be a rubber stamp. Mr. Speaker, this House, this member, this government



are not a rubber stamp when we are dealing with public sector salaries.

### Salary Increase Retroactivity

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, we all know, every member of this House knows the minister is avoiding the issue and ducking the issue to next year.

Will the minister commit today that there will be no retroactivity; in the instance of fairness, will the minister assure this House there will be no retroactivity to judges' salaries, to make it fair?

**Hon. James McCrae (Minister of Justice and Attorney General):** I told the honourable member in this House that the position of this government is that, while we are in the present situation, the judges, like other public sector-employed people, get zero. I hope that is understood by the honourable member. The only thing the honourable member wants us to do is make decisions for next year about judges when we do not know what the economic conditions are going to be next spring. The honourable member now wants to make decisions.

This is not unlike the NDP, Mr. Speaker. We are spending \$550 million this year on interest rung up because of the profligacy of honourable members opposite, and it is because of that that we have things like Bill 70 and because of that the judges have to face a zero increase this year.

### Immigration Consultants Independent Inquiry

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, for six weeks, we have been trying to persuade the First Minister of the necessity of calling an independent inquiry because many people, including the Premier himself, are living under a cloud. He has consistently refused, but, you know, he did not always think this way.

I would like to go back to August of 1986 and quote a statement of the First Minister. The Premier said: "... does the Premier not realize"—referring, of course, to Mr. Pawley—"that all of the questions I've asked him today do not involve criminal allegations, and do not involve the kinds of things the RCMP are going to investigate? So how will we get the full and complete airing of all of the concerns about MTX and its operations in Saudi Arabia and its related and subsidiary companies if that will not

be investigated by the RCMP, because it doesn't involve any other criminal allegations?"

Mr. Speaker, the same circumstances exist today. Will the Premier tell us what has changed? Why is he refusing to do the very thing now that he tried to get from the previous government?

**Hon. Gary Filmon (Premier):** Mr. Speaker, surely the Leader of the Liberal Party is drawing a long bow when she makes comparisons between MTX—

**Some Honourable Members:** Oh, oh.

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

\* (1400)

**Mr. Filmon:** Mr. Speaker, every single allegation of wrongdoing with respect to matters that have to do with the immigration act, matters that have to do with influence peddling, criminal wrongdoing, all matters that may involve any of that have been referred to the RCMP. In addition, the other allegations that the members opposite have made as to influence with respect to positions of hiring of individuals have been referred to the Civil Service Commission staff for their review.

All of that will be done completely independently and will result in satisfactory answers to everyone of the substantive allegations that have been made, Mr. Speaker. The rest of it is innuendo that something else out there might be there. If the member for River Heights (Mrs. Carstairs) has any suggestion of that, any evidence of that, we will make sure that it is fully, completely and thoroughly investigated by relevant authorities.

While I am on my feet, Mr. Speaker, yesterday the Leader of the Liberal Party asked me if Mr. Bessey, in his capacity as Secretary of the Treasury Board, had meetings with the Canada Maple Leaf Fund and particularly with respect to the MHRC lease, the response to that is no.

### Standing Committee Referral

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, if the Premier is unwilling at this time to go to a public inquiry, will he, at the very least, refer the matters to the Standing Committee on Elections and Privileges, and will he furthermore agree to subpoena witnesses under oath before the committee so that members of the House have the opportunity to question all of those involved in this operation, including his principal

secretary all the way through, on behalf of the people of Manitoba?

**Hon. Gary Filmon (Premier):** Mr. Speaker, if the Leader of the Liberal Party is interested in the truth, then I implore her to let the RCMP and the Civil Service Commission do their job. If all we are interested in is having a political circus for her to try and make some cheap political game, I invite her to continue to use Question Period day after day to go against the kind of high-road imploring that the member for St. James (Mr. Edwards), that the member for Thompson (Mr. Ashton) gave yesterday, that we should stay on the high road, that we should not make allegations unless we have substantial information, that we should not put false information on the record, all of those kinds of things.

This kind of political innuendo is not in keeping with the kind of high-road actions that she has called for in this House herself. Mr. Speaker, if she has information that should be investigated, let us do it by independent authorities who have no political axe to grind. Let us have the RCMP, let us have the Civil Service Commission do their job.

**Mrs. Carstairs:** Mr. Speaker, it is for the very reason that I do not want trial by Question Period that we have asked in the first instance for an independent inquiry and in the second instance for this to go to a committee of this House.

I would like to quote the Premier again in 1986. Would the Premier—again Mr. Pawley—"support that kind of initiative"—to go to a committee of the Legislature—"to ensure that witnesses are called before the committee to be able to be subpoenaed before a committee of the Legislature to answer questions that are not obviously going to be covered by the RCMP investigation or the other inquiry that he has put up under a management consultant?"

Mr. Speaker, there were two inquiries at that particular point. There are two inquiries now. At that point, we knew we were not going to get all of the issues investigated. We know that now. Why? Will this minister stand in his place again and repudiate his positions of 1986?

**Mr. Filmon:** I remind her, in 1986 we had firm evidence. We had more than \$25 million of losses in a corporation for which there were false inventory records available. We had sworn affidavits about floggings, about improper hiring practices, about kickbacks, bacsheish under the table. We had sworn affidavits.

Now, Mr. Speaker, we have innuendo. We have no evidence. Put it forward -(interjection)- That is being investigated by the Civil Service Commission. It is being investigated by the RCMP, all of it.

I say to her, if she is interested in the truth, let the RCMP and the Civil Service Commission, in an independent fashion, do their job. Any and all recommendations and outcomes will be acted upon.

### Anti-Racism Program Meeting Request

**Ms. Marianne Cerilli (Radlsson):** Yesterday I asked the Minister of Culture, Heritage and Citizenship if she would meet with a group of concerned citizens who have some serious concerns about the number of racist incidents in the province and various immigration issues. She said, yes, that she would meet with them. When I asked her about it afterwards, she said that she would not meet with them until after the session was finished.

Mr. Speaker, this stalling is not acceptable. Will the minister and this government stop stalling with respect to these serious issues? Will they make a commitment to meet with this group before the end of this session?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship):** Mr. Speaker, as I indicated yesterday, my door is open, and I will meet with anyone. When we had a private conversation on the other side of the room yesterday, the NDP critic asked me when I was going to meet with these people. I indicated to her that she should have them call my office. I asked her, first of all, who the person was who was spearheading the organization, and she could not give me a name. Then I said to her, well, have those people call my office, and I will meet with them. It probably will not be until the session is finished now.

**Ms. Cerilli:** Mr. Speaker, as a coalition, there is no leader of the group. I understand the concept of co-operation is difficult for this government to understand.

### ESL Programs Federal Funding

**Ms. Marianne Cerilli (Radlsson):** When I asked this minister questions about their inaction with response to federal offloading of immigration settlement services, the minister responded that they have made a commitment to English as a

Second Language. They have, what I would say, a lot of nerve in saying that when we know there is an increase in waiting lists and they would not attend the public meetings.

My question is for the minister. During Estimates she indicated she was unaware or unable to indicate that the money from the federal government for English as a Second Language in Manitoba—I have a chart which she has sent to me and I appreciate. I would ask the minister, will she fill in the blanks on this chart, which I am willing to table, so we have a clear picture of English as a Second Language funding in Manitoba?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship):** Mr. Speaker, we spent over 30 hours in Estimates for the Department of Culture, Heritage and Citizenship. Almost all of those 30 hours were spent on the Citizenship part of my department. Those questions very easily could have been asked, and that information would have been provided, any information that we would have on any dollar figures from the federal government.

We know how much the federal government is putting into Winnipeg School Division No. 1 for ESL training. We know how much we are putting in. The combination of that money is 20 percent more to Winnipeg School Division No. 1 for ESL training this year. I am not ashamed of that, Mr. Speaker. I am proud that we have made an increase commitment. Any of those questions can be answered. She can table that information or that piece of paper that I provided for her quite willingly, and I will provide dollar figures wherever I can.

**Ms. Cerilli:** Mr. Speaker, I invite the minister to check the Hansard on Estimates.

### **Racism Investigation Telephone Messages**

**Ms. Marianne Cerilli (Radlsson):** My final supplementary is for either the Minister of Justice and Attorney General or the Minister responsible for the administration of The Manitoba Telephone Act (Mr. Findlay).

Will either of these ministers respond to the letter that I sent to them over a month ago requesting the legal opinion that they have received, which encourages or allows the KKK in Manitoba to operate and abuse Manitoba Telephone System and victimize people?

**Hon. James McCrae (Minister of Justice and Attorney General):** Yes, Mr. Speaker, the honourable member's letter will be responded to. I have had private discussions with the honourable member myself. I suppose I should deal in a very formal fashion with the honourable member if she wants to conduct herself in the way she does in this House.

Certainly our concerns are the same, and that is the important thing here. Whether I like her tactics or she likes mine, that is probably not too relevant. There are people who really care about this matter, and I am one of them. I believe the honourable member to be one of them. Yes, the answer to her letter is coming.

### **CN Real Estate Relocation Premier's Awareness**

**Mr. Jerry Storle (Filn Flon):** Mr. Speaker, earlier this afternoon, we had a ministerial statement from the Minister of Justice and Attorney General with respect to the possible loss of some 400 jobs as a result of the transfer or the discontinuance of the base at Shilo. Since this Premier became Premier some three short years ago, we have lost 3,800 federal jobs.

My question is to the First Minister. Can the First Minister tell the House whether he was informed that CN Real Estate will be moving 18 positions from Winnipeg in a consolidation in Edmonton as of November 1?

\* (1410)

**Hon. Gary Filmon (Premier):** Yes, Mr. Speaker, I received notification of that this morning.

### **Premier's Action**

**Mr. Jerry Storle (Filn Flon):** Well, Mr. Speaker, we will now get to decide whether the First Minister is all bluff or whether in fact he is going to take a stand on this issue.

Given that we have lost over the last number of years the head western head office that used to be in Winnipeg to Edmonton, my question is to the First Minister. He has now acknowledged that he knew. The second question is: Is he about to do anything?

**Hon. Gary Filmon (Premier):** We obviously are not happy with that continuing erosion of Manitoba's transportation centre. The Minister of Transportation (Mr. Driedger) and myself met with senior officials of CN about a month ago, talking

about CN's major operations, and we said at that time that we wanted to know whether there were any major changes that could be anticipated. In fact, we met with the chairman, we met with the regional vice-president, we met with the regional manager. At that time, we were assured that there were no such intentions. I am offended by that, and we see it as just one more step with respect to the issue of fairness and the unequal treatment that Manitoba is receiving at the hands of federal government and federal Crown corporations.

**Mr. Storle:** Some of us in this House remember a time when the First Minister said all he had to do was pick up the phone. Well, there has been no one answering that phone now for the last three years. Mr. Mazankowski can draw these jobs to Edmonton, and Mr. Masse or Mr. Bouchard can get them to Quebec.

The question to the First Minister: Who is going to get those jobs or protect those jobs when they are Manitoba jobs? What is this minister and the Minister of Transportation going to do to protect jobs that exist in Manitoba, and we are losing them day by day?

**Mr. Filmon:** Of course, during the reign of error of the former NDP administration, we lost thousands and thousands of private-sector jobs. As a result of the imposition of that hated payroll tax, as a result of the highest corporate taxes in this country, as a result of the tax on investment, the corporate capital tax, we lost thousands and thousands and thousands of jobs. In addition to that, of course, we lost the CF-18 jobs, hundreds of jobs in the aerospace industry, and all of those things.

Since we have been in government, even in the past six months, we have, of course, worked with and convinced UPS to come here and create some 500 jobs. We have worked, of course, with MacLeod-Stedman who have moved their head office and distribution facilities from Toronto to Winnipeg, 125 jobs. We worked, of course, with Western Glove Works, and they brought 167 jobs from southern Ontario here, Mr. Speaker. We have worked in many, many respects to bring new jobs and new opportunities. Royal Trust, an announcement that will involve 150 new jobs. Those are the kinds of initiatives we are doing by creating a good tax climate, a good economic environment to attract new investment, new growth and new opportunity to Manitoba, unlike the New Democrats opposite.

### **Milltown Hutterite Colony Lagoon Construction**

**Mr. Paul Edwards (St. James):** Mr. Speaker, my question is for the Minister of Environment.

On December 6, 1989, the Clean Environment Commission issued a report on a proposal brought forward by the Milltown Hutterite Colony to construct a lagoon for human sewage at the colony which is just north of Oakville, Manitoba. That report allowed the construction of the lagoon on the condition that, and I quote the report: the applicant shall construct the waste water treatment lagoon with clay or other suitable material.

Mr. Speaker, I have learned today from the Oakville Concerned Citizens that they believe and have evidence that the lagoon was in fact not built with a full clay base and that sewage is indeed seeping into the aquifer at an alarming rate through the sand ridge in the aquifer.

Can the minister tell members whether or not he is aware that this lagoon in fact includes at least in part a sand base, and what measures he has taken, if he does know this, to protect the aquifer which supplies drinking water to some 600-plus people in the Oakville and surrounding area?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, the member repeats a number of allegations that will be investigated. The fact is that he quotes the licence correctly, and if that lagoon for whatever reason is not built to the standards of that licence, then we will deal with it.

**Mr. Edwards:** Mr. Speaker, I would ask the minister when he or his department learned of these allegations, and why, if they have known already, when they asked for drill holes to be made, they only asked them to be made on the side of the lagoons rather than in the centre where the Concerned Citizens say they have evidence of proof that there is in fact a sand base? When did he learn of that, and why did he not do drill holes in the centre of lagoon?

**Mr. Cummings:** Mr. Speaker, the staff in that region have been dealing with this issue for quite some time, and that is in fact what is at contention, is whether or not the bottom of the lagoon has No. 1 been constructed correctly, and if not, why not?

**Mr. Edwards:** Mr. Speaker, they have only ever done drill holes on the sides. The allegation is, the sand is at the bottom.

### Oakville, Manitoba Water Quality

**Mr. Paul Edwards (St. James):** My final question for the minister.

The Concerned Citizens of Oakville have evidence that the lagoon has dropped 31 inches in three months. Again, this seepage is into an aquifer which serves as the downstream water supply for some 600-plus people. Why has the minister not tested the downstream water, at least, to ensure the safety of the downstream residents? When will his department be taking this matter seriously enough to take emergency action to protect the downstream water users?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, as I said earlier, there are allegations that this lagoon is leaking. The staff in that region have been in contact with the people who have raised these concerns. I had the opportunity to meet with the Concerned Citizens within the last hour as a matter of fact and, presumably, the member did as well. I assured them, and I think in their meeting with the Minister of Natural Resources (Mr. Enns) they received other assurances that should lead to pretty good examination of the issues that are being raised and determine whether or not there is something in violation of this licence.

\* (1420)

### Cartwright, Manitoba Community School Facilities

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, the new school year is six weeks away, and the Cartwright situation is not resolved. The conciliator has reported that there is no solution to the problem. The problem is now in the minister's lap. The parents' organization set up a community school. They have advertised for teachers.

Will the minister commit today, will he indicate today that the government will allow them to use the present school facility for their use in that community so they can get on with teaching their kids in the upcoming school year?

**Hon. Leonard Derkach (Minister of Education and Training):** Well, Mr. Speaker, I thought by now that the member for Kildonan would clearly understand what the process is.

Mr. Speaker, the school at Cartwright is under the jurisdiction of the Turtle Mountain school board. They have total jurisdiction of that school, and

indeed there are two members from that community who sit on the board. It is up to the school board as to whether they will allow the community to use that school as a private school, if that indeed is the way the community wishes to go.

I met with the parents from Cartwright this morning. They arrived in the Legislature. We did not have a scheduled meeting. However, we did find some time to be able to sit down and talk about the problems that they face. Indeed this is a serious matter for that community and for the students who are six weeks away from school and are wondering whether they will be attending that school or what their next school year will be like.

I can appreciate the concern of the parents and the students. We have tried to bring the two parties together through a conciliator. The conciliator was not able to bring the two parties together to begin speaking about a resolution to the dilemma that is faced there. Mr. Speaker, this matter still has to be resolved at the local level by the school board and the community.

**Mr. Chomiak:** Mr. Speaker, I have checked that. The minister delegates the authority of the school board. He does have the authority. It is called delegated authority.

### Community School Grant

**Mr. Dave Chomiak (Kildonan):** My question to the minister is: Will he make grants available on the same basis that he makes grants available to other organizations and other schools for the Cartwright community school, insofar as the minister is giving money away hand over foot?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, I can hardly believe my ears. For many days the member for Kildonan, the member for Flin Flon (Mr. Storie) stood up and criticized this government for providing funding to independent schools. Today, we have the member for Kildonan and the New Democratic Party standing in their place and asking for funding for an independent school in Cartwright. Mr. Speaker, I do not really know where they are coming from. I do not think anyone else knows either.

Also, when the bill was passed in 1989, regarding independent schools, it was the New Democrats who insisted that there be a three-year waiting period before independent schools get any funding.

I find it very inconsistent in the way the member brings this matter to the floor of the Legislature.

**Mr. Speaker:** Time for Oral Questions has expired.

### Committee Changes

**Mr. Edward Helwer (Gimli):** Mr. Speaker, I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Municipal Affairs for the July 17 session be amended as follows: Sturgeon Creek (Mr. McAlpine) for Riel (Mr. Ducharme).

I move, seconded by the member for St. Vital, that the composition of the Standing Committee on Municipal Affairs be amended as follows: River East (Mrs. Mitchelson) for Roblin-Russell (Mr. Derkach).

I move, seconded by the member for St. Vital, that the composition of the Standing Committee on Industrial Relations be amended as follows: St. Vital (Mrs. Render) for La Verendrye (Mr. Sveinson).

**Mr. Speaker:** Agreed? Agreed.

**Mr. George Hickes (Point Douglas):** Mr. Speaker, these changes were moved, by leave, during the July 18, 1991, 10 a.m. meeting of the Standing Committee on Privileges and Elections. As was agreed, these changes are now moved in the House: Burrows (Mr. Martindale) for Thompson (Mr. Ashton).

These changes were also agreed to, Mr. Speaker, for Industrial Relations: Point Douglas (Mr. Hickes) for Wellington (Ms. Barrett), Brandon East (Mr. Leonard Evans) for Broadway (Mr. Santos).

I move, seconded by the member for Wellington (Ms. Barrett), that the composition for the Standing Committee on Industrial Relations be amended as follows: Radisson (Ms. Cerilli) for Brandon East (Mr. Leonard Evans) for Thursday, July 18, 1991, for 7 p.m.

**Mr. Speaker:** Agreed? Agreed.

### ORDERS OF THE DAY

#### House Business

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, I would just like to call Report Stage of Bill 70, and then I will provide a larger number of orders after that.

Mr. Speaker, while I am waiting—I wonder if I could make some House announcements while I am waiting for the motion.

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

### REPORT STAGE

#### Bill 70—The Public Sector Compensation Management Act

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that Bill 70, The Public Sector Compensation Management Act (Loi sur la gestion des salaires du secteur public), as amended and reported from the Standing Committee on Industrial Relations be concurred in.

**Mr. Speaker:** It has been moved by the honourable Minister of Finance (Mr. Manness), seconded by the honourable Minister of Environment (Mr. Cummings), that Bill 70, The Public Sector Compensation Management Act; Loi sur la gestion des salaires du secteur public, as amended and reported from the Standing Committee on Industrial Relations, be concurred in. Agreed?

**An Honourable Member:** No.

**Mr. Speaker:** Order, please. All those in favour of the motion will please say yea.

**Some Honourable Members:** Yea.

**Mr. Speaker:** All those opposed will please say nay.

**Some Honourable Members:** Nay

**Mr. Speaker:** In my opinion, the Yeas have it.

**Mr. Steve Ashton (Opposition House Leader):** On division.

**Mr. Speaker:** On division.

### House Business

**Mr. Manness:** Mr. Speaker, I wish to obtain the unanimous consent of the House to vary the Estimates sequence established under subrule 65(6.1) and tabled in this House on November 1, 1990. I would propose that the listing within the House of Estimates to the end of the 240-hour limit be this. Right now we are considering the Department of Environment. I had proposed that be followed by the Department of Finance, Department of Highways, Co-operative, Consumer and Corporate Affairs, in all of the other votes not

including Energy and Family Services. There are several votes and resolutions.

**Mr. Speaker:** Is there unanimous consent of the House to alter the sequence as indicated by the honourable government House leader?

**Mr. Manness:** That is in the House, Mr. Speaker.

**Mr. Speaker:** Yes, these are for departments to be considered in the Chamber.

**Mr. Manness:** Adding to that, the committee in the committee room would today begin to consider Energy and Mines, and that would be followed by Family Services.

**Mr. Speaker:** Is there unanimous consent of the House to alter the sequence of the departments to be considered as indicated by the honourable government House leader? Is it agreed?

**An Honourable Member:** Agreed.

**Mr. Manness:** Mr. Speaker, on discussion with the opposition House leader, I would only change my motion in one respect, that all of the other votes which I had indicated should be held in the House, can they now be also in the committee room following Family Services? -(interjection)-

I will make it very, very clear, Mr. Speaker. In the House the order would be this: Environment, Finance, Highways, Consumer and Corporate Affairs.

In the committee room it would be: Energy, then all of the other votes, to be followed by Family Services.

**Mr. Speaker:** Is there agreement to have the Environment, Finance, Highways, Co-operative and Consumer Affairs in the Chamber, and to have Energy and Mines, and whatever other departments have not been considered, followed by Family Services? Is there leave of the House to alter that sequence?

**Some Honourable Members:** Agreed

**Mr. Speaker:** Agreed. That is done. Okay.

**Mr. Manness:** Mr. Speaker, before I move the motion for Estimates, I would just like to call formally committees. Committees on Industrial Relations and Municipal Affairs will continue their hearings and discussion tonight at seven o'clock. I would also indicate that tomorrow afternoon, if required, these committees will sit. The Committee on Industrial Relations will sit at 1 p.m., and I would think the other committee on Municipal Affairs, if

required, will sit at 1:30 tomorrow afternoon. Furthermore, if these committees are required to sit again, I would call upon them to sit at 9 a.m. Saturday. Furthermore, these committees, if they decide to review clause by clause, not at these set-aside times, but at another time, that other time would be ten o'clock Monday morning.

\* (1430)

**Mr. Speaker:** I would like to thank the honourable government House leader for that information.

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

**Motion presented.**

## MATTER OF GRIEVANCE

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, I rise today on a matter of grievance. It is very clear that over the last few weeks that there are various issues that need to be addressed coming out of—particularly out of information that was obtained in a search warrant by the RCMP. We have felt that various information dealing with this emerging scandal could have been dealt with through a public inquiry, but in the absence of a public inquiry we have to resort to other avenues and means to disseminate the information and get the information out.

Mr. Speaker, I did want to give several pieces of information that were outlined in the RCMP report, in the search warrants, information that most people in this House will have not heard and perhaps will be very interested to hear for the first time.

In fact, one of the first statements that I would like to make is that on the 2nd of January 1990, an anonymous letter was received by mail to the RCMP that outlined that Ron Beirnes had received gifts from a local businessman by the name of Louis Lee. The letter indicated that Beirnes made the immigration process easier for Lee's clients who were immigrating to Canada under the entrepreneur immigration program. The local Winnipeg CBC news station aired a story that implicated Lee in three apparent unethical business deals with persons who had immigrated to Canada under the entrepreneur program.

Many of you will remember that CBC news story that was done two or three years ago now on this particular matter, so what you will see as we go through the events here—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order, please. The honourable member for Elmwood (Mr. Maloway) has the floor.

**Mr. Maloway:** What we find when we go through the events, is that the events have been unfolding for a couple of years and that they do tie in at certain points. It becomes one big picture in the end, Mr. Speaker.

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

Number 2, Madam Deputy Speaker, an investigation revealed that Louis Lee is involved and associated to Perfect Pacific Investments Inc., Concord Investments Ltd., Perfect Olympic Investments Ltd., and the Maple Leaf Fund, which we have heard a lot about lately, looking for investors for Canadian businesses. The largest percentage of Louis Lee's investors appear to be from outside of Canada and their entry into Canada would require the attention of a Canadian immigration officer.

Thirdly, they found that on the 1st of February 1990, Beirnes's ex-wife, Linda Glena, related that in a telephone interview with the RCMP, Beirnes had known Louis Lee since 1984. She advised that Lee would call Beirnes at any time of the day or night and from such places as Hong Kong. Glena felt that Lee was more a part of her husband's life than her own family and in her divorce petition, Glena outlined that Ron was able to obtain benefits from other contacts he has, such as expense-paid trips, furniture, jewellery, and other gifts. When the couple separated, Beirnes kept the Chinese commode and the cedar chest that he had received as gifts from Louis Lee.

Now, Madam Deputy Speaker, on the 6th of March 1991, Hung-Heng—Henry Yang—entered Canada on an employment authorization issued out of Detroit, Michigan. The authorization outlined that Yang was to be the manager of the Miracle Bakery in Winnipeg, Manitoba. Investigation revealed that Henry Yang had made an offer to purchase the Miracle Bakery with a partner, Jin-Hsiang Yang, on the 16th of August 1990. The transaction was to be completed by the 16th day of February 1991, however, the deal was never finalized and the

Miracle Bakery was never sold, at least up to the time that these documents were prepared.

Henry Yang's employment authorization was issued by an immigration officer in Detroit by the name of Jim Metcalf. Mr. Metcalf was investigated by the Winnipeg RCMP in 1988 for issuing immigration visas to persons illegally in Canada, but was never charged for the offences.

On the 23rd of April 1991, a private communication between Ron Beirnes and Jim Metcalf was legally intercepted in which Beirnes discussed obtaining a work authorization for a pastry chef out of Warsaw. The two men appeared to know each other well and discuss their friends in common. It is noted that with the sale of the bakery failing to go through on the 16th of February 1991 that the employment authorization issued on the 6th of March '91 by Jim Metcalf was either issued illegally or obtained by false documentation or misrepresentation by Henry Yang with Ron Beirnes' assistance.

Since his arrival to Winnipeg, Yang has been under the constant care and control of Ronald Wade Beirnes. Beirnes personally assisted in getting Yang's children settled in school and having his wife attend English classes. On the 18th day of March 1991, the authorization to intercept private communications also extended to Claro Paqueo and Bella Cortes.

Information obtained revealed an interest by several persons associated to Beirnes in the business activities of Yang. Information obtained indicated that a man by the name of George Plewczynski was going to sell the Miracle Bakery to Yang under the Entrepreneur Immigrant Program of Canada Immigration. This would guarantee that Yang would be landed in Canada and would not have to leave when his employment authorization expired on the 30th of April 1992.

Investigation revealed that Plewczynski was a close friend of Beirnes, that they continually socialized locally and on holidays outside of Canada. Plewczynski has been charged and convicted in 1980 and 1981 for hiring persons who were not legally in Canada.

Madam Deputy Speaker, to prepare the sale of a bakery, another associate of Beirnes, one Claro Paqueo, was brought into the picture. Paqueo acted as the real estate agent for his company, Homeland Realty. Paqueo also acts as an



immigration consultant though he is not allowed in the offices of Canada Immigration due to his history of harassments and manipulation of Immigration officers. Paqueo does, however, attend Beirnes' office to discuss matters relating to immigration. In 1985, Paqueo was charged and convicted for forging a document to facilitate an immigration process.

Madam Deputy Speaker, further investigation revealed that Paqueo had two other partners in his real estate company. One was Seech Gajadharsingh and the other was Bella Cortes. Now in November of 1990, Beirnes travelled to Hong Kong, Taiwan, Thailand and the Philippines on a ticket issued by Plaza Air Travel Services. This company is owned and operated by Bella Cortes who appears to be a close friend with Beirnes as well as Paqueo's business partner.

During his trip overseas, Beirnes met Seech and Paqueo in the Philippines. They returned to Canada together. Seech has been identified as a member of the Manitoba Family Services office. He and Beirnes have communicated on a regular basis and appear to be close friends.

Throughout the months of March and April 1991, problems regarding the sale of the bakery arose. Plewczynski could not decide if he wanted to sell the bakery, and Yang could not decide if he wanted to buy the bakery. Beirnes continually tried to get the two men to agree on any terms that might finalize the sale of the bakery. Paqueo held Yang's \$75,000—we have all heard about the \$75,000 deposit—and he would not return the money without receiving what he believed would be his commission on the completed sale of the bakery.

The loss of the \$75,000 caused concern for Beirnes because Yang needed the money if he was to invest in some other business to meet the requirements of the Entrepreneurial Immigration Program. Beirnes appeared to take the foul business deal personally, and he threatened both Plewczynski and Paqueo and eventually broke off contact with them.

On the 24th day of April 1991, the private communications of Paqueo and Seech were intercepted. Claro related to Seech that Plewczynski had indicated to him that the Beirnes had wanted the sale of the bakery and the landed status because Yang had promised him \$50,000. Paqueo, Seech and Cortes were to have divided the

sum of \$15,000, which would have been the commission on the sale of Plewczynski's bakery.

\* (1440)

Plewczynski had been asking \$300,000 for his business, which did not appear to be worth \$200,000. That is a common thread in these deals that have been exposed over the last three or four years, where it appears as though the people buying the property from Hong Kong and other places in fact end up paying sometimes double what the property is worth in this Winnipeg market, and this appears to be no exception.

The other point of interest here, of course, is that it is illegal for nonlicensed real estate people to divide real estate commissions.

On the 3rd of May 1991, Mr. Yang contracted Beirnes with reference to his immigration status in Canada, and Beirnes pointed out that Yang could not have gotten his employment visa without the bakery and that if word of it got back to Detroit, they would be in big trouble.

Beirnes outlined that Yang was only in Canada to work at the bakery and, now that the bakery did not sell, Detroit would cancel his visa. Beirnes advised that Yang's family should not be in school and that he should not have an employment authorization. Beirnes related that Yang would have to buy another business and that this time Yang must make the offer conditional upon his being granted landed immigrant status in Canada.

It appears the documentation showing that Yang actually purchased the bakery was submitted to the Detroit Office of Canada Immigration to facilitate the receipt of the employment authorization visa to Canada. Knowing that the bakery was not sold to Yang prior to his entry to Canada indicates that he entered Canada by misrepresentation and with what appears to be the help of Beirnes, Paqueo, Cortes, and Plewczynski.

Now, Madam Deputy Speaker, on the 3rd of May 1991, Beirnes received a call at his office from Linda Glena, his former wife. They discussed money situations, and Glena became upset and discussed Beirnes vacations that he does not pay for and stated that one of these days he was going to get caught. Now, Glena challenged Beirnes on where he got gifts, money, jewelry, and Beirnes gave few answers to her questions. Glena continued to question Beirnes on his complaint of being broke

and how he could have travelled to all the different places.

Information obtained during the investigation revealed that Beirnes travelled to Asia with one Randy Woo in January of 1989, to Europe with George Plewczynski in June of 1989, as well as to Acapulco in December of 1989. In 1990, Beirnes travelled with Claro Paqueo and Seech to Hong Kong, to Thailand, to Taiwan and the Philippines.

Now, on the 27th of April 1990, Paqueo forwarded a letter to Mr. Sam Lee regarding their business deal with Eddy Diaz and Vincente Hung for the purchase of Wescott industries in Winnipeg. Paqueo was requesting that Lee make a deposit of \$50,000 to show his willingness to conclude the deal.

Paqueo further advised that his closest friend, Ron Beirnes of Immigration Canada, is very reluctant to issue another letter of endorsement. Because they had only promises at this time, Paqueo advised Lee to reply right away so that he could convince Mr. Beirnes to prepare the letter. Beirnes would only be issuing a letter of endorsement if the business deal fell into business immigration guidelines or could be construed to fall within the immigration guidelines.

Madam Deputy Speaker, on the 1st of August 1990 Paqueo sent a letter to Linda Young regarding their business dealings with four investors coming to Canada who wanted to invest in nursing homes. Paqueo indicates that he wants Young to have one of the investors attempt to be processed for entry into Canada. He states that there is only one way that they can be interviewed for this month in August, to go through the favour of our friend, and they can be interviewed this month which will be the fastest process anywhere in Canada because the officer interviewing is his man in Michigan.

Paqueo asked Young to try one, referring to one of the four investors, and he indicates a person named Iri Fukuda because she has already been refused in British Columbia. He advises that he is being assured that she will obtain her landed immigrant visa without difficulty. Paqueo appears to be referring to Ron Beirnes, the Manitoba director of immigration as well as another immigration officer in Michigan who worked with Beirnes.

Now, Madam Deputy Speaker, on the 3rd of January 1991 Bella Cortes forwarded a fax to Jing Diaz, Richway Travel in Manila regarding Al Dimalanta, and she advised Diaz to relay the

following information to Dimalanta, and I quote: Please go to Canadian Immigration to submit a new application. Submit it and tell them you are informed by Immigration here. Your reason for coming to Winnipeg is for you to be the best man of your uncle, Claro Paqueo. You have to be there on or before January 6, 1991. Do not make a mistake. Just copy what we did in the first application.

Investigation has revealed that Paqueo is married with three children to this date, the date of the information that was drawn. There is no indication that he or any other member of his immediate family will be married. The information given to Dimalanta was to help him obtain a visitor's visa by misrepresentation.

Madam Deputy Speaker, on the 30th of April 1991 Paqueo sent a letter to Julian Glowacki, barrister, regarding his business dealings with a man named Yang, identified as Hung-Heng—Henry Yang—and the sale of the Miracle Bakery owned and operated by George Miroslaw Plewczynski of 1385 Main Street, Winnipeg. Paqueo had acted as the purchase and selling agent for Yang to enter Canada as an investor and purchase Plewczynski's bakery. Paqueo outlined that the prerequisite for Yang's landing in Canada was that he purchase the bakery. To the date of the letter, Yang did not purchase the bakery and was apparently renegeing on the deal. Paqueo was attempting to prepare a lawsuit against Yang and he was indicating his intentions to Glowacki.

Further investigation by the Royal Canadian Mounted Police brought to light the fact that Yang was in Canada on an employment authorization as the manager of the Miracle Bakery, and Yang's employment authorization was issued out of Detroit, Michigan, which appears to tie in with Paqueo's letter to Linda Young on the 1st of August 1990, as previously outlined in this particular report.

Now, Madam Deputy Speaker, on the 8th of May 1991 Ron Wade Beirnes was interviewed in his office by CBC reporter Diana Swain regarding his association with Paqueo and Seech. The story was then aired on local television on the 22nd of May 1991. When Swain questioned Beirnes regarding his holiday to Taiwan, Thailand, Hong Kong and the Philippines, he advised that he had met Seech and Paqueo and that he did not know that Paqueo was going to be there.

When Swain questioned Beirnes on being at the Winnipeg and Vancouver airports with Paqueo and Seech on his return home from the holiday, Beirnes denied being with them. Swain questioned him several times, and each time he denied being at either airport with Paqueo and Seech. However, surveillance photos taken by the RCMP showed the three men together and, quite obviously, conversing and friendly with each other. So, when Seech was later questioned regarding the same holiday, he advised the CBC that only Paqueo was on the holiday with him.

Now, Madam Deputy Speaker, it has also been established that Hung-Heng—Henry Yang—was also on the holiday with the three men, and it appears that all four of the men were continuing to conduct immigration business for their own personal gains. Paqueo refused to be interviewed by the CBC and thus leaving Beirnes and Seech caught up in their own lies, and the reason for these lies was not exactly known by the RCMP at the time that these documents were put together.

\* (1450)

Madam Deputy Speaker, on the 31st of May 1991, the RCMP received an anonymous letter at their headquarters in Winnipeg, and the letter alleged close social and business ties between Louis Lee and Ron Beirnes. The letter indicated that because of these ties that the sum of—get this—\$150,000 had been deposited to the Shanghai Charter Bank on Nathan Road in Hong Kong under the name WONG, BUN (RON BEIRNES, BEIRNES c. BUN). This information ties in with the previous information of paragraph c, and due to the government investigation guidelines between Canada and Hong Kong, the information had not yet been confirmed.

Madam Deputy Speaker, documentation seized as evidence revealed gifts given to Ron Beirnes by Claro Paqueo. Documentation identified as a receipt from Peoples Jewellers dated 12/26/89 for glassware totaling in price to \$11.77. The receipt had the words "Gift for Ron Beirnes" written on the top of it, apparently by Claro Paqueo, and the notation in Paqueo's diary for 1990 showed his notation for the 24th of December: Went to see Ron Beirnes at his office, 11:30 a.m.; presented a black Cross pen.

(Mr. Speaker in the Chair)

Mr. Speaker, one can see that in the past 20, 21, 22 minutes I have outlined a considerable number of accusations that have been made, that are being made, that were made by the RCMP to justify searching the premises of several people involved in this scandal, and I think that this was by no means the end of all of the accusations.

In fact, another accusation that was made involved—on the 5th of April 1991, at approximately 9:17 in the morning, Ron Beirnes contacted a female, later identified as Fidela Bernardo in his office at Canada Immigration. During their conversation Bernardo questioned Beirnes regarding whether her domestic help could work for someone else while Bernardo was away on holiday. Beirnes advised Bernardo that legally the domestic help could not work for anyone else, and that if she did that Bernardo should keep it quiet and when she returns from her holiday her domestic help returns to work for her.

Investigation revealed that Bernardo's domestic help was Devina Briones, who arrived in Canada on the 13th of March 1991 on an employment authorization to work only for Fidela Bernardo at her address at 809 Arlington Avenue in Winnipeg. In closing their conversation, Bernardo offered to help her domestic help clean Beirnes' apartment. Beirnes agreed to have Bernardo's domestic help clean his apartment, which would be illegal for the domestic help to do. No date was set, however, by the two in arranging for the clean up.

Now, Mr. Speaker, I think it is becoming clear that at bare minimum the government should allow us to go to a public inquiry. I do not know what they have to gain by refusing to allow public inquiry to take its course. It would save them the embarrassment of having to answer, day after day, week after week, in what may turn in to month after month, very embarrassing questions that in many cases they really do not know the answers to when they are asked.

By the way, I think in the final analysis the public pressure will get to the point where in fact they will be forced to bring forward a public inquiry into this emerging scandal. So what will they have gained? They will have spent a month stonewalling, a month hiding on these issues, and in the final analysis, they are going to have to do what we and the Liberals have been asking them to do in the first place, in any event.

Now, Mr. Speaker, I did want to make some comments about the questions here dealing with the nursing homes, because it seemed to me quite interesting that at a time in Manitoba when nursing home applications, or new nursing homes had been put on hold, had been frozen by Wilson Parasiuk when he was the minister, and at a time when there are not that many nursing homes to begin with in Manitoba, that there would be such an interest in the purchase of nursing homes in this province. We have at least four investors coming to Canada in this particular document here, who are showing an interest in investing in nursing homes. We are aware of another investor who was seeking to invest in nursing homes. One wonders what all the interest was in nursing homes, and perhaps the events of the next couple of days will, in fact, shed some more light on that situation.

Well, the Minister of Finance (Mr. Manness) feels that we are wasting time and he would like to speed things along. I can see why he would like to do that. I would say to the minister that as a member of this House, each MLA is given 40 minutes per session to make a grievance. I do not think it is a right or incumbent upon him in any way to suggest what the content should be or suggest that the timing somehow should be in any way different for me as a member than anyone else in this House.

If the member does not think this is interesting enough, I can certainly—

**Mr. Speaker:** Order, please; order, please. I have been extremely tolerant with the honourable member for Elmwood (Mr. Maloway) as he has so indicated in the reference that he has just made. I would like to remind the honourable member of Beauchesne's 496: "A member may read extracts from documents, books or other printed publications as part of a speech provided that in so doing no rule is infringed. A speech should not, however, consist only of a single long quotation, or a series of quotations joined together with a few original sentences."

Now, I would ask the honourable member for Elmwood (Mr. Maloway) to carry on with his remarks but just to remember that we are listening.

**Mr. Maloway:** Thank you, Mr. Speaker, and I guess at this point I might say that I have concluded all of the readings that I wanted to entertain and read into the record this afternoon. Perhaps the government will read Hansard and get an

appreciation for and a feel for the flavour of these allegations and recognize that these are by no means all of the allegations that are in print. In fact, I read no more than two or three pages of one document, which consists of a half a dozen, so I would perhaps have 12 to 15 pages here if I were to read everything into the record. I think three pages is all that I was able to do with the apparent time allotment.

I must also point out to the member that when one is dealing with legal-type documents that one should be exact in the reading of the documents into the record, that no liberties should be taken. I was not attempting to do that.

I will say that if the government feels for a moment, and I believe they do, that they only have to sit here for another week, week and a half, and then they are home free, they should think again. They should think again because this story is just beginning to emerge. This whiff of scandal that is starting to affect this government, we are just seeing the beginnings of it right now. I think many months from now the members opposite may rue the day that they stonewalled so long, hoping the issue would go away and that it would be put under the carpet.

They will probably six months from now wish that they had come clean in the beginning, that they had called for a public inquiry and that the whole process would have been dealt with and dispensed with in short order, leaving them time to do their other things. I think that what they will find is that as time goes by these various scandals will continue to sap their strength. They will find they will be putting more effort into damage control. They will be finding that so much of their efforts will be spent on this that they will not have sufficient time for other activities. That is the problem that the government is facing right now.

\* (1500)

I think they are not even clear in their own minds, because we have certainly seen over the years—I have seen governments on one occasion make an argument that we should not have a public inquiry into a certain issue and then within days call for that same public inquiry themselves. I think that each member over there, each member in that caucus has to sit back—the member for Portage la Prairie (Mr. Connery), the member for Emerson (Mr. Penner)—all the members over there have to sit back and decide whether they feel that this

government is taking the right road in this scandal, whether they feel that the public and the government itself might not be better served by having a public enquiry. I think that at a certain point their consciences will get to them and, as these allegations come out, I think more and more of them will become disenchanted with the role that the government is playing in this, I think, and rightly so. More and more of them are going to be calling in maybe quiet voices, maybe just whispers to start with, but I think as the days go by, their quiet calls within their caucus for a public inquiry will increase, and I think there is a possibility that some of them may go public.

You saw today in Question Period my Leader revealed a letter from a former head of the Intercultural Council where she has asked for a public inquiry. I think that is just the beginning of that. We are going to see a lot of people coming forward, organizations coming forward, in the next while as more revelations come out asking for a public inquiry.

Another reason people may be a bit reluctant to go with the public inquiry or demand a public inquiry is that people fundamentally feel powerless when dealing with the government. They say, well, I know this piece of information, but I do not feel that my information will be enough to make any serious changes, so I am not going to proceed with it, or they are reluctant to commit it in writing for fear of having to deal with the RCMP and so on.

What you see coming forward in terms of depositions that people make, in terms of allegations that people make is only, in my opinion, the tip of the iceberg. If you could get beyond those three or four people that are brave enough to come forward and make depositions, you will find literally dozens of people out there who know all sorts of stories of improper behaviour.

They phone us every day. They phone the Liberals; they phone us; they phoned the members opposite when they were in opposition; and they acted in typical Watergate fashion as the Deep Throat in that story did. They pass on information to us, so we do get information from sometimes one or two sources on the same topic.

When it comes time to us getting them to put it in writing and to notarize it, sign an affidavit, take it to the police, that is a big step for these people. Many

of them would just prefer to live with what they know and not take that extra step.

I can tell you what happens once the cat gets out of the bag. People get bolder when they actually see Ron Beirnes being forced out of his job, because up until the day he was out of there, a lot of them thought, maybe not, maybe he will not be out of there, I have to watch my "p's" and "q's", I have friends, I have relatives whom he may be able to affect. Now that he is gone, I think a lot of them are becoming bolder.

The press have to be given full credit for their dogged determination in ferreting out these stories and sticking with it, because they too have encouraged people to go that extra step, to leak that report, to sign that affidavit, to phone us as critics and tell us what they feel the real story may be.

We have to recognize that sometimes they do not have the full story either, but when we put that in the context of three or four phone calls about a story, a clearer picture starts to emerge. You know the old saying, generally, where there is smoke there is fire. When you have three or four people coming to you, giving you a story that sounds fairly similar to another three or four stories, you know you have something there and you cannot ignore it, and that is what this government has tried to do. They do it at their peril. We know now today far more than we did last week about this scandal. We knew last week far more than the week before. More information is coming out all the time, and I can assure the members here that they need only hold onto their hats, because there is a lot more to come in the next few days and the next few weeks.

With that I will close and allow the House to get back to the Estimates process.

### House Business

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, before you put the motion, I wonder if I could make another announcement of House business. I would ask whether there is willingness to waive private members' hour.

**Mr. Speaker:** Is it the will of the House to waive private members' hour?

**Some Honourable Members:** Agreed.

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

**Mr. Manness:** I would just like to again re-emphasize some Estimates orders. I had

neglected to mention Environment Innovations Fund, and I would propose, as per the other motion, that that be added right after consideration of the Department of Environment. That is the Environment Innovations Fund. It has its own vote in the Estimates book.

**Mr. Speaker:** Is there leave of the House to allow the Environment Innovations Fund to follow right after Environment in the Chamber? That is agreed?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** Okay. That is done.

**Mr. Manness:** Mr. Speaker, I just wish to make clear the ten o'clock call Monday of those committees. That will be to consider clause by clause.

**Mr. Speaker:** I would like to thank the honourable government House leader for that information.

**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 St. Norbert (Mr. Laurendeau) in the Chair for the Department of Energy and Mines, Legislation, Employee Benefits and Other Payments, Internal Reform, Workforce Adjustment and General Salary Increases, Government-Labour Sponsored Employee Ownership Fund, Canada-Manitoba Enabling Vote, Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities, Emergency Expenditures; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Environment.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY—ENERGY AND MINES

**Mr. Deputy Chairman (Marcel Laurendeau):** Good afternoon. This afternoon the committee meeting in Room 255 will be considering the Estimates of the Department of Energy and Mines.

The honourable minister, do you have an opening presentation?

**Hon. Harold Neufeld (Minister of Energy and Mines):** Yes, Mr. Deputy Chairman. I am indeed pleased to present our department's Estimates for the 1991-1992 fiscal year.

The foundation for a significant portion of Manitoba's economy results from the development and use of the substantial mineral and energy

resources with which our province has been endowed.

It is our department's responsibility, Mr. Deputy Chairman, to ensure that the energy and mineral resources are developed and managed in a way that benefits both present and future generations of Manitobans. You will see three significant changes from last year in our presentation of expenditure Estimates for the department.

First, we have established a Marketing Branch. It is listed as subappropriation 1.(d) in Administration and Finance main appropriation. The creation of this new branch is evidence of our commitment to undertake initiatives to stimulate economic growth and mineral development in Manitoba and to encourage effective energy use, management and conservation. Resources for the Marketing Branch, primarily relocated from within the department, provide for 14 staff years and \$664,700 in salaries and operating expenditures.

Next we have established a Conawapa Co-ordination Unit. It is listed under 2.(f) of the Energy main appropriation. The unit will ensure the co-ordination of the provincial government departments, Manitoba Hydro and the federal government. Funding provides for two staff years and \$269,800 for salaries and operating expenditures.

The third major change is the termination of the Manitoba Energy Authority. As shown in the main Estimates reconciliation statement, administration of the Dow Corning silicon product development project has been transferred to the Department of Industry, Trade and Tourism.

Mr. Deputy Chairman, the department has two operating divisions, the Energy Division and the Mineral Division. They carry out the functions of the department. Support to both divisions is provided by the Administrative Services Division.

We will deal first with the Energy Division. The goals of the Energy Division are to ensure a secure supply of energy at a reasonable cost and to promote the efficient use and conservation of energy; to encourage alternative fuels and transportation modes which protect the environment and a reduced dependence on energy resources imported by the province; and to encourage the exploration, development and production of the province's petroleum resources in a way that

provides maximum benefits to Manitoba with due regard to protection of the environment.

Estimates for the Energy Division reflect a reduction in resources, most of which is a result of transferring responsibility for the Home CHEC program to Manitoba Hydro.

We continue to review our energy conservation programs however. It is important that they reflect the economic and environmental benefits derived through effective energy conservation and efficiency. Our department continues to play a lead role in co-ordinating the promotion of energy conservation and efficiency as well as providing up-to-date energy information to the people of Manitoba. However, we believe that our main role should be that of a catalyst and facilitator to ensure energy conservation and efficiency are priority issues for all aspects of the energy sector.

An example of this role is the close working relationship between the department and Manitoba Hydro as the utility launches into Power Smart. This customer-oriented, long-term energy conservation program promotes the wise and efficient use of electricity. October has been set aside as Power Smart Month. Manitobans will be encouraged to adopt new energy conservation ways of living.

All of us will recall the Persian Gulf crisis this year, Mr. Deputy Chairman, and the fears it evoked for global oil supply security. In Manitoba, it underlined the need to have a contingency plan in place to meet any oil shortage. Energy and Mines moved quickly and efficiently to address this potential problem. We worked closely with the federal, provincial and territorial governments to ensure a co-ordinated response. The crisis now over, we are reviewing the contingency plan so that it can be incorporated into the province's overall emergency planning.

A sustainable development energy strategy is close to being finalized. The draft strategy was distributed to individuals, businesses and organizations. As well, Mr. Deputy Chairman, public workshops were held across Manitoba.

The public response generated by this process is an essential component of the development of a long-term energy strategy for Manitoba. Another aspect is the drafting of an energy act which is currently in an advanced planning stage. The proposed act will provide the authority and the framework to guide and establish energy policies

and programs for the province consistent with the principles of sustainable development.

\* (1520)

The Energy Programs Buildings Branch has responsibilities in the residential, institutional, commercial, industrial and demonstration areas. Our department continues to work closely with Energy, Mines and Resources Canada, Manitoba Hydro, the Canadian Electrical Association and the Manitoba Home Builders' Association.

The objective of the Energy Programs Transportation Branch is to be a catalyst in encouraging energy efficiency and alternative fuels and transportation modes consistent with the principles of sustainable development.

The mandate of the Petroleum Branch is to encourage the development of petroleum resources in Manitoba in a way that provides a benefit for today without jeopardizing the future for our children and grandchildren.

Manitoba's oil patch produces the equivalent of 25 percent to 30 percent of the petroleum demand in the province. New investment and exploration and technological innovations are needed if we are going to sustain a viable petroleum industry. Our staff is aggressively marketing resource development opportunities. For instance, our staff participated in the Weyburn Oil Show. They will be making presentations as well at the petroleum symposium in Regina and Montana as well as at a seminar in Calgary.

The special horizontal drilling incentive introduced by our department last September, Mr. Deputy Chairman, has generated considerable interest. Manitoba's first horizontal well has just been drilled, and other horizontal wells may be drilled before the end of the year.

New legislation is planned which will embrace sustainable development while removing administrative complexities which discourage petroleum development, Mr. Deputy Chairman. Petroleum industry-specific legislation will be removed from The Mines Act and incorporated into the new act.

Drilling and enhanced oil recovery incentive programs are scheduled to expire at the end of this year. Mr. Deputy Chairman, they are being evaluated. Recommendations will be brought forward for extending or modifying these incentives. The analysis to date indicates that they have been

successful in maintaining a reasonable level of activity during periods of low oil prices.

As I mentioned earlier, Mr. Deputy Chairman, we have established the Conawapa Co-ordination Unit to deal with government planning and programs related to Conawapa, Manitoba Hydro and the federal government. We want to ensure that the development of Conawapa and the associated transmission lines proceeds with maximum benefits occurring to aboriginal people, northern residents and Manitobans in general.

The unit is co-ordinating the efforts of interdepartmental working groups currently evaluating and assessing northern work force skills, training needs, in addition to employment and business opportunities. The result will be programs designed to maximize the opportunities presented by the Conawapa project.

Training programs, Mr. Deputy Chairman, will focus on developing skills required by northern industries and developers as well as for Conawapa. They will be delivered primarily through existing training agencies.

Let us move on to look at our mineral resources, Mr. Deputy Chairman. This division, as you are aware, has both a regulatory and a promotional role. Together they ensure responsible development of mineral resources in Manitoba. The Geological Services Branch provides support to the mineral exploration industry. The recent signing of the Canada-Manitoba Partnership Agreement on mineral development, Mr. Deputy Chairman, reinforces that mandate. Efforts under the MDA during the next four years will focus on generating the essential base-line information required by industry to find new base metal deposits in the region feeding the Flin Flon smelter.

We will address the mine seeking needs of mineral industry through a co-ordinated build-up of mapping and deposit documentation in Flin Flon and Snow Lake regions, as well as the Thompson nickel belt. We will undertake geological mapping and investigation of the northeast sector of Manitoba, especially the highly prospective Oxford, Gods Lake and Red Sucker Lake regions, to stimulate increased exploration for base, precious and rare elements. We will assess industrial mineral commodities and promote new industrial applications.

We continue to target improvements to effectiveness and safety. Research under the MDA will explore new ways of treating and neutralizing the environmental impact of acid mine drainage. The Mines Branch, Mr. Deputy Chairman, ensures that provincial mineral resources are explored, developed and extracted in a manner which provides the maximum benefit to Manitobans. A sustainable development minerals work book was widely distributed, and public workshops were held in all regions of Manitoba. The mineral strategy is part of the broader land and water strategy for Manitoba.

The new Mines and Minerals Act, Bill 6, was introduced to the House earlier this year, Mr. Deputy Chairman. It provides the essential operating framework for mining and exploration companies as well as individual prospectors in Manitoba. It establishes rules which we consider to be fair, equitable and comprehensive, enabling people to operate in full knowledge of the requirements and onus placed on them. At the same time, they will understand what they can expect from government in terms of service and security of mineral rights.

As you know, we have set ourselves a task of stimulating and encouraging investment in Manitoba in a manner consistent with sustainable development. The new Mines and Minerals Act is at the cornerstone of our goal to achieve a positive business climate for mineral development. During 1990, Mr. Deputy Chairman, 67 companies and 34 prospectors engaged in mineral exploration in Manitoba. The value of industrial and metallic mineral production was \$1.2 billion. The substantial revenues from the mineral sector in recent years have helped to moderate economic restraints placed on the province. We are committed to aggressively pursuing investment opportunities which will result in economic growth in Manitoba.

I would like to take this opportunity, Mr. Deputy Chairman, to express my appreciation to the staff of Energy and Mines. They are to be credited for their hard work and dedication in delivering our departmental programs. I welcome this opportunity also to discuss these Estimates and our programs with my honourable colleagues. I thank you.

**Mr. Deputy Chairman:** We thank the honourable minister for those opening remarks. Would the critic for the official opposition, the honourable member for Point Douglas, have any opening remarks?



**Mr. George Hlckes (Point Douglas):** Mr. Deputy Chairperson, first of all I would like to take this opportunity to thank the minister for the co-operation that I have received to date, especially when we were dealing with Bill 6. I had nothing but the fullest co-operation, and any questions that I had asked were answered to the best of their ability. I look forward to going through the Estimates with the minister and his staff.

Some of the issues that we will be raising is where we see where people are being laid off in the government system, the addition of new staff that were added on or new positions that were established by the government. I will be seeing if some of the people affected by the layoffs have had the opportunity of being relocated to the new positions.

The other thing that I am very interested in is the Conawapa co-ordinating unit, how the training and the unit will be functioning, and what steps the government has taken to ensure that northern and especially aboriginal people will be full partners of, hopefully, some form of agreement to ensure that aboriginals and Northerners have adequate job opportunities.

I do not want to take too much time now, so I would just like to reiterate and say I would like to thank the minister and his staff for the co-operation that I have received to date.

**Mr. Deputy Chairman:** We thank the honourable member for those remarks. Does the member for the second opposition party, the honourable member for Crescentwood (Mr. Carr), have any opening remarks?

**Mr. James Carr (Crescentwood):** Mr. Deputy Chairman, the Department of Energy and Mines is very important for Manitoba. You would not always know it by the amount of attention it receives from the press, for example, but the whole issue of an adequate supply of energy resources for Manitobans is really one of the most fundamental components of our public policy. Just try turning out the lights for a while and you will see how long it takes for the public to be interested.

In that regard, it is interesting to observe that a bill, Bill 6, which is a consolidation and an overhaul of The Mines Act—I do not know whether it is 40 years or 60 years, we get competing figures, but it is a long time in either case, before I was born, since there was an overhaul of that act. Yet I do not

believe there was one word reported in the newspapers or one story on television or the radio about The Mines Act.

The minister, in our exchange back and forth will correct me if I am wrong, but I believe that is true. There was no reportage at all of The Mines Act. Maybe that is because it was not politically controversial, and the opposition did not make a big stink. Nonetheless, what is done through that legislation is very important to the future of mineral exploration in Manitoba.

The minister is also responsible for Manitoba Hydro. Manitoba Hydro is on the verge of borrowing some \$6 billion for a major hydro development in northern Manitoba. So combine all of the features of this department and you have one very important piece of public business. It is this several hours in front of us now when the opposition has its opportunity to question the government, to probe, to ask for explanations for government policy, and we intend to do that, particularly in the area of energy and Manitoba Hydro.

\* (1530)

Rather than taking up a great deal of the committee's time with opening statements, we will just let the minister know that we intend to question him closely on the search for alternate sources of energy, for energy conservation, for the relationship between his department and Manitoba Hydro, for the winding down of the Manitoba Energy Authority and, no doubt, a number of other issues. So let us get on with it.

**Mr. Deputy Chairman:** I thank the honourable member for those remarks. At this time I would like to invite the staff of the minister to come forward, and if the minister could introduce that staff.

**Mr. Neufeld:** Mr. Deputy Chairman, Dr. Ian Haugh is already here with me and coming up now will be Mr. Garry Barnes, Mr. Craig Halwachs, Mr. David McRitchie, Mr. Ron Pritchard, and Mr. Art Ball.

Mr. McRitchie and Mr. Ball are with the Mines division and Mr. Pritchard is with the Energy division. Mr. Halwachs and Mr. Barnes are in the administrative division.

**Mr. Deputy Chairman:** Thank you, Mr. Minister. We will now move to line 1, Administration and Finance. As is usual within the Legislature, we will leave the Minister's Salary till last.

We will move onto 1.(b) Executive Office: (1) Salaries \$296,300—pass; 1.(b)(2) Other Expenditures \$77,900—pass.

1.(c) Administrative Services: (1) Salaries \$677,800.

**Mr. Carr:** This is the only line in this item that shows an increase over last year. Can the minister give us an explanation of how the dollars are being used and just what the marketing thrust is of the Administration and Finance portion of this department?

**Mr. Deputy Chairman:** We are dealing with 1.(c) Administrative Services: (1) Salaries \$677,800? Is that correct? (c) on page 49?

I have to find out. I think he is in the—which page were you on, Mr. Carr?

**Mr. Carr:** I am on page 15 of the Supplementary Information for Legislative Review, item 1.(d) Marketing, under Administration and Finance.

**Mr. Deputy Chairman:** Okay. I am sorry. That is not where we—I was going out of the Estimates book itself.

**Mr. Neufeld:** If I have the right page now, Mr. Deputy Chairman, it is the \$677,800 as opposed to the \$668,700 from last year. Am I in the right spot here?

**Mr. Carr:** No. We are operating from two books. It is probably not a good idea.

**Mr. Deputy Chairman:** No. It is easier to operate out of one book. You can do it if we go along the lines and run both to the same.

**Mr. Carr:** I was working from page 15.

**Mr. Deputy Chairman:** Page 15? Go to your Supplementary, page 15, and that would have been under (a).

**Mr. Carr:** The first item is Minister's Salary, which we defer, and then his Executive Office, then his Administrative Services and then his Marketing. My question was related to line 1.(d).

**Mr. Deputy Chairman:** 1.(d) Marketing.

**Mr. Carr:** Is that a problem?

**Mr. Deputy Chairman:** Item 1.(d) is (d) Marketing in the Estimates book on page 49, which is the next category. That is the next line down. So there were no questions under 1.(c) Administrative Services, is that correct?

**Mr. Carr:** That is correct.

**Mr. Deputy Chairman:** Okay, I will pass those two and then we will move onto Marketing.

Item 1.(c) Administrative Services: (1) Salaries \$677,800—pass; 1.(c)(2) Other Expenditures \$236,600—pass.

**Mr. Carr:** Well, now that we are here—

**Mr. Deputy Chairman:** 1.(d) Marketing: (1) Salaries \$516,700.

**Mr. Carr:** Hang on. Mr. Deputy Chairman, under 1.(c)(2) Other Expenditures there is a substantial drop of some almost \$300,000 from last year. What is the explanation for that substantial reduction in Other Expenditures?

**Mr. Neufeld:** Mr. Deputy Chairman, those are the administrative costs associated with the Home CHEC program, which has been turned over to Manitoba Hydro.

**Mr. Carr:** Fine.

**Mr. Deputy Chairman:** Okay, that is passed.

Item 1.(d) Marketing: (1) Salaries \$516,700.

**Mr. Carr:** That is where my original question applies.

**Mr. Neufeld:** Mr. Deputy Chairman, this is a position in the central communications division that has been assigned to us, to our department. We have given up some of our communicators and we have been assigned one communicator from the Central Division. One position has been assigned to our Estimates, to our budget.

**Mr. Hickes:** I would just like to know, this position that was transferred or filled, did this individual fall into the affirmative action policy?

**Mr. Neufeld:** It was an existing position that was with the central communications division. While it was not necessarily targeted as affirmative action, it happens that an affirmative action person was attached to our department.

**An Honourable Member:** Just a transfer.

**Mr. Neufeld:** Yes.

\* (1540)

**Mr. Deputy Chairman:** Item 1.(d)(1) Salaries \$516,700—pass; 1.(d)(2) Other Expenditures \$148,000—pass.

We will now move onto appropriation 2.(a) Energy Administration: (1) Salaries \$150,200.

**Mr. Carr:** Mr. Deputy Chairman, I have a couple of questions to the minister on the whole are of energy

conservation and the search for alternate sources of energy.

The last time we went through the Estimates process we asked a series of questions of the minister, specific questions about what his department was doing to research alternate sources of energy, such as solar and wind power. I wonder if the minister can give the committee a report on progress to date from the last time we asked these similar questions.

**Mr. Neufeld:** As I mentioned earlier in my opening remarks, it is not our intention to operate programs or projects. It is our intention to act as a facilitator, to act as a catalyst, and to inform those who are more closely involved in the program delivery as to alternate sources, as to areas of research that have been undertaken in different parts of Canada and North America, but not necessarily to act as a program deliverer in the research programs.

**Mr. Carr:** Is that the extent of the minister's answer to my question?

**Mr. Neufeld:** We have, Mr. Deputy Chairman, been aggressively pursuing strategies that will be in conformity with sustainable development. To answer a question directly of what we have done to develop alternate sources of energy is not something that I can do today, because there are not alternate sources of energy that have been developed. We have kept abreast of all research that has gone into the development of alternate energies not only in Canada but in the United States and in other parts of the world. As I said earlier, we are not in the business of delivering these programs. We are in the business of making certain that people who have the facilities for research have the knowledge necessary to enable them to do the research.

**Mr. Carr:** With all respect to the minister, Mr. Deputy Chairman, it says that this section of the department is in the business to research and develop renewable and alternate energy sources and energy conservation techniques. If that is not what the department is doing, then it probably ought to be taken out of the Estimates book. If the mandate of the Energy branch is to research the possibilities of developing renewable and alternate sources of energy, then we would like to know what they are doing. What is the state of the research? You say that you are monitoring developments elsewhere. Does that mean that the department's

approach is purely passive, or is it taking some more active involvement in researching on its own alternate sources of energy?

**Mr. Neufeld:** Mr. Deputy Chairman, the department has worked and is working with the transportation industry to find more efficient ways of transporting goods. By more efficiency I mean to get more efficient use of fuel. We have worked with Centra Gas and the former ICG on natural gas for vehicles. We have worked with the ethanol and gasohol people. We have worked for the last five years on lease cost initiatives which we have turned over to Manitoba Hydro. There are a number of things that we have worked on in the department that does not necessarily result in an immediate show of result but, nevertheless, it is an important part of the department's work.

We cannot expect the department, I think, to enter into long-range programs that are going to be very costly. We expect the industry to get involved in programs and assist in the cost of the research and developing of alternate sources of energy.

**Mr. Carr:** Mr. Deputy Chairman, we have a pretty sunny climate here, not lately mind you, but the hours of sunshine in Manitoba are impressive. We are a prairie city. We are pretty windy. I think the minister has actually taken a trip or two to investigate the state of the art in solar and wind generation. Can he report to us the state of research in his own department and to assess the possibilities in both solar and wind power generation for Manitoba?

**Mr. Neufeld:** With respect to solar power, Mr. Deputy Chairman, we are monitoring the work that has been done by Saskatchewan Power. One of the difficulties with us getting into this is that Manitoba's source of electricity is too low to make the solar energy a reasonable alternative. We have followed the work done by the National Research Council with respect to generation of electricity by wind power. Their results have been inconclusive at best. For these and other reasons we have decided to direct our resources to natural gas vehicles, to ethanol, to transportation efficiency, fuel efficiency, lease cost or demand side management.

**Mr. Carr:** I take it from the minister's answer that there is no further research anticipated in the department on either solar or wind power. Is there a response?

\* (1550)

**Mr. Neufeld:** Our energy strategy has not yet been finalized. Until that happens, we will be monitoring only the solar- or wind-generated energy. I think it should be said that we do not want to reinvent any wheels. If somebody else is involved in the research, it is efficient for us to make certain that we are kept fully aware of what is going on. As we finalize our energy strategy for the future, we will be in a better position to decide in what direction we wish the department to move.

**Mr. Carr:** I am interested in ethanol. Can the minister give us an update on departmental research into the use of ethanol? He may know that there is a private members' resolution on the Order Paper that will not likely be debated this session that suggests that the government of Manitoba may want to use ethanol in the fleet of government vehicles. Has the minister given any consideration to that resolution and just how far down the road are we in the department in researching the efficacy of that idea?

**Mr. Neufeld:** There is a project in Regina—transit buses—conducted by the National Research Council that is at this point inconclusive. The information we have to date on work that has been done in both Manitoba and Regina is that the cost is still too great for ethanol as an alternate fuel. Manitoba, as you may be aware, is still offering tax concessions to the ethanol plant in Minnedosa. Even with that, the cost is still too great.

**Mr. Carr:** Presumably, though, if more ethanol was used the cost would be lowered. That is pretty basic economics. The government could show some leadership, I would think, by using that fuel which has other economic spin-off benefits, obviously, to producers in our province. What is the strategy? Are we going to limp along here or are we going to be a little more bold?

**Mr. Neufeld:** In the long term, ethanol may well come into its own. It is the experience in plants operated in the United States that are more than 10 times the size of the plant we have in Manitoba, but it is still not cost effective. I think we are, at this point, directing our energies towards the research in natural gas. We have a project going with Centra Gas at this moment.

**Mr. Hickeys:** Mr. Deputy Chairperson, I just like to follow up a little bit about wind generation. I am sure the minister is aware that there is a home in Churchill, Manitoba, in northern Manitoba which

produces their own power with a windmill. I am just wondering if the minister has sent any staff or if any staff have been involved in evaluating that to see if there is a possibility of expanding that process to some of the more remote northern communities where they have no access to power except through diesel generators and what have you. Is there anyone on the staff monitoring that?

**Mr. Neufeld:** I am advised, Mr. Deputy Chairman, that our staff has not been up there to look at it, but since it has been brought to my attention, I will discuss with staff in the next week about going up there to have a look at it to see whether there is anything we can learn from this particular house.

**Mr. Hickeys:** I would be very interested in seeing the whole operation of that windmill, because I think that is the way we are headed for the future. The reason I say that is that I mentioned in the past—I would just like to ask the minister if it shows that a windmill or a cogeneration is viable in Manitoba, if you perfected it here and manufactured it and sold it out of Manitoba to create jobs. I know in the Northwest Territories it is barren land and there is a lot of wind. In the summer, you have almost 24 hours of daylight.

Have the minister and his staff looked at the possibility of cogeneration, perfecting it and manufacturing it here in Manitoba to export, say, even to the Northwest Territories?

**Mr. Neufeld:** If we are going to talk cogeneration, that is Manitoba Hydro. Manitoba Hydro has a policy of cogeneration, although they have not had anybody come to them with a plan at this point as far as I am aware. The difficulty with cogeneration, of course, is that they have to be able to generate it at a price that Hydro can afford to buy it at and sell it to its consumers.

To date, I am aware of one instance where a proposal was made to Hydro, but the selling price that was proposed was half again the cost to the Manitoba consumer. In other words, the Manitoba consumer, I believe, pays in the neighbourhood 40 mills. This is the residential consumer. The proposal was to sell the power back to Hydro at about 65 mills. So it simply is not economic as we sit here. It could well be, as our costs increase, and it is increased costs that give initiative to those who are looking to decrease their energy costs and to those who are looking for a new industry, but, as we sit here today, cogeneration has not been

something that has been proposed by anyone as a viable commodity for Manitoba Hydro to take.

\* (1600)

**Mr. Hickes:** I guess when we get into Manitoba Hydro, whenever that will be, maybe that would be the best time to pursue this, so I will leave that.

I would just like to ask the minister, in Supplementary Estimates on page 25, you have one staff at \$34,000, Professional/Technical—that was in 1990-91; and March 31, 1992, that staff position is no longer there. I just would like to ask, is that a straight layoff, or was that a transfer into another department?

**Mr. Neufeld:** That was a vacant information writer position that was eliminated during the year.

I thought I answered the question.

**Mr. Hickes:** I guess I should rephrase that. This individual, was it a layoff? That individual—were they laid off from the government or were they transferred to another department?

**Mr. Neufeld:** The position was vacant. There was no warm body in that position. The position was cut.

**Mr. Hickes:** In 1990-91?

**Mr. Neufeld:** That is right.

**Mr. Deputy Chairman:** Item 2.(a) Energy Administration: (1) Salaries \$150,200—pass; 2.(a)(2) Other Expenditures \$34,400—pass.

2.(b) Energy Planning: (1) Salaries \$336,800.

**Mr. Hickes:** In Reference 2, we see at the bottom where it says the government will complete a provincial contingency plan to deal with oil shortages. I would like to ask the minister if this has been completed, and if it has been, is it possible for the minister to table this so that we could have a chance to read it?

**Mr. Neufeld:** I should say, Mr. Deputy Chairman, that any oil crisis planning that we do in Manitoba has to be in conjunction with not only the other provinces and the Government of Canada, but the Government of Canada, in turn, is involved in contingency planning with about 20 other countries. So we have to do this in conjunction with the obligations placed on Canada first of all, and then Canada places obligations on the provinces. While we are still working on it, the planning process is not yet complete.

**Mr. Carr:** Mr. Deputy Chairman, in the Activity Identification section in the Supplementary

Information it says that this branch: "Identifies opportunities for improving the efficiency of energy use within Manitoba."

Can the minister tell us what opportunities have been identified?

**Mr. Neufeld:** This is again the identifying of areas in which Manitobans might conserve energy. That goes from electricity to natural gas to oil to running your cars. We have projects, as I indicated earlier, with the transportation industry. We have information going out to Manitoba Hydro. We have an information centre where people can phone in and obtain information on energy conservation. So there is a whole raft of things that the department is doing and has done and will be doing to help Manitobans conserve.

I have to say, though, that the best conservation and the only real conservation is for people to identify themselves with the need for conservation. I think that we in Manitoba have been wasters of energy. We have to educate Manitobans to conserve energy. This is the direction that we, as a department, are taking.

**Mr. Carr:** Well, I am glad to hear that, Mr. Deputy Chairman. That is why I am asking these questions, to determine just what role the government is playing in order to educate Manitobans about conservation of energy and the efficient use of energy.

Can the minister give us some examples of how the opportunities, once identified, are communicated to Manitobans so that government can point out to consumers of energy just how they could perhaps do a better job? Let me give you one just very simple example as staff prepares some response.

If we were to walk out of the building onto Broadway and check the cars passing by, probably three or four out of five would only have one person in them. If they had two or three people in them, there would be an enormous saving of energy. That is obvious. That does not require an expansion of ministerial staff. -(interjection)-

I do not think the Minister of Culture (Mrs. Mitchelson), who just walked in, would even want to have a look at the state of my car—two-tone rust; that is neither here nor there—very old and very energy efficient, as it happens.

That is just an obvious example where energy can be saved. Government, and I am glad the minister

agrees, has a role to play. Using that example, and any others that the minister might be able to use, how is he communicating what his department identifies as opportunities for energy efficiency?

**Mr. Neufeld:** Mr. Deputy Chairman, I think we have to recognize, first of all, that the incentive for energy conservation has to come from the user. The incentive will be there when the costs go up. We have seen that over the years. When gasoline prices went up, people looked for more energy-efficient cars and we are prepared to take advice on the purchase of more energy-efficient cars. When natural gas goes up, they will be looking for ways to conserve natural gas. When electricity goes up too high, they will be looking for ways to conserve electricity.

The information is there, and the information is sent out to the public. It is up to the public to pick up on that information, and I think they will, but it is an educational process that will take time. We have to be ready to provide information as and when it is necessary, as and when it is needed. It is needed when somebody asks for it, and somebody asks for it when they feel that they want to save money on energy use.

We have attempted an education process through Energy Conservation Week. We have coming up in October, I believe, Power Smart Month. These are all educational programs that are designed to inform the public in ways in which they might conserve energy. When the member speaks about one person to a car driving to work, that will happen as long as we have gasoline at a price that people are prepared to pay. As I said earlier, the incentive comes from people. We have to be there and ready to provide them with information as they need it, and they will need it as gasoline prices go higher.

\* (1610)

**Mr. Carr:** Yes, you would think that a Conservative minister would have more of a compulsion to conserve than this one seems to, by virtue of his answers. I am disappointed by his answers. They are not unlike the arguments used by the Minister of Health (Mr. Orchard) in the House when we were talking about energy conservation, vis-a-vis Manitoba Hydro and the Power Smart program.

I am not sure what it is the minister is arguing. Is he arguing that we should arbitrarily put up the price of gasoline so people will think it is important to

conserve, so two will ride in a car? There is a role for government to play here, and that role is not just to sit back and wait for the calls to come in but to be a little more aggressive in promoting and marketing the opportunities identified by this energy planning branch of his department. I am disappointed that he is not being more proactive, and I would encourage him to be more so in the future.

**Mr. Neufeld:** I cannot agree with the member for Crescentwood. I think for people to conserve energy, they have to first of all want to and secondly, have the information. The information is going out to people and every person in Winnipeg and Manitoba, I dare say, has received information on how to conserve energy, and that is a practical thing. It is a matter for them to want to use it.

We have energy audit programs. We have had for some years a residential energy audit program which has been turned over to Manitoba Hydro, but we still have an energy audit program for institutions and for commercial which people can access. The audits have in the past produced substantial savings to those who have accessed the program. The public is aware, and we are making the public evermore aware by advertising, by sending out pamphlets and by Power Smart Month, by Energy Conservation Week. There are a number of things that we are doing to educate people about the necessity for conserving energy, but in the end the decision to conserve is up to the user. You can bring a horse to water, but you cannot make him drink.

The member for Crescentwood might well be disappointed in the success of our programs, but the lack of success that he feels we have had is not the result of not having the people informed. The lack of that success is the result of the people not having the incentive to use it.

**Mr. Carr:** Just one more question for me in this section before my colleague for Point Douglas takes over, Mr. Deputy Chairman.

The activity indication also says that the department is active in regulatory proceedings involving Manitoba's energy interests. Just how active? What examples can the minister use of regulatory proceedings which have involved Manitoba's energy interests that have involved the Energy Planning section of the department?

**Mr. Neufeld:** Mr. Deputy Chairman, every application that appears before the Public Utilities

Board with respect to energy—and that would be natural gas and it would be hydro—will be monitored by our department. We will make sure that we are fully informed not only of the application, but of the presenters that appear before the board.

I think that we have done a great deal of work in our department in making certain that we are kept informed of the happenings in the regulatory area of energy.

**Mr. Carr:** Yes, I am interested in a different kind of regulatory activity. Let me give you an example. Let us say the Ontario Hydro wants to export energy, wants to export electricity to the United States. Can the minister foresee circumstances where it may be in Manitoba's energy interests to intervene in the hearing in front of the National Energy Board?

**Mr. Neufeld:** Mr. Deputy Chairman, as long as there would be no impairment to Manitoba Hydro's delivery of electricity, I would see no reason why we might intervene in an application before the National Energy Board by Ontario Hydro for the export of electricity.

**Mr. Hickes:** Mr. Deputy Chairperson, I was going to save these questions until we got to Conawapa, but the minister was touching on them. I only have a few, so I hope this will be the appropriate place.

When the member for Crescentwood was asking questions, and you were replying about the Power Smart program and the department had to get more active in raising awareness, I just would like to ask the minister, when you create awareness and you create a demand, is the minister able to meet that demand that will be created by the awareness that you will be developing?

**Mr. Neufeld:** If the member means can we meet the demand of providing information as it is needed, I think we can, if that is your question.

**Mr. Hickes:** When you get into a Power Smart program and energy efficiency, you are looking at changing motors into more productivity, different light bulbs and stuff like that. That is what I was getting at.

**Mr. Neufeld:** Each of those programs would have to be taken as a stand-alone and the cost budgeted for. In other words, we would not enter into a number of programs without knowing what the total cost was to either government or to Manitoba Hydro. We have entered into a joint exchange program for old refrigerators and freezers as a test, which happens to be in the East Kildonan and Transcona

areas, my old home turf it just so happens. We would expect that the costs there would be somewhere in the area to the Manitoba government of \$20,000, as in the test period.

If it proves successful and we went province wide with that program, we would have to assess the cost first before we entered into the program, and we would not enter into a series of exchange programs at the same time. This would have to be over a longer period of time, because all those costs have to be borne by someone, and if it is borne by Manitoba Hydro consumers, it means that the rates have to go up. If Manitoba Hydro was able to pass those rates through to its customers through the Public Utilities Board, that is one thing, but if Manitoba Hydro is unable to pass those costs through, that is quite another.

\* (1620)

If the Manitoba government is to pay the cost of those exchanges, then, of course, the Manitoba government must, or the Department of Energy and Mines must budget for those costs and the Department of Energy and Mines would have to pass that through the Treasury Board. So, it is a matter of the monies that are available for programs as they are needed.

**Mr. Hickes:** I would like to ask the minister if he has been meeting or looking at expanding the rebate system for energy efficiency, whatever it might be, whether it is light bulbs or what have you.

**Mr. Neufeld:** That will be part of the Power Smart program that Manitoba Hydro has bought into, and the cost of the first part of that Power Smart program has been borne jointly as a test by Manitoba Hydro, by the Department of Environment—and by the City of Winnipeg, incidentally. How the financing of these exchange programs would be handled would depend upon what the costs might be and how quickly we could buy into these programs. Manitoba Hydro has bought into the Power Smart program and will continue to work with it, but how quickly they can move into all areas of the Power Smart program will depend, of course, on the monies that are available to them and the cost that is anticipated from those programs.

**Mr. Hickes:** I just have one more question. I received a very interesting letter. I found it interesting because I did not know that it was not available on the market. It was from a sign company that had developed a battery-operated

exit sign, and the explanation in that letter was, if there is a fire in a building the first thing the firemen do is shut off the power. So, if your exit lights are powered with electricity, obviously, they are going to go out. If someone is in there searching for the way, they would not find their way. I am not promoting this project. I just wanted to—what they said, with this battery-operated one it would continually keep blinking and flashing because it is operated by battery, not by power. Did the minister receive such a letter? Or, if you are interested, I could share it with you.

**Mr. Neufeld:** I do not recall having seen such a letter, but that is not to say it has not come into the department. I cannot recall having seen the letter. I would be interested in reading the letter the member for Point Douglas (Mr. Hickes) has received, and I am sure that we can get together some time next week and we will read it.

**Mr. Deputy Chairman:** 2.(b) Energy Planning: (1) Salaries \$336,800—pass; 2.(b)(2) Other Expenditures \$96,000—pass.

2.(c) Energy Programs (Buildings): (1) Salaries \$436,900—pass; 2.(c)(2) Other Expenditures \$168,200.

**Mr. Hickes:** Mr. Deputy Chairperson, that reduction, from reading the Supplementary Estimates, would be the elimination of the Home CHEC program, I presume. I would just like to ask the minister if that is the program that is being eliminated, how many individuals utilized that program last year?

(Mr. Jack Reimer, Acting Chairman, in the Chair)

**Mr. Neufeld:** The last year we have information on the numbers that accessed the Home CHEC program was 1990-91, and the numbers were 4,000 roughly.

**Mr. Hickes:** Mr. Acting Chairperson, those 4,000 individuals who utilized the Home CHEC program, was that a program that would go into your home and give you a recommendation for energy efficiency, or was that the program that gave you a low interest loan to insulate or put new windows in?

**Mr. Neufeld:** There were two programs. One was the Home CHEC loan program, which was discontinued about a year ago, June of 1990, and then there was a Home CHEC program, which was the audit in which the auditor would go into your home and analyze heat loss and give you

recommendations for energy savings both in fuel and in electricity.

**Mr. Hickes:** Mr. Acting Chairperson, 4,000 individuals who had that audit done—I myself was one of them, and when they finished my audit, it would have cost me at least \$10,000 to do everything that was recommended. You know, like we get a decent salary here, but a lot of individuals do not make the salary that we get here. I would like to ask the minister if there were ever any discussions of tying in a loan program to that, so at least people who had their audit done and wanted to pursue the long range of energy efficiency, which would reduce the consumption of power for Manitobans, would be able to benefit from such a program.

**Mr. Neufeld:** When the program we had in effect was in effect, the maximum loan under the program was \$2,500 at low interest. I believe the most recent interest rate was 8 percent. When interest rates went to 12, 13, 14, 15 percent several years ago, the cost was quite high and it was believed by us that it was somewhat less than cost effective. The retrofitting that was done was largely on doors and windows, or the least cost-effective type of retrofitting for energy conservation.

It was our view that our Home CHEC loan program was used as a marketing tool by those who sold doors and windows, and was not necessarily accomplishing the ends it was designed to accomplish, and because of that, we decided to discontinue the program.

**Mr. Hickes:** Mr. Acting Chair, we are now in an age where 1990 seems to be—or the decade where we are seriously looking at energy conservation, and I felt personally, when that audit was done at my place, that yes, it would be great, because in the long run I will save myself some money. Also, I will save the consumption of power coming into my home.

I believe that the energy strategy that is in place now—even the purchase of the Power Smart program, which probably costs in the hundreds of thousands of dollars, or probably will by encouraging individual homeowners to buy into or take part in the Power Smart program—I believe that we should have some form of assistance for individuals who want to make their home more energy efficient. We have a lot of seniors and low-income earners who just could not afford to do



that, and the more energy that we conserve, the more we have to market elsewhere to keep our own rates down.

I would like to ask the minister if such a program would be looked into in the future, or have any discussions been started towards that direction?

**Mr. Neufeld:** There are two things here. I should say, first of all, that there are programs within government, within the Department of Housing, that will assist those who are unable to pay for retrofitting themselves, especially if you are in the core area of the city. I was going to say something else. What was the other?

\* (1630)

I should say, also, that as far as the Power Smart program is concerned, it is anticipated that will be a rather expensive program over the years, but borne totally by Manitoba Hydro. The expected costs for energy conservation or demand-side management by Manitoba Hydro over the next 10 years is budgeted at approximately \$115 million dollars. So there is substantial monies that will be spent in Manitoba on energy conservation.

I am not aware, and would have to ask Manitoba Hydro when they come before your committee, how much of that \$115 million will be for loans, how much of that will be for exchange programs, and how much of that will be for administration, but they are budgeting a substantial amount of monies over the next 10 years for demand-side management. Now that takes care only of electrical needs of homeowners. It does not take care of fuel needs.

For those houses that are heated by other energy sources like oil and coal and natural gas, we will be encouraging natural gas companies to participate in programs, but that is something we have not yet done and to what extent they will be participating we are not at this point sure.

**Mr. Hickes:** I was just reading on the bottom page of our Supplementary Estimates here. I was very surprised where we are looking at the energy efficiency programs, conserving energy, whether it is gas, oil. I have always believed that in order to accomplish that goal, the government would need to do a lot more research and development. Yet I see at the bottom where there is a reduction in research and development projects. I wonder if the minister could explain that.

**Mr. Neufeld:** I have said earlier, and I am not sure it was included in my introductory remarks, it is our

intention to take our department away from program delivery and take it more into the area of facilitator or catalyst in energy conservation research and for that reason our costs are reduced. We hope that our efficiency will not be reduced and the results will indeed be enhanced.

(Mr. Deputy Chairman in the Chair)

**Mr. Deputy Chairman:** Item 2.(c)(2) Other Expenditures \$168,200—pass.

2.(d) Petroleum: (1) Salaries \$744,100—pass; 2.(d)(2) Other Expenditures \$143,000—pass.

2.(e) Energy Programs (Transportation): (1) Salaries \$148,400—pass; 2.(e)(2) Other Expenditures \$90,900.

**Mr. Hickes:** Where we have a big reduction in Supplies and Services from \$152,000 to \$72,000, what contributed to this decrease?

**Mr. Neufeld:** This is an area in which we became involved a year ago, and the initial start-up was costlier than the ongoing operations were expected to be. It is the start-up costs of a year ago that will not have to be repeated and, therefore, the costs have been reduced.

**Mr. Deputy Chairman:** Shall the item pass—pass; 2.(f) Conawapa Project Co-ordination: (1) Salaries \$81,500.

**Mr. Carr:** We are going to be bogged down for a few minutes on this item.

**Mr. Deputy Chairman:** Go ahead, I knew that.

**Mr. Carr:** We use this opportunity to engage in a conversation with the minister about the Conawapa Project.

**Mr. Neufeld:** What is the question?

**Mr. Carr:** The minister asks, what is the question? I may well ponder what the answer will be. I asked the minister in the House a while back what Manitoba's power needs will be in the year 2000 and beyond, and the minister was forthcoming enough to indicate that there had been some indication from Manitoba Hydro in its preliminary results for this year that there had been, in the minister's words, a softening of demand, and this softening of demand may have an important impact on Manitoba's power needs in the new century.

Since the rationale used by the minister in convincing his cabinet colleagues to proceed with the Ontario sale and the Conawapa project was based on Manitoba's power needs, and since

Manitoba's power needs are not what we thought they may have been only some months ago, can the minister give us any update on the latest projections from Manitoba Hydro and, if not, when he is expecting them?

**Mr. Neufeld:** I have received no further word from Manitoba Hydro after the preliminary report that I received from them about four or five weeks ago, I should think. I am expecting a report; I have been promised a report some time this month. That gives us approximately 12 days, and I would hope and expect that the report will be forthcoming in that time.

**Mr. Carr:** Mr. Deputy Chairman, the revelations of some weeks back pose a series of new questions, and they would focus in on the economic viability of the Ontario power sale alone. Does the minister have any evidence, any argument from Manitoba Hydro that the Ontario power sale alone is a good economic deal?

**Mr. Neufeld:** We are getting into the area of Manitoba Hydro's appearance before the committee, but I will try to answer it the way I believe they will answer it when you ask them when they appear before the committee.

The Ontario Hydro sale was always contemplated to be a moneymaker, and the Conawapa project would not have gone ahead without the Ontario sale. It is rather a bit of a chicken and an egg, but if there is a need for additional energy for Manitobans in the year 2001, it is a matter of where shall we build that additional generation. If we can sell all our surplus from a Conawapa station to Ontario Hydro at a price that exceeds our costs, then we are better off to build that one and have energy supply well into the future for Manitobans.

\* (1640)

We expect—no, we know—that the Ontario Hydro sale was for a price greater than what the cost is expected to be, and the actual cost will not, of course, be known until such a time as the Conawapa generation station is completed.

As a direct answer to your question, yes, we do anticipate that the Ontario Hydro sale will be a profitable one for Manitoba, which is not to say that the Conawapa generating station was built for the express purpose of the Ontario sale, if you follow my line of thinking.

**Mr. Carr:** The minister's logic is easier to understand on this issue than it is on some others, and some of his colleagues on some other issues,

but he prefaced his answer with this clause: if we need the power by the year 2001. Then he went on to explain the rest of the answer.

Now we have a different hypothesis and that hypothesis is: if we do not need the power by the year 2001, and the preliminary projections for Manitoba Hydro are that indeed we do not. The minister knows that in the year 2005, I believe, we have 500 megawatts that come on stream from Northern States Power, and we have a much more aggressive energy conservation program, to Manitoba Hydro's credit. After lots of prodding I think they have done the right thing, and the minister can stand proud on that issue, but we may not need the power by the year 2001.

Let us talk about that "what if." Does that change the strategy of the government as it plans the long-term hydro needs for Manitobans, which is, after all, the principal mandate of Manitoba Hydro?

**Mr. Neufeld:** Let us back up to approximately two years ago when the decision for Conawapa or another generating station had to be taken. At that point in time it was anticipated, and all projections indicated, that by the year 1999 Manitoba would for its own domestic use need additional energy. The decision had to be taken as to where that next generator would be built. Manitoba Hydro and Ontario Hydro, who had been in discussions for some time before that and indeed had entered into some agreements before that, agreed to enter into negotiations for long-term purchase of 1000 megawatts of power. The final price that was agreed to was one that would give Manitoba Hydro a profit on the Conawapa generating station. By that, I mean the incremental cost of Conawapa and not the average cost of the system, energy.

So Manitoba Hydro, in effect, covered itself from both eventualities if—

**An Honourable Member:** What part of itself did it cover?

**Mr. Neufeld:** It covered itself totally. It is my part that you are wondering about whether it is covered.

Mr. Deputy Chairman, so the Manitoba Hydro entered into an agreement with Ontario Hydro that, even though the entire production of Conawapa were to be sold to Ontario Hydro, it would make money. If part of that production is for its own use, the Manitoba consumers will indeed get its power for less than it might if the Ontario sale had not taken place. That is the best information we have today.

**Mr. Carr:** Mr. Deputy Chairman, needless to say, there will be many more conversations with the minister on the subject, and then we will wait for the projections Manitoba Hydro expected within the next 12 days.

There is another element of the Conawapa co-ordination that I want to discuss, though. One of the great issues of the day in our country now is the Great Whale hydro-electric project in Quebec, and there are remarkable similarities in some of the issues which are facing the governments of Quebec and Canada that are facing us in Manitoba in the development of new hydro generation. We have seen from experience, and analyzing court judgments as recently as last year in Saskatchewan, that when governments make large commitments of money to projects, it is very difficult to get out of them. The court has said so. Public opinion may say so, and we are setting ourselves up in Manitoba for a replay of the Rafferty-Alameda fiasco in Saskatchewan. This line in the minister's Estimates is, although not a huge expenditure of money, a symptom of the same set of circumstances to which I refer.

The environmental review process for Conawapa and Bipole III will not be complete until at least January 1 of 1993. Manitoba Hydro has said on the record, that it intends to spend at least \$110 million in preparation of the site through the building of a road, power transmission facilities, other site preparation. Now we see here again a commitment of money, some \$269,800 for the fiscal year ending March 31, 1992, to co-ordinate a project that has not yet received the necessary approvals. Is it the minister's view that this is sound public policy, and why is the government and Manitoba Hydro not waiting for the green light before it puts so much money at risk?

**Mr. Neufeld:** Let us deal with the Manitoba government's side of the expenditures first inasmuch as that is the one we are reviewing here today.

The Conawapa project committee was put into place to ensure that when the project starts, there will be co-ordination between all of the departments. By all of the departments I mean there will be education and training. We will have in place the necessary skills to start the project for the skills that will be needed by the contractor, whoever he may be, when the project starts.

We want to make certain that industry in Manitoba is well aware of the type of contracts that will be available for them to bid on, so that as much of the work as possible can take place in Manitoba on this project. If we do not start our planning early and be ready with all phases of the plan before the tenders are read, we will not be in a position to give Manitobans the benefit from the construction project that we might otherwise be able to give them.

As far as Manitoba Hydro is concerned, I think you can appreciate that we cannot start a project immediately upon its receiving an environmental licence. There are certain things that have to be built: a road to the project so that materials can be delivered has to be there, and that is what is going on today; a power line to the project so that electrical power is available for all the equipment and for offices, for shelters. So those things have to be done.

A certain amount of groundwork has to be done in order to give those who wish to tender the necessary information. That is the type of work that has gone on. When you consider that a \$6 billion project—or let us leave it to the \$3.2 billion or \$3.5 billion project on the generating station itself without the Bipole line. To spend \$110 million on a \$3 billion project is not all that much percentage wise. I agree with the member for Crescentwood (Mr. Carr), it seemed like an awful lot of money, but these are monies that must be spent in order to be ready to start the construction as and when an environment licence is received.

\* (1650)

We do expect that an environmental licence will be received. We do expect that for many reasons, not the least of them being that there will be little if any flooding in this particular project and that Manitoba Hydro has always been a good corporate citizen and will indeed in this project do everything asked of it by the joint environmental review panel. We do expect that a licence will be received. The monies are not and will not be wasted. The monies have to be spent but have to be spent in advance.

**Mr. Carr:** The contract between Manitoba Hydro and Ontario Hydro has attached to it a schedule of penalties should the contract be cancelled for environmental reasons. The penalty clauses escalate up to some \$100 million, I believe. How much money has Ontario Hydro spent to date in preparation for the power sale from Manitoba?

**Mr. Neufeld:** That is not information that I have available. I am not even sure I could have that information available for the member. They have spent very little. They have started their environmental review, but to my knowledge have spent very little money to date on that project.

**Mr. Carr:** Is that not an important number to know, Mr. Deputy Chairman, important because that is the figure for which the Manitoba ratepayer and taxpayer will be liable should the contract be cancelled, up to a maximum in the penalty clauses of the contract? Is it the minister's intention to stay abreast of what the expenditures of Ontario Hydro have been so that from his point of view, if the worst possible scenario unfolds, that that is the figure for which Manitoba Hydro is going to be responsible.

**Mr. Neufeld:** The worst possible scenario, of course, is that the \$400 million will be payable. We do not expect that an environmental licence will be denied to Manitoba Hydro and therefore the project will go ahead and that we will be in a position to deliver the energy to Ontario Hydro as and when the contract calls for it.

As far as their expenditures are concerned, I think we have to be realistic and deal with the maximum but, of course, we would, if it came to a penalty, have to have an accounting of the amounts that had been spent. We do not anticipate that we will be subject to any penalty on this.

**Mr. Hickes:** I would just like to ask a question on the personnel side, where there is one professional technician that was a full-time SY in 1990-91 at a paid salary of \$37,400, and there is still the same SY for 1992, ending March 31, 1992, at an increase to \$52,900, which is an increase of \$15,500. For an increase of that amount when we are asking all government employees to take a wage freeze, could the minister explain the salary increase?

**Mr. Neufeld:** This, Mr. Deputy Chairman, is not a salary increase. Last year was a part year for this individual and this year will be a full year. The full year's salary is \$52,900.

**Mr. Hickes:** When Conawapa will be starting up in approximately two years time and we will be looking at the affirmative action or the northern employment clause that is in place, is there to date inventory on skills needs for the Conawapa project?

**Mr. Neufeld:** Mr. Deputy Chairman, this, of course, is one of the reasons for the existence of the Conawapa Project Co-ordination committee. The

Department of Education and Training is in the process of taking an inventory. At the same time they have to find out from Manitoba Hydro the skills that will be needed and when they will be needed. Then they have to match the two. They are in the process of taking an inventory and trying to locate where that talent may be.

**Mr. Hickes:** That inventory that is taking place, is that being done by the Department of Education and Training or is Manitoba Hydro associated with that?

**Mr. Neufeld:** It is done by the Department of Education and Training. They are responsible for the training. They are the ones who are taking the inventory so they might know what they have available and what they may require so they can make certain that the difference between available and requirement is filled through new courses.

**Mr. Hickes:** Will this co-ordinator be involved in any of those inventories or part of the whole planning process?

**Mr. Neufeld:** The co-ordinators involved—we have both a co-ordination committee and we have a co-ordinator who is responsible to the committee of cabinet. That is the Conawapa committee of cabinet. The co-ordinator looks into all facets of what that co-ordination committee is doing and should be doing and gets involved in every area of the work of that co-ordinating committee.

**Mr. Hickes:** Will this co-ordinator be involved in developing a training package to meet the Conawapa needs?

**Mr. Neufeld:** I would be somewhat less than honest with you if I were to say, yes, he will, or no, he will not, because I do not know to what extent the Department of Education and Training require his assistance. To the extent that they do, he will certainly be involved. He is a co-ordinator and he is not a producer of programs. He is a co-ordinator and he makes certain that Education and Training will have available the courses necessary to provide the skills for the project as they are required.

**Mr. Hickes:** Will the individual also be involved in ensuring that northern communities and aboriginal organizations—will this individual be meeting with those concerned individuals to work out a plan that is amicable to both parties?

**Mr. Neufeld:** He has already started and he is continuing to meet with the northern communities to ensure that they are fully aware of the opportunities that will be made available to them. That is really

the real purpose of his involvement in the northern communities, to make certain they are aware of the opportunities that will be available so that they might prepare themselves and take the necessary courses.

**Mr. Hickes:** When the co-ordinator comes through or finishes the meetings with the community leaders and the communities, who will this individual make the recommendations to?

**Mr. Neufeld:** He is responsible to the co-ordinating committee of cabinet—Conawapa committee of cabinet. He will be making his report to that committee of which, incidentally, I am the chair. We will be making recommendations as a committee to the Department of Education and Training, whose minister is also on the committee, so there is the full co-operation and co-ordination between the various departments to ensure that the best possible job is done, in advance of the start of construction.

**Mr. Hickes:** Is there a time frame for developing this plan or completing the inventory and then coming up with a plan to meet the skills needs? Is there a time frame?

**Mr. Neufeld:** Yes, there is, but off the top of my head right now I could not give you what that time frame is. But, yes, there is a time frame for each part of the program that we have developed or are developing to make certain that the skills are available. That is not the only job of this co-ordinating committee. The committee is also responsible for ensuring that Manitoba industries are well aware of what opportunities will be available to them in the tendering of work in the project.

\* (1700)

**Mr. Hickes:** The reason I raised that is from my past experience we found that through training and opportunity to get employment on the job site the contractors had very, very few openings for entry level apprentices, and I would just like to encourage the minister to see if some of the level courses could be speeded up so that individuals could, in two years time, be sitting at either third level or fourth level.

**Mr. Neufeld:** We understand also that some of the apprentices did not complete their apprenticeship the last time, and we may have to make available to them spots in the program to complete their apprenticeship to become journeymen in the various skills, and that is all being looked at. I suspect that the Minister of Education and Training

(Mr. Derkach) would have more information for you on this if he were sitting in front of this committee.

**Mr. Jerry Storle (Filn Flon):** Mr. Deputy Chairperson, I apologize if the minister has to retread some of his steps. I do not know if these questions were asked, but I had one question that was in desperate need of asking and that was with respect to the modernization support from the provincial government. I understand at least that the agreement with Minorco is going to be concluded on July 31, finally, and I am wondering if the minister could tell us when or if there is going to be a public announcement of the terms and conditions under which the provincial government will be lending support to the modernization effort.

**Mr. Deputy Chairman:** Could I ask if we can pass the (f) resolution before we get on to Mineral Resources?

2.(f) Conawapa Project Co-Ordination: (1) Salaries \$81,500—pass; 2.(f)(2) Other Expenditures \$188,300—pass.

3. Mineral Resources (a) Mineral Development: (1) Salaries \$130,900.

**Mr. Neufeld:** The question was asked whether I had any more information on the agreement between Minorco and Hudson Bay Mining and Smelting, which is to be concluded on July 31. I think what the agreement between Inspiration Resources and Minorco includes is a time frame in which Inspiration can look for offers that are better than the one they received from Minorco, and that expires, I believe, on the 31st day of July, and that is what you are referring to as the 31st day of July. The agreement between Minorco and Inspiration Resources has been signed but will be concluded upon the expiration of the date that has been given to Inspiration to look for other buyers.

We in Manitoba have indicated in the past that we are prepared to participate in the modernization to the extent of \$55 million. The details of our involvement, I believe in fairness, should not be made public until such a time as there is an involvement and there is a signed agreement. We have indicated and have not backed away from that commitment that we will provide \$55 million towards that project by way of loan to Hudson Bay Mining and Smelting.

**Mr. Storle:** Was there any discussion or did the minister consider attempting to negotiate an equity

position at any time? Was that ever suggested by HBM&S?

**Mr. Neufeld:** I am not certain it was ever brought to the table. It is not something that I think would be in the best interests of the money spent by the people in Manitoba. We are concerned about two things—the continued existence of a mining industry in northern Manitoba and getting back the \$55 million. If we were in an equity position, we would not have the \$55 million returned to us as quickly and maybe never.

**Mr. Storle:** Mr. Deputy Chairperson, I guess obviously there is some risk whether you take a loan position or an equity position. Over the last 50 years, I guess the return to the province if it had taken an equity position in the first instance would have been about 10 percent or 12 percent which is not particularly attractive, but certainly there is a return there.

The question was, though, whether HBM&S had ever requested the province to consider that kind of position.

**Mr. Neufeld:** No, HBM&S have not at any time offered an equity position in return for the investment of funds by the Manitoba government.

**Mr. Deputy Chairman:** Item 3. Mineral Resources (a) Mineral Development: (1) Salaries \$130,900.

**Mr. Hlckes:** Yes, I would just like to ask the minister the reduction from 197 to \$130,900 under Salaries.

**Mr. Neufeld:** The ADM position has been deleted in the Mineral division.

**Mr. Deputy Chairman:** Item 3. Mineral Resources (a) Mineral Development: (1) Salaries \$130,900—pass; 3.(a)(2) Other Expenditures \$282,600—pass.

3.(b) Mines: (1) Salaries \$1,305,500—pass; 3.(b)(2) Other Expenditures \$429,100—pass.

3.(c) Geological Services: (1) Salaries \$2,236,600.

**Mr. Carr:** Mr. Deputy Chairman, there is a substantial reduction in that line from the previous year. Does the minister have an explanation for that, please?

**Mr. Neufeld:** As the member for Crescentwood is aware, I believe that the mineral development agreement with the federal government was late in signing. As well, the amounts have been substantially reduced from the previous one, and this line reflects the reduction of our expenditures

because of the reduced amount of the mineral development agreement.

**Mr. Carr:** How many staff years have been reduced as a result of that decreased commitment from both levels of government in the extension of the mineral exploration agreement?

**Mr. Neufeld:** The total staff years are 12. I could give him, if he wishes, the breakdown of what positions they were.

**Mr. Carr:** The minister can, if he would not mind, provide that at his convenience in writing.

\* (1710)

**Mr. Neufeld:** It is two geologists' positions, one chemist, two drafting technicians, one lab technician, one cartographer, one storekeeper, one engineer, one information writer, one clerk, one secretary and 11 percent of one student time. That is 11 weeks.

**Mr. Deputy Chairman:** Item (1) Salaries \$2,236,600—pass; (2) Other Expenditures \$720,100—pass.

Resolution 37: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,618,700 for Energy and Mines for the fiscal year ending the 31st day of March, 1992—pass.

Resolution 38: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,104,800 for Energy and Mines for the fiscal year ending the 31st day of March, 1992—pass.

We will now revert to the Minister's Salary.

**Mr. Deputy Chairman:** Energy Authority. We missed one there, just a little bit.

4. Manitoba Energy Authority, zero.

**Mr. Hlckes:** I see where the Energy Authority or the functions of the Energy Authority or some of them have been transferred to I, T and T. I would like to ask the minister, the staff people who were employed by Manitoba Energy Authority, have they been transferred, or has there been a complete layoff of all staff?

**Mr. Neufeld:** Of the total Energy Authority staff, there were some transferred to the Department of Industry, Trade and Tourism. There were two transferred to Industry, Trade and Tourism. There was one to the Conawapa committee; that was a secretary, I believe. To the Crown Corporations Council—and the balance have not yet found alternative areas for transfer.

**Mr. Hickey:** I would be interested in finding out what happens to the offices and the facilities, whether they were on a rental agreement or if they are owned by the government.

**Mr. Neufeld:** The lease on the office expires on the 31st of December of this year. The landlord has contacted us to see if he can settle for the balance of the lease because he obviously has other uses for the space. The furniture in part has been taken to the Minister of Co-operative, Consumer and Corporate Affairs' (Mrs. McIntosh) office, and the offices are still being used by the Conawapa committee because we had excess space there before they were used, so until December 31, the Conawapa Co-ordinating Committee will be using it. The phase-down period for the Manitoba Energy Authority will end, we expect, some time next month. There are still some staff there.

**Mr. Hickey:** I would be interested in finding out if support staff, I am talking about the secretarial and receptionists and people like that. I know that there were some single parents there with children, had given quite a bit of time to the government and were excellent staff individuals. Have they been able to retain their employment opportunities with the government?

**Mr. Neufeld:** Of the three secretarial and clerical staff that were with the Manitoba Energy Authority, one went to the Conawapa Co-ordinating Committee, one has gone to the Provincial Auditor's Committee, and the other one is still awaiting placement. The single parent you talk of, I believe, went to the Provincial Auditor's.

**Mr. Deputy Chairman:** Item 4. Manitoba Energy Authority—pass.

We will now revert to the Minister's Salary. We will ask the staff to leave the table, and we will let you defend yourself.

(a) Minister's Salary \$20,600—pass.

Resolution 36: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,973,900 for Energy and Mines for the fiscal year ending the 31st day of March, 1992—pass.

This concludes the Department of Energy and Mines.

### SUPPLY—LEGISLATION

**Mr. Deputy Chairman (Marcel Laurendeau):** We will now move onto the Department of Legislation.

Order, please. The committee will now come to order. We will be dealing with Legislation. It is on page 8 of the Estimates book.

At this time, does the minister have an opening statement?

**Hon. Clayton Manness (Minister of Finance):** No, Mr. Deputy Chairman.

**Mr. Deputy Chairman:** Does the critic for the official opposition have an opening statement, the honourable member for Concordia?

**Mr. Gary Doer (Leader of the Opposition):** Yes, someday I may ask the minister to explain to me the policies on cars, but it would be inappropriate in this expenditure. This matter is dealt with by Legislative Assembly Management Commission, sometimes through consensus and sometimes not. That battle is past. With that, we will pass the items as presented in here.

**Mr. Deputy Chairman:** Thank you for your statements.

Does the critic for the second opposition party have an opening statement?

**Mr. Kevin Lamoureux (Inkster):** Mr. Deputy Chairperson, I would just ask the minister one question, then we can go ahead and pass the rest, and he can take it as notice if he does not have it at hand. I am interested in knowing how much it costs per day for each sitting, the Mondays and the Tuesdays.

**Mr. Manness:** Mr. Deputy Chairman, I will take that question as notice. I think I would have to very much approach the Speaker for his Estimates. If you are wishing me to find that out, I will attempt to do so.

**Mr. Deputy Chairman:** Thank you, Mr. Minister.

Item 1. Indemnities (Statutory) (a) Members \$2,392,000—pass; (b) Speaker's, Deputy Speaker's and Deputy Chairman's additional Indemnity and Speaker's Intersessional Payment \$21,500—pass; (c) Opposition House Leader, Party Whips \$7,500—pass.

2. Retirement Allowances (Statutory) (a) Allowances and Refunds \$1,250,700—pass.

3. Members' Allowances (Statutory) (a) Access and Constituency Allowance \$1,456,400—pass; (b) Living Allowance \$428,700—pass; (c) Committee Allowance \$32,800—pass; (d) Mileage Allowance \$213,200—pass; (e) Special Supplies and Operating Allowance \$105,600—pass; (f)

Members' Printing Allowance \$161,200—pass; (g) Speaker's Expenses \$3,000—pass; (h) Deputy Speaker's Expenses \$500—pass; (j) Car Allowance \$244,700—pass; (k) Severance Allowance zero—pass.

4. Other Assembly Expenditures (a) Leader of the Official Opposition Party \$156,900—pass; (b) Leader of the Second Opposition Party \$15,600—pass; (c) Salaries \$1,689,500—pass; (d) Other Expenditures \$915,600—pass; (e) Hansard \$654,400—pass.

\* (1720)

Resolution 1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,432,000 for Legislation for the fiscal year ending the 31st day of March, 1992—pass.

5. Provincial Auditor's Office (a) Salaries \$2,563,800—pass; (b) Other Expenditures \$193,200—pass.

Resolution 2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,757,000 for Legislation for the fiscal year ending the 31st day of March, 1992—pass.

6. Ombudsman (a) Salaries \$615,300—pass; (b) Other Expenditures \$92,200—pass.

Resolution 3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$707,500 for Legislation for the fiscal year ending the 31st day of March, 1992—pass.

7. Elections Manitoba (a) Salaries \$268,900—pass; (b) Other Expenditures \$170,700—pass.

Resolution 4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$439,600 for the Legislation for the fiscal year ending the 31st day of March, 1992—pass.

**Mr. Manness:** Mr. Deputy Chairman, before we pass the last—no, Fred Bryans, known to all of us, is here and he possibly can answer directly the question posed by Mr. Lamoureux who wanted to know the extra cost. Is this the time, Fred, or do you want to give Mr. Lamoureux something in writing? -(interjection)- We will take that in writing then.

**Mr. Doer:** Yes, someday when we have a minute, I would not mind finding out. I got a retroactive bill on a car. I did not take a government car when I was Leader of the third party because I thought we would have to prop up the Tories too long. I did not want

to be compromised. That is not a serious statement.

**An Honourable Member:** On the record anyway.

**Mr. Doer:** I know it is on the record, but we have a sense of humour. The bottom line is, I did not take a car and now there is an expenditure retroactively that I did not know about ahead of time. I like to stay within my miniature budget as much as I can.

I got a retroactive bill some time after the end of the fiscal year, and it seems to me just looking at it, it encourages people to go onto, if one is worried about their own budget, not as opposed to their personal expenses, one is encouraged to go on car allowance, money that comes out of MLA expenditures as opposed to money that comes out of a "minister's office or Leader of the Opposition."

I do not want to tie up the committee at all. I just want to raise that and then I will deal with Mr. Bryans at some other point before LAMC.

**Mr. Deputy Chairman:** Thank you. This concludes Legislation.

## SUPPLY—EMPLOYEE BENEFITS AND OTHER PAYMENTS

**Mr. Deputy Chairman (Marcel Laurendeau):** Next, we will be dealing with Employee Benefits and Other Payments on pages 46 and 47 of your Estimates book. Does the honourable minister have an opening statement.

**Hon. Clayton Manness (Minister of Finance):** I have Don Potter from Treasury Board here to assist me today, because in some of these areas there were not very difficult decisions to make, in others there were some decisions made, and I hope that members will bear with us, because I am going to have to rely on Don pretty extensively.

The decisions were made some time ago around some of these areas. I know Don Potter is known to most around this table, and I know he will be able to assist me.

**Mr. Deputy Chairman:** Thank you, Mr. Minister.

**Mr. Gary Doer (Leader of the Opposition):** I noticed that the word "benefits" may be misleading insofar as things like legal requirements. The Unemployment Insurance plan makes up the major expenditure increase in the document, and if one was to look at those figures that were listed just on Page 46, you would have to go into the other details



to find out where the major costs have been for the government in terms of increases.

I just ask, what is the total payroll for the province that we are dealing with with this benefit package and what was the payroll last year for the \$70,977,000, the payroll this year for the \$77,851,200? Therefore, I can calculate the percentages of this. That is one question.

The second question is: Does the private sector, when they are calculating benefits, include things like federal requirements, i.e., Unemployment Insurance, so that when we are looking at this line in the future we can compare ourselves, when you look at the Hayes management studies and other compensation packages? Are we comparing apples to oranges, or are we comparing apples to apples so that the government and the public will know where we stand?

**Mr. Manness:** Mr. Deputy Chairman, we purposely decided to display this information this way. We do not claim that it is purely benefits. The title says, and Other Payments. I guess they could have been stated Other Payments and Employee Benefits, but we have purposely set this aside so that we never forget in government, indeed, nobody should ever forget, that the remuneration, the basic wage is one side of what government has to expend and the other side, of course, is in this area of other payments and employee benefits.

I want to indicate to the Leader of the NDP party that I believe that our wage bill in the Civil Service this year, in terms of 1991-92, is roughly \$600 million. It seems to me, last year—

**An Honourable Member:** Can I have that number again?

**Mr. Manness:** \$600 million. Last year, I think we used the number \$560 million, but we will certainly try to provide that in much greater detail to the member if he so wishes.

What is not here though, of course, on what we call the benefit side or the offset, certainly, is that the government has not fully funded its share of pensions. I would have to think, again from a pure guesstimate, that if we were to include our share of funding, I bet it would represent another \$50 million anyway.

**Mr. Doer:** Well, I always thought that Duff Roblin's assumptions on stopping the payments to the pension plan in the '60s was a wrong decision. I am sure the Minister of Finance agrees. I also think we

are making wrong decisions in some of our Crown corporations to halt some of those paybacks that we were catching up on, but that is outside of these Estimates.

I am curious when I look at the total payroll, because we always calculated the dental plan would cost slightly less than 1 percent of payroll. I think I negotiated that dental plan with one of the chaps sitting in a picture on the wall. It is good to see the numbers that are reflected in the document, because the original projections, in 1979-80 with Sterling Lyon, have come true in terms of what the overall cost is and therefore the advantage of that benefit.

The second question I asked was, are we using apples-to-apples comparison when we look at this page, because there are certain methodologies in calculating benefits and other items that would help us see how the benefit package would be, relative to the private sector.

Interestingly enough, one of the comparisons that are made between the private and public sector is the benefit package. I think it would be useful. For example, you have the unemployment insurance plan in here and you do not have vacation entitlement in there. So I would think that the comparisons—from what I can see, this is not a businesslike model.

I guess my question is, if we are going to delineate the numbers, let us delineate it on the same basis as the private sector and then we will know where we stand as opposed to having sort of an apples-to-oranges comparison.

**Mr. Manness:** Mr. Deputy Chairman, these are cash payments. Under our accounting policy, that is all I can reflect. Nobody claims that they are equivalent or comparable to what might be the format in the private sector.

Let me say though, with respect to the dental plan, and the member makes his point well, this plan is obviously working very well, even though there is an increased call for premiums. One would expect that, but more or less, this plan is working well. Let me also say that we have increased our benefits under this sign even though we brought in Bill 70, and our additional benefits will flow by way of the increased premiums which we are committing to. That is what we are going to try to reflect in the regulations as we write them with respect to Bill 70 also.

**Mr. Doer:** No further questions.

**Mr. Kevin Lamoureux (Inkster):** Mr. Deputy Chairperson, just one question. I would ask, what is the number of employees, for both years, represent in terms of the figures, the benefits that it served?

**Mr. Manness:** Mr. Deputy Chairman, I wish I could answer that; I could not. We were amiss. We thought that this section here was going to be part of the Labour Estimates and the Civil Service Estimates, and we were disappointed to see that they had not occurred then when those numbers would have been at the table. It seems to me—I am hesitant to even offer a number—but the total complement, full time, part time, regular and all the definitions, is around 19,100, but that is not the final word. That is a number that sort of rings in my mind, full term, part time and departmental.

**Mr. Lamoureux:** That would be 19,100 for this year. The previous year would be a bit higher.

**Mr. Manness:** Well, it will be less. I mean, the previous year is more.

**Mr. Deputy Chairman:** Item 1.(a) Civil Service Superannuation Act \$22,269,000.

**Mr. Doer:** I mean are we in a conflict of interest dealing with a pension plan that we are all part of? I am just raising that as a question. If the Clerk says no, I will vote for it.

**Mr. Deputy Chairman:** I have been advised by the Clerk that we have to pass it just like we passed the rest of the Legislation.

**Mr. Doer:** Fair enough.

**Mr. Deputy Chairman:** Item 1.(a) Civil Service Superannuation Act \$22,269,00—pass.

(b) Canada Pension Plan \$11,175,000—pass.

(c) Civil Service Group Life Insurance \$2,100,000—pass.

(d) Workers' Compensation Board: (1) Assessments re: Accidents to Government Employees \$3,861,000—pass; (2) Less: Recoverable from Other Appropriations \$3,517,500—pass.

(e) Unemployment Insurance Plan: Government's Share of Premiums for Government Employees—\$20,133,700—pass.

(f) Dental Plan \$5,450,000—pass.

(g) Long-Term Disability Plan \$1,390,000—pass.

(h) Ambulance and Hospital Semi-Private Plan \$410,000—pass.

(j) Levy for Health and Post-Secondary Education \$14,580,000—pass.

Resolution 35: RESOLVED that there be granted to Her Majesty a sum not exceeding \$77,851,200 for the Employee Benefits and Other Payments for the fiscal year ending the 31st day of March, 1992—pass.

### SUPPLY—INTERNAL REFORM, WORKFORCE ADJUSTMENT AND GENERAL SALARY INCREASES

**Mr. Deputy Chairman (Marcel Laurendeau):** We will now deal with Internal Reform, Workforce Adjustment and General Salary Increases on page 163.

Does the honourable minister have an opening statement?

**Hon. Clayton Manness (Minister of Finance):** No.

**Mr. Deputy Chairman:** No?

**Mr. Gary Doer (Leader of the Opposition):** This is the Internal Reform and Workplace Adjustment and General Salary Increases. The Internal Reform and Workplace Adjustment, I would ask the minister: Is this the money primarily for firing people in the latest budget?

**Mr. Manness:** The member for Concordia is most unkind. There are several components in the \$20 million. First of all, for instance, let us use in Agriculture, the funding required for the semen in the centre, I think in the drug centre, that was taken out of Agriculture Estimates. We are trying to externalize that, with some success, but until we do there is going to be a cash call for inventory and that is what that is to offset. Until we are able to dispose of it so it no longer is a cash call in our books, we have set aside the money here. That is one element of it.

Secondly, yes, Workplace Adjustment. Certainly, with respect to training, and in the counselling services that we provide now to the 160 people—it is dropping very quickly—who are still on the re-employment list and who ultimately we might not be able to find jobs for. I do not know what we set aside, I cannot remember, but there is a component out of the \$20 million to address that.

Also, we have set up a couple of special operating agencies, Queen's Printer to be one of them, and to give them a cash-flow basis so that they can begin to operate as if they were their own business. We have had to give them some start-up funds. That is a component of this, and, of course, the major severance package to those who took voluntary retirement. That was one of the components of the \$20 million.

**Mr. Doer:** I thank the minister for outlining the numbers of disbursements for plan in this fiscal year for that item. Could we get a detailed amount? Twenty million dollars obviously does not come out of the air. Can we get a detailed amount of the Estimates for the six programs that were outlined by the minister? I do not need it today, I am sure, not unless the member has it available to us, but I think it would be helpful for us especially when we compare the cost effectiveness with other programs in other departments.

**Mr. Manness:** Mr. Deputy Chairman, the Leader of the Opposition says it did not come out of the air. Well, it did not come out of the air, but there was not much science put to it either, you might be surprised. The number \$20 million was a ballpark estimate of what all of these five or six components would cost, so I do not have a lot of detail to show him.

**Mr. Doer:** We never thought some elements of the budget were very scientific—

**Mr. Manness:** Oh, that is unkind.

**Mr. Doer:** —in terms of the economy and the recession, but that is where we disagree and that is fair ball. Just on that—do not take that personally. You know Reg Alcock likes your budget; we do not. I mean, that is the bottom line, that is why we have different political parties and public debate. We do not want to fight that budget debate here again.

The minister mentions it is not a scientific exercise. They were ballpark numbers to come up with \$20 million. Could the minister table those ballpark numbers for us so that we can—or can the minister tell us, for example, the first example he mentioned was the change in the Semen Drug Centre? Can we get an estimate of how much they calculated that would cost us?

We should know that. We are making certain cost effective statements on those decisions of government. We should know what those decisions are and surely—one-third into the minister's own budget, or one-third of the fiscal year

is going to be over soon—the minister would know that. In other words, we have got only two-thirds left of the year, so we should be able to get some rough estimates from the minister and the government.

**Mr. Manness:** Mr. Deputy Chairman, I can make a reference to the Drug and Semen Centre. It seems to me that we sensed that it would take us at least half a year to dispose to the private sector of those activities, and if the call in the budget is anywhere between \$8 million and \$10 million, we set parameters around it. It seems to me between \$4 million and \$6 million for that activity alone before it was clear of our books.

I cannot tell him exactly what we guesstimated the severance call might be. I forget how many millions of dollars. It seemed to me that it was somewhere between \$6 million and \$9 million. Then the lesser amounts, the special operating agencies, the adjustment cost, and I forget the other elements that I have used and again it was just a ballpark around them as between \$3 million and \$5 million, and we took the outside parameters. We said, well, \$20 million seems to fit between 18 and 22, let us use it, and that was the basis of our print. I would like to say there was more behind it, but there was not.

**Mr. Doer:** The government made the decision on Queen's Printer around December-January of last year and therefore would know the numbers on the operating agency costs at Queen's Printer because the minister also mentioned that is one of the items. Can the Minister tell us how much that would be?

**Mr. Manness:** Mr. Deputy Chairman, I cannot. In all honesty, if the Leader wishes that information, I will attempt to find that.

**Mr. Deputy Chairman:** Item 1.(a) Internal Reform and Workforce Adjustment \$20,000,000—pass; (b) General Salary Increases \$5,000,000—pass.

**Mr. Manness:** No question on that?

**Mr. Deputy Chairman:** Resolution 142: RESOLVED that there—

**Mr. Doer:** The minister mentioned to ask this question about General Salary Increases. It is traditional for the government to not put all their cards on the table, and given the way the government shuffles the deck, I would recommend strongly they do not put their cards on the table, because it is more of a disappearing act than it is a—

**Mr. Manness:** No, they are all in suit.

**Mr. Doer:** Well, it is nice when you have all the trump cards. It is like the Soviet Union, Mr. Deputy Chairman, which I am surprised at. I understand fully that the government contract, the first year expires September 30 or so this year, and secondly, the government will be into "negotiations" and that whatever is arrived at will have to be reflected in the last half of the fiscal year, and they will be put in the Supplementary Estimates as is tradition in the House. So that is why there is no question.

**Mr. Deputy Chairman:** Resolution 142: RESOLVED that there be granted to Her Majesty a sum not exceeding \$25,000,000 for Internal Reform, Workforce Adjustment and General Salary Increases for the fiscal year ending the 31st day of March, 1992—pass.

#### SUPPLY—GOVERNMENT-LABOUR SPONSORED EMPLOYEE OWNERSHIP FUND

**Mr. Deputy Chairman (Marcel Laurendeau):** We will now move on to page 164, Government-Labour Sponsored Employee Ownership Fund. 1. Government-Labour Sponsored Employee Ownership Fund \$2,000,000.

**Mr. Gary Doer (Leader of the Opposition):** Mr. Deputy Chairman, the two ministers who presented this material at the press conference last week could not answer most of the questions on the implementation of this fund. Does the Minister of Finance feel that there is any implementation strategy in this at all? I asked the Minister of Northern Affairs (Mr. Downey) to answer a few questions yesterday, and he just sort of—on changes of schedules and shares, et cetera—and he just said those are clerical changes to the amendments he was bringing in now. They were never as much clerical as this \$2 million item is today.

\* (1740)

Has the government any implementation strategy whatsoever, or is it all going to be used for Abitibi-Price? One of the ministers is very concerned about that project, and I am just concerned there is no overall implementation strategy for what we believe to be a very good idea.

**Hon. Clayton Manness (Minister of Finance):** Mr. Deputy Chairman, I am not going to do anything but confess that we brought the bill in, Bill 75, with some urgency. I mean, we knew that it was coming

in. The member would know as well as anybody. There has been a fair amount of dialogue between the government and the Manitoba Federation of Labour; there was some considerable consensus. It was moving along quite nicely, basically, until April, and then something else happened in government and it sort of set aside those discussions for a period of time. Some would even say it even poisoned them a little bit. I would not agree with that statement. The result is that, in the final throes of the session, we still sense that it was very important that we honour our commitment to bring this in.

When we printed the budget, we knew we were bringing it in, and we had set aside a nominal amount of money. At that time, we really did not know how the legislation would look in its final form, and we did not really know how it would be implemented, but I can indicate to the Leader of the NDP party (Mr. Doer), we are pretty committed to this approach. I mean, we really see tremendous benefit here, but we still have some work to do on the implementation process and indeed the whole process of how it will flow. We are hoping that clearer heads will clear and closer negotiations will occur. We want the Federation of Labour to be the prime driver in, ultimately, how this is used.

**Mr. Doer:** A couple of questions then. I understand from the minister's answer that there is a lot of work still to do on the implementation strategy. Fair enough?

Secondly, the government is asking us to pass \$2 million today, yet the minister has always believed in five-year budgeting. Can the minister tell us what the five-year budget plan is for this fund, and will it always come out of lottery money?

**Mr. Manness:** Well, the answer is: I do not have a five-year plan to present to you. I would have to think that this number will grow. We want it to grow, because we see—I guess, in theory, we believe in it. We want to see more entrepreneurs in our society. Whether they combine their efforts together as workers, we could care less, but we want more people to be mindful of the marketplace, as is happening in other areas of the world. We will have the funds in place to make this commitment, and hopefully the call on those funds will increase.

Secondly, will we continue to take it out of Lotteries Fund, I would not say yes at this point in

time. In all sincerity, it is just too soon to say. I would hope that we would not need to.

**Mr. Kevin Lamoureux (Inkster):** Yesterday, I actually had the opportunity to speak to this bill. At one point in time, we did not even think it was going to be coming forward because it was introduced at such late notice, but the opposition parties being so co-operative, of course, did allow it to go to committee so that in fact we could see it. I believe that at least both opposition parties believe this is an excellent concept, something that should continue well into the future. We would look for a stronger indication from the government in terms of seeing this in the Estimates year by year.

I think the Leader of the New Democratic Party brings up a valid point in terms of this finance minister has stressed very heavily in favour of five-year, multiyear budget planning. We would hope that in the future budgets in fact we will see this particular line, whether it comes from Lotteries or from the general revenues, but it is important, it is a good concept and we should be keeping it up.

**Mr. Manness:** Mr. Deputy Chairman, I am not going to debate with the member other than to say that, as you know, we set up the Vision Capital Fund. That would be in essence a side character of this, and we have not made five-year commitment to that. We have also set up the Rural Development Bonds process and we have not made five-year commitments by way of money to that process. We set aside \$10 million in The Loan Act to honour our guarantees.

This is a new process, this is a new manner of looking at things and I would think that we would all want them to start pretty slowly to make sure that we have in place the proper procedures. At that time, I think, our government and governments to come will then, after they have watched the development of this new ownership fund, undoubtedly want to commit greater funds to it, if there is a call for it.

**Mr. Deputy Chairman:** Item 1, \$2,000,000—pass.

Resolution 143: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,000,000 for Government - Labour Sponsored Employee Ownership Fund for the fiscal year ending the 31st day of March, 1992—pass.

We will now move back to pages 156 to 158.

## SUPPLY—CANADA-MANITOBA ENABLING VOTE

**Mr. Deputy Chairman (Marcel Laurendeau):** 1. Canada-Manitoba Enabling Vote (a) Tourism Agreement 1985-1990 \$1,377,700—pass.

(b) Partnership Agreement in Tourism \$100,000—pass.

(c) Winnipeg Core Area Renewed Agreement \$1,573,900.

**Mr. Gary Doer (Leader of the Opposition):** I just want to put on the record this money reflects negotiated agreements and cash flow. It is obviously not a debatable item in the sense that we cannot change it unilaterally. It is dealing with the federal government. I just want to put on the record that we understand fully that when you take a five-year, hundred-million-dollar agreement and extend it for one year, you are in fact reducing the contributions to that very program by about 15 per cent.

The same argument the government has made, or the Premier (Mr. Filmon) has made, with the expansion of the Western Diversification Fund of a billion dollars over five years to a billion dollars over seven years, you are losing some contributions to your economy from the federal government. I just want to, as we pass this item, note that point. It is consistent with our points about the ability of the government to negotiate with their federal cousins in Ottawa.

**Mr. Deputy Chairman:** Shall the item pass—pass.

**Mr. Kevin Lamoureux (Inkster):** Mr. Deputy Chairperson, I just want to echo some remarks that the member for Crescentwood (Mr. Carr) has brought up on numerous occasions regarding the Core Agreement. We have heard in the past that the City of Winnipeg is prepared to have money put on the table for a new Core Agreement, but there has not been any commitment from the government of Manitoba or the federal government in terms of money that they would see putting on the table. Rather they would rather make an agreement between the two of them and exclude the City of Winnipeg.

My question specifically to the Minister of Finance (Mr. Manness) is, is the government at this time prepared to make some type of a financial commitment to a new Core Agreement, much like the City of Winnipeg has?

**Hon. Clayton Manness (Minister of Finance):** Mr. Deputy Chairman, I am out of my depth here. Certainly we have made a commitment of funding to whatever follows Core Area Initiative. We are mindful that the delivery model of three governments coming together, although it has been hallowed—what is the word?—it has been recognized in some quarters, in reality the accountability is very much in question.

I have a feeling, and I cannot speak from the federal government's point of view, but certainly at the provincial point of view, firstly, we will be involved in some fashion with dollars and whatever comes after that. Secondly, though, we really believe that you cannot have any type of an agreement unless the municipal government, i.e., the City of Winnipeg, is very much involved.

So just to have the two senior levels and not the city, it makes no sense. That might mean then that you are—what?—moving to bilateral agreements, I do not know. Obviously, the municipality in the city of Winnipeg is going to have to have a major input. Whether the delivery model ends up looking like the old three-way agreement with all of its problems associated particularly with accountability—and I mean those of us who were new to government saw them on a weekly basis in Treasury Board. I can assure you that if that is the model that is struck again, there are going to have to be greater calls for accountability, because it is not fair to the taxpayer. It is not fair to the provincial government when decisions are made far removed from its ability to make them.

**Mr. Deputy Chairman:** Item 1. Canada-Manitoba Enabling Vote (d) Soil Conservation Agreement \$409,000—pass.

(e) Drought Proofing \$1,000,000—pass.

(f) Partnership Agreement in Municipal Water Infrastructure \$2,950,000.

\* (1750)

**Mr. Doer:** Can the minister table for us a list of projects that have been approved to date? I do not need it today, but communities that have been approved pursuant to this federal-provincial agreement with municipalities. I can get it after the Estimates, but I just want it.

**Mr. Manness:** Mr. Deputy Chairman, there will be announcements made very quickly as to four communities who will be entering into an agreement.

**Mr. Doer:** Can the minister tell us, the Minister of Rural Development (Mr. Downey) was saying, one tomorrow. You are asking us to pass the money. We do not know where it is going to.

**Mr. Manness:** Mr. Deputy Chairman, we are one partner in this, and in fairness to the other two, I do not think we can say an awful lot more, other than there will be an announcement with respect to one and maybe two of the four, and that will be coming in short order. There are four that are very much along and there are some of our larger centres in rural Manitoba.

**Mr. Doer:** I recognize which ones some of them will potentially be, Brandon, Portage, et cetera. Are these trilevel agreements the minister just said with the two levels of government?

**Mr. Manness:** Yes, they are. What makes them novel in this respect is that we will not be the delivering agent. In other words, our liability is very much capped. That was one of the agreements. The municipalities are going to have to take a greater responsibility for on-hands management of their projects.

**Mr. Deputy Chairman:** 1.(f) Partnership Agreement in Municipal Water Infrastructure \$2,950,000—pass.

(g) Program for Older Worker Adjustment \$1,000,000—pass.

(h) Partnership Agreement in Telecommunications \$250,000.

**Mr. Doer:** That is a new item. Can the minister explain to us. I mean, Partnership Agreement in Telecommunications—I remember 18 months ago the Premier standing up in the House threatening to take the federal government to court, talking about standing up for the little people as opposed to Great West Life and Richardson Greenshields and some other companies which, curiously, have done remarkably well.

Where does this come from? We do not have a partnership right now with the federal government except that they are taking away authority from Manitobans and allowing other people to enter into the business which will potentially affect rural western Canadians. Can the minister tell us what this partnership is?

**Mr. Manness:** It is not signed yet. It is being negotiated. We think we are coming close to a point when it may be signed. This is a partnership

between, it seems to me, a number of—it is under Industry, Trade and Tourism. It seems to me that all the provinces, or at least a large number of provinces, in co-operation with the federal government are signing this in support of new technology in the whole telecommunications industry. This is tying into Teleset and the next generation of technology in that area. That is all I can really tell the member. It is purely technology. It is not regulation; it is not to do with telecommunications. It is trying to be joint partners in working toward the next generation of technology within this whole area of telecommunications.

**Mr. Doer:** Has there been any consultation with the government's own Crown corporation, because in this area it wears two hats. One is to facilitate the development of technology in our country and in Manitoba; the other hat is to make sure that technology does not in fact compete and exceed the technology already available in our Crown corporation and therefore have the effect of reducing revenues and therefore reducing opportunity for needed programs like rural telephone services.

**Mr. Manness:** Mr. Deputy Chairman, I cannot answer that totally. I am led to believe though that our telecommunications policy advisor is certainly cognizant of what is happening. So I think there certainly is some overlap, as to what is happening here is between those two departments.

**Mr. Deputy Chairman:** Shall the item pass—pass. (j) Partnership Agreement in Forestry \$687,600—pass.

Resolution 137: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,348,200 for Canada-Manitoba Enabling Vote for the fiscal year ending the 31st day of March, 1992—pass.

#### SUPPLY—ALLOWANCE FOR LOSSES AND EXPENDITURES INCURRED BY CROWN CORPORATIONS AND OTHER PROVINCIAL ENTITIES

**Mr. Deputy Chairman (Marcel Laurendeau):** Page 159, Allowance for Losses and Expenditures incurred by the Crown Corporations. 1. Allowance for Losses and Expenditures \$7,700,000—pass.

Resolution 138: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,700,000 for the Allowance for Losses and

Expenditures Incurred by Crown Corporation for the fiscal year ending the 31st day of March, 1992—pass.

#### SUPPLY—EMERGENCY EXPENDITURES

**Mr. Deputy Chairman (Marcel Laurendeau):** We will now turn to page 161, Emergency Expenditures 1. \$5,000,000. Shall the item pass?

**Mr. Gary Doer (Leader of the Opposition):** Excuse me, Mr. Deputy Chairman, I think you have got Decentralization there.

**Mr. Deputy Chairman:** Page 161.

**Hon. Clayton Manness (Minister of Finance):** Has that not been dealt with elsewhere?

**Mr. Doer:** Yes, it has been. The Deputy Chair said \$5,000,000. I think we are dealing with a \$10,000,000.

**Mr. Deputy Chairman:** I read the wrong amount.

**Mr. Doer:** It is all right. Just so you know we are keeping track.

**Mr. Deputy Chairman:** 1. Emergency Expenditures \$10,000,000.

**Mr. Doer:** I would love to deal with that other issue, but—

**Mr. Deputy Chairman:** The item is accordingly passed.

**Mr. Doer:** No, I would like to deal with the \$10,000,000 item. Two years ago or a year ago, I raised with the Minister of Finance (Mr. Manness) in the previous fiscal years that the whole issue of the provision for Emergency Expenditures in the House to raise this in the context of revenue, the revenue side with the federal government. I think the \$19,000,000 was in the books at that point and tried to raise both the revenue and the expenditure side dealing with the forest fires in 1989, the summer of '89.

Just a question. Will the money—we have read that, from Minister Epp, the cheque is in the mail, and far be it from us—

**Mr. Manness:** I said that on the radio this morning.

**Mr. Doer:** Yes. Did you? I did not hear that. I am sorry I missed your show today.

Where will that money go when the government gets it, given it is part of a 1989 deficit? Will it flow to the '91-92 fiscal year, or will it flow appropriately to the '89-90 fiscal year where it properly belongs?

**An Honourable Member:** The Fiscal Stabilization Fund.

**Mr. Manness:** I would like to say I am going to put it in the Stabilization Fund, but in all reality I am not. In all reality it is recorded. The Provincial Auditor has already noted that. It will represent no additional revenue, even though there are already those in the community who have also been hearing this. They have already knocked on our door saying, well, seeing you have \$30 million coming in, maybe you would like to spend it our way. It is already spent. It is recorded. When it comes in, it will not show as additional revenue in this fiscal year.

**Mr. Deputy Chairman:** Shall the item pass—pass.

Resolution 140: RESOLVED that there be granted to Her Majesty, a sum not exceeding \$10,000,000 for Emergency Expenditures for the fiscal year ending the 31st day of March, 1992—pass.

That concludes the Emergency Expenditures.

The next department to be considered by this committee will be Family Services. What is the will of the committee?

**An Honourable Member:** Committee rise.

**Mr. Deputy Chairman:** Committee rise.

## SUPPLY—ENVIRONMENT

**Madam Chairman (Louise Dacquay):** Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Environment. We are on page 53, clause 1.(c) Planning and Innovation.

Would the minister's staff please enter the Chamber.

Item 1.(c) Planning and Innovation: (1) Salaries \$467,800.

**Ms. Marianne Cerilli (Radlsson):** Madam Chair, I am asking the minister if this is the department, or the branch I should say, that was responsible for preparing the State of the Environment Report?

\* (1510)

**Hon. Glen Cummings (Minister of Environment):** While there were a number of people in this department and other departments who had input, it was done primarily by Environmental Quality Standards branch.

**Ms. Cerilli:** Where would it please the minister for us to ask questions about the State of the Environment Report? In this section, or in the other one that he mentioned?

**Mr. Cummings:** It is in the other section, but the member can feel free to ask questions if she wishes.

**Ms. Cerilli:** I am just going to ask a few other questions to clarify, because we are going to have a much shorter time period for Estimates this time, so I just want to make sure I am able to deal with what I consider some of the key issues.

As I understand it, this is the area that is completely responsible for any kind of recycling initiative, The WRAP Act, the WRAP action plan and the report, so this is the area where we should address recycling issues, is that correct?

**Mr. Cummings:** That is correct.

**Ms. Cerilli:** I think I will start there then. Can the minister explain any consultation he has had since the last session, or recently, with the City of Winnipeg with respect to recycling? One of the things I find hard to understand is that this government has made it so important for any kind of a recycling program to show itself to be efficient or economically sound or viable when we have the City of Winnipeg that spends some \$14 million a year collecting garbage and not recycling it at all. So I would ask the minister what kind of consultation he has had with the City of Winnipeg to discuss recycling issues.

**Mr. Cummings:** We have a joint committee on liaison regarding the WRAP legislation and WRAP initiatives. I think what the member just said, however, should be put in context in referring to the amount of money that the city spends on collection of garbage and without a great deal of recycling going on.

That is one of the concerns that I have, one of the concerns that I believe the City has, in discussion with the councillors there, that there needs to be a demonstrated ability, at least in part, to reduce that \$14 million or \$13 million or \$15 million, or whatever the figure actually is, to actually be able to demonstrate that there is some reduction in that cost so that those dollars can be put into the recycling side. If bringing in recycling simply means that the City of Winnipeg goes from 14 to 18, that is probably one of the things that would mitigate against a real good relationship between the City and its taxpayers in terms of getting recycling up and going.



People are prepared to pay towards recycling. I think, however, there needs to be some additional savings demonstrated on the other side to encourage not only the City of Winnipeg, but a number of other municipalities, to provide the facilities or to provide the equipment. There needs to be some recognition of the fact that the type—for example, newsprint will have a much more positive impact on the demands of the city's waste stream. Having them taken out of the waste stream and recycled will have a much more positive effect, I have to say, than removal of aluminum cans, for example, and yet aluminum cans today are the one part of the waste stream that is probably the easiest to recycle and the most readily recyclable at this point. When we get to the newsprint, and we are getting there, then we will start to have that kind of positive impact.

**Ms. Corliss:** Has there been any kind of a study by the City of Winnipeg to show that there will be a \$4 million increase if they adopted a recycling project? At this point, I am not saying if it should be a curbside program or some other kind of program, but has there been any kind of serious look at how we could change the current truck system to another kind of vehicle that would allow for things to be separated or have a couple of different trucks to go at the same time or whatever kind of a system would—I am looking at a combination, perhaps, in some areas of other methods.

**Mr. Cummings:** Madam Chairman, I cannot quote from the study, but the city has been doing a series of reviews and studies and flowing from that is what we expect to be a request for proposal that will be coming from the city at the end of this month, I hope, or in the next month that will lead to proposal calls to do old newspaper recycling. We have been liaising with them fairly closely in that area, but I cannot tell you, nor would I expect they would have a study that would say it is going to increase their cost. I simply use that as an example.

We have to be able to demonstrate some of the efficiencies as well, but certainly it is my understanding that the lines of communication have stayed open, and certainly on the old newsprint area we are working closely with them.

**Ms. Corliss:** Was there any consideration of a pilot project or the very successful pilot project that the Resource Recovery Institute did? They, in some respects, in many respects, as I see it, operated on a shoestring, and they had a tremendous

participation rate. They showed they were keeping a significant amount of waste out of the regular garbage system, and I am hoping that their experience and the results they showed is not lost to the city. Has any consideration of that pilot project or another pilot project been done?

**Mr. Cummings:** There have been a number of other demonstration projects, in terms of depot process, that we funded as well through the Environmental Innovations Fund. Some of them, most of them, were started by the Recycling Council. I cannot name all the locations. I believe there were four different sites where they set up depots, and those will provide information as to the efficiency of depots as opposed to the work that was done by the Resource Recovery Institute in the efficiency of curbside.

Unless the member wants to, I do not know if it would be useful debate to debate what some of those actual costs were, but that was one of the reasons we wanted to look at some other models rather than just curbside, because I cannot let it go by that the member said they were operating efficiently. They had a very high success rate in terms of participation. I agree wholeheartedly with that, but, you know, potentially at as much as \$600 a ton, and I am guessing a little bit on the figures, but there were some very high figures that were generated. I do not have the results in front of me. That was where they began to have a downfall, plus there were a number of other sources of revenue that they were in fact using to provide the program. All of that impacted on what the real cost of running the curb-side was. The return rate in the depots, the accessibility obviously across the city is up, the specific accessibility to particular residences, however, will be variable unless there is a network of depots set up.

\* (1520)

**Ms. Corliss:** There were a number of issues raised there. Has there been any comparison between the costs of the curb-side program for RRI in the area where they had the huge participation rate and the City of Winnipeg's cost for collecting garbage in an area of similar size? Has that kind of a comparison been done to see if RRI was operating in a cost-effective way?

**Mr. Cummings:** Yes. Those comparisons, however, were somewhat clouded by the fact that RRI did not have a real good record-keeping system

that we could do what we would consider a quality analysis on. I recall some of the discussion with the City of Winnipeg. Those numbers did exceed what the actual cost of collection to the City of Winnipeg was by a considerable amount. The problem was, of course, if you are still running the trucks and still have the men going into the district, then your costs do not go down unless you have a tipping fee that reflects the number of tons that go out. Even then, are you simply taxing yourself in order to pay for the recycling project?

In other words, if you dropped the number of tons going into your landfill by, let us say, 100 tons, and your tipping fee is \$50 or \$25 a ton, you are saving that \$25 a ton if you take 100 out for recycling, but are you simply taxing yourself because you turn around and put it in the other end? In fact, that is what has happened in a number of jurisdictions where money "saved" in tipping fees goes to subsidize recycling. That is one model that you can use for subsidizing recycling, but it still comes out of the individual householder and does not really reflect in the producers of the product.

This is where Manitoba has taken a somewhat different position. We believe the producers of the product should start paying for the cost of removing that product either into the waste stream or out of the waste stream, newsprint being an example. It is a large percentage of the waste stream, and we believe that newsprint is going to have to start generating some funds to support the cost of having it removed from the waste stream. The fact is that in some jurisdictions where there is very limited capacity in the waste disposal grounds, that has other spinoff effects. They do not have the same importance for Winnipeg, however.

**Ms. Corliss:** This is the point that I am trying to make. Right now there are thousands of people who throw their newspapers in the garbage, and it is not making anyone any money. I fail to see the logic in trying to say that a recycling program that is going to save on landfill has to either break even or show that it is not going to cost anything. There are a number of people in this city who are willing to pay to have their recyclables picked up, and I would like the minister to go back again and explain to me his position in terms of having ourselves tax ourselves in terms of the tipping fees. I was not quite following what he was saying, but it seems to be that we are expecting—that recycling, again, has to not have any kind of a start-up cost. I fail to see any kind of

a program that any government initiates that does not have some start up. In the long run, these programs do pay for themselves.

**Mr. Cummings:** The last statement that the member for Radisson just made is the one that I should address first. There needs to be a market for the product. Unfortunately, today there is limited ability. There is a market out there for newsprint, but there is a limited ability to get it to that market without having to subsidize it in some form.

Recycled newspaper around \$40 a tonne in the city today by the time it is delivered to a place where it can be recycled then becomes worth more than what the company that is prepared to buy it for recycling is prepared to pay. Therein lies the shortfall between the value of the product and the cost of recycling it.

I am saying that gap can be closed by using the powers we have under The WRAP Act to require the producers of waste newsprint or waste newspaper of any kind to provide some funds that would help close that gap between the cost of getting it in shipping position and the actual value that the consuming company will pay for it.

As better technology becomes available, as demand for recyclable newsprint increases, I believe that gap will close because they will be willing to pay more for it. The figure that Abitibi-Price would pay today for newsprint really means that the newspaper recycling system we have in place today has to be subsidized by companies like Gardewine who will lend their trailers free of charge to rural Manitoba centres and bring the paper in at cost or bring it in when they have a backhaul coming out of the city and no load going in, or Bison Transport who hauls, I believe, most of the newsprint out of Abitibi-Price, takes the newsprint from Versatech, for example, to Pine Falls at a very reduced rate or possibly even for free on occasion. I am not sure, but they certainly subsidize the cost of moving it because of their willingness to be good citizens.

That can only continue for so long. That is why we are working with the City of Winnipeg on their old newspaper proposal that they are wanting to get a proposal call on in terms of getting old newsprint out of the waste stream in the city. We want that to be set up so we can co-operate as well across rural Manitoba to keep the volume up.

The truth is that Manitoba probably does not produce enough volume of old newsprint to keep any one supplier satisfied. We need to piggyback into larger capacity regions.

**Ms. Cerilli:** I understand the issue of creating markets, and I think that is where the WRAP plan can be a good thing. When I asked about this issue earlier, the minister said that they were working on creating a market for about 200,000 tonnes, I think, per month. Can the minister explain where those markets will be?

**Mr. Cummings:** I think I remember that discussion. About six weeks ago, we had that discussion in the Chamber here. The problem we have is that Abitibi-Price is closed down right now, and they are not taking any used newsprint.

There are certain suppliers in the city who said they had access to large tonnage markets if they could get the newsprint there. They need, however, to have access to balers in order to be able to afford the transportation costs and get efficient use of the semitrailers that they are loading, or railway cars for that matter.

The market I was referring to was in Calgary and Seattle, in a westerly direction, which surprised me as a matter of fact, that this was the direction that the paper was going to go, but I am not going to ask questions if they are prepared to pay for it. That was the area I was talking about for a market.

**Ms. Cerilli:** Was there any consideration, or why was there not any consideration, when we were signing an agreement with Repap, or if there are other agreements that were signed recently with Abitibi-Price, that they would have a recycling clause where they would have to provide the kind of equipment that is necessary and recycle newsprint that was coming out of there, or materials that were coming out of their facilities?

\* (1530)

**Mr. Cummings:** Number 1, the comparison between the two plants that we have here in Manitoba, I suppose Pine Falls would be the obvious location for recycling because of their geographic location. However, they are uneconomical today, even if they had the volume of paper that we can produce here. The economics have not yet been fully demonstrated of how they could recycle through the use of a de-inking facility.

The other thing that enters into it is, if the location of the plant is at The Pas, you are going to end up

hauling material north to be blended with the pulp and then hauling it back. The increased cost of freight would be a factor. There was not a clause built in, I think for some very good reasons, inasmuch as the geographic location at The Pas is even worse than the geographic location of Abitibi in terms of getting access to the volumes of old newsprint that they would need to be able to make a business decision to do that.

I have said this last year, and I guess I anticipated that markets would change a little more quickly than they have done, but I believe that we are seeing the market for old newsprint evolve. There will be a de-inking facility at Dryden, and it will take large volumes of paper.

There are still a lot of negotiations going on with Abitibi-Price. The member for that area has been actively involved in promoting that plant as an upgrade and being owned by the workers. Certainly, one of the things that they want to do as they go to an environmental upgrade is to explore every possibility of enhancing their ability to recycle old newsprint.

The only capacity they have to recycle today is to take old newsprint that has been sorted to a very clean level. In other words, all of the glossies are taken out, all of the staples are taken out, and they feed it directly into their mill stock, or in with their mill stock, and produce paper that has some recycled paper in it without being de-inked. They can get up to about 6 percent or 7 percent of their total production. That is not the most efficient way to get recycled paper into the system.

There are other technologies which are developing quickly that could ultimately impact on Abitibi-Price. One of them might be if there is a good breakthrough on different types of printer's ink, because one of the things that happens is the ink and getting rid of it. If there were different ways of dealing with that, that would change recycling dramatically.

**Ms. Cerilli:** What is the cost, from the minister's awareness, of a baler as well as de-inking equipment? What consideration has been given, involving the province, in developing some kind of a Crown corporation to deal with sorting and having the equipment so that community groups could have a place to bring newspaper?

I would think that there might even be some corporations out there who would support assisting

with this kind of an endeavour. Has that been considered?

**Mr. Cummings:** Yes, it is considered almost daily. The economics, however, drive whether or not you are going to get private industry to put up the megabucks that are required in terms of a de-inking facility, No. 1.

Going back one step in terms of—let us say we build on the system we have today which is fairly loosely developed but is beginning to come together as a recognizable system. I am told that a baler with the capacity to do the job for baling all of the newsprint in Manitoba so that it could be efficiently shipped is probably in the neighbourhood of \$125,000. It would still require a lot of manpower in order to feed it.

The other thing that enters into it is what market you are going into. I talked about how Abitibi can only take very clean used newsprint; other de-inking facilities, however, can take material that is not sorted to as high a level and, therefore, has less labour in it, but they will pay less for it. So it becomes a business decision on what market you try to get into, and what ability you have got to feed it in terms of labour. I understand that Versatech, for example, has in excess of a couple of hundred employees. I have not been to the plant, personally, but I know the number—I was told the number is quite significant—of people that have been working there doing this and other jobs. That is very labour-intensive, it makes any opportunity to get into other markets very costly. So they are geared today largely for the type of paper that goes into Abitibi.

**Ms. Cerilli:** We are in a recession; we have record unemployment. Labour intensity is a good thing in a lot of ways, particularly with, as I understand it, the employees that they have at Versatech. I just want the minister to clarify, though, was it the baler that was \$500,000 and what is the minister's awareness for the cost of the de-inking facility? That was part of my other question.

**Mr. Cummings:** I said that a baler would cost \$125,000 to bale the paper in the manner that would be easily shipped. A de-inking facility is probably several millions. I cannot give you a better estimate than that, but I know that the de-inking facility at Dryden, for example, is a multimillion dollar undertaking.

**Ms. Cerilli:** Part of the frustration that the recycling programs we have in the city have had is dealing

with flyers. I know when I put up a sign in my window, do not leave flyers here, they do not listen. There is a problem in sorting them, and as the minister has said, they create problems with Abitibi-Price.

Has there been any effort to work with the greatest producers of flyers within our city or the province to look at ways to deal with the problem of flyers or with the depots?

**Mr. Cummings:** We have just recently had a WRAP committee that included the heads of the Free Press, the Sun, rural newspapers and the Brandon Sun, and this was one of the problems that they identified.

They started to identify some possible solutions. I can tell you some of the talking points that enter into those kinds of decisions. The department has already had some preliminary contact with the post office, for example, in terms of identifying these materials when they are coming through the mail. If they come in large lots, there would be a potential to be able to apply a levy against them which would, in turn, be used to support material that was recyclable.

In fact, the list of people that I just mentioned are probably the biggest single distributors of flyers and, in some cases, nonrecyclable stuffers, through their newspapers. Certainly, if they continue to work with us, as I have every reason to believe they will, we should be able to develop at least some disincentive for those types of nonrecyclable materials to be mixed with the recyclable.

I suggest, however, that given the way our country is, the way our society is, that you are going to be a long ways from getting rid of them totally. A ban in this province would not be very effective, so you are probably looking at the long-term technology of getting the materials so they are more compatible, and on the other hand, having a system that can handle them once they reduce some of the high ink or colour problems that are in them.

**Ms. Cerilli:** Have there been any discussions with the distributors or the producers of the flyers for them to respect people's wishes when they indicate that they do not want to receive flyers at their home?

**Mr. Cummings:** Not by me personally, and I do not think by anyone in the department. That is an issue, but it is not one that we have dealt with directly.

\* (1540)

**Ms. Cerilli:** This is something that is being considered under the WRAP plan, and maybe that could be something that could be looked into from this point.

One of the other things I would like to ask the minister with respect to what is going on in Winnipeg in terms of recycling, is to see what his feelings are about, or his thoughts are about, the various programs that are operating right now that have a fee for recycling, and the fact that it is unregulated, and oftentimes there is not much assurance about what is happening with the material.

I know there is a group that is trying to bring all the different small companies together, so that they can have some kind of co-operation and assurance that there are going to be shared resources, and that things are actually going to find their way to where they should be. Has the minister met with the group that oversees, or is sort of an umbrella for these small companies? Has there been any consultation with some of the small companies?

**Mr. Cummings:** First of all, let me say that I am an enthusiastic supporter of anyone who, on his own initiative, is prepared to go out and market himself and his service to whatever community, and doing it in recycling should be no exception. I am not a proponent of regulating them. I see my responsibility as moving as quickly as we can to develop a solid market for the materials that they are bringing together, newsprint being an example.

Until we have a larger newsprint processing system in place, they probably are somewhat vulnerable in terms of finding a market for the material that they collect. In terms of the recyclable glass and aluminum, that market, particularly aluminum, is a little bit better developed. Aluminum being the product that it is, it has a real market value even without a deposit system or market intervention.

So I view those entrepreneurs as filling a need in the community, a need that has been demonstrated. They are getting pretty high commitment rates in the areas where they go in and market themselves. My experience from talking to people in the city, and I have had a fair bit of experience in that respect this summer, raising the issue with them individually about what is their view regarding recycling, they are prepared to pay to have that service or at least a good number of them are. I think there is a greater understanding developing out there that in one way

or another, they will end up paying, whether they pay on an individual basis or whether they pay through their taxes, they want the opportunity to recycle. I see my responsibility as providing the market and keeping the system to feed that market as economical as possible and as close to self-supporting as possible.

**Ms. Cerilli:** I know that there are some people who feel that as long as these smaller groups are operating and people who are keen to recycle have a way for that to happen, and a lot of people say it is just people taking their guilt to the curb—I have heard that phrase used—there will not be, as long as that is going on, enough push from the public so that we will get the kind of city-wide program that is really going to make a difference. I will ask the minister to respond to that before I go on.

**Mr. Cummings:** The city appears to be headed in the direction which we have felt a collection of recyclables should develop in the province and that is that it develop on a product-by-product basis so that the product could be identified to carry the cost of getting it out of the waste stream. Their proposal call, as I understand it, may very well have broad cross-city implications. I cannot speak at this point as to what they intend to include in their proposal call, but certainly the city, I think, intends to go on a fairly broad basis to get recyclables out of their waste stream.

**Ms. Cerilli:** Can the minister indicate what these small companies are doing with each of the main collectables that they collect—glass, aluminum, newspaper and the plastic bottles?

**Mr. Cummings:** No, I cannot with any definiteness. I know that Versatech, for example, would normally be their market for newsprint, but I also know that Versatech has a problem right now because Abitibi is shut down, and that is why we are attempting to work with Versatech to get that volume of backlogged old newsprint moved. As far as their other recyclables go, there are some very real markets out there. If you look around, commercial interests do have a desire to be part of recycling.

If you shop around and you have a good volume of aluminum, you can find some pretty wide spread in price today. I should not say today, but the last time I received an update on it, I think the value varied from 18 to 32 cents a pound depending on who you were talking to and how much volume you had. So that is the kind of value that is out there.

**Ms. Cerilli:** I realize that aluminum is not a problem. I have a number of general scrapyards in my constituency that cause grief for my constituents.

**Mr. Cummings:** They are environmentally friendly.

**Ms. Cerilli:** How about for glass and for the plastic bottles? What is happening with those materials?

**Mr. Cummings:** There is a variety of markets for glass. The problem is the value of the glass, and whether or not those who are recycling it today can afford to get it to the market. I became recently aware of a couple of markets in Alberta for used glass. I am told that quite a bit of the glass from Manitoba has gone to Minneapolis by the semiloading, but you have to acquire a large load. It appears that the glass itself, the freight pretty well eats up the value of the glass. So unless there is a value added to that, it is a matter of simply getting it out of the waste stream and not having it go into a landfill.

I am told by the department, in response to your previous question, that they have in fact followed up on some of the contractors out there who are contracting out to pick up recyclables, and it appears that they are in fact recycling the material. I guess that probably the genesis of your question is whether or not they are just providing an alternate garbage system or if they are in fact recycling them. Those that we have checked appear to be recycling, but again, if the material drops in value, glass is a very tough one to get rid of in terms of getting value out of it. The newsprint, I believe the value will hold and will probably increase.

**Ms. Cerilli:** So, on the one hand the minister is not sure where the stuff is going, but the department says that they are of the opinion that it is being recycled or taken to some place that is making sure that it gets to a market.

**Mr. Cummings:** That is correct. Let us remember that once these organizations have gathered up the material, unless they are doing illegal dumping, they are going to end up paying a tipping fee. So they are not going to want to take it to the Brady landfill. They are going to want to find a market, and the only market that is out there for the type of materials we are talking about will be through the scrap system or through a recycling system. I am not, unless the member has some reason to make me concerned, at this point concerned that a lot of it is not being recycled.

**Ms. Cerilli:** Does the department provide any kind of assistance to these small companies in terms of finding markets or in terms of—one of my concerns is that there is going to be some middlemen or some middlepeople who are going to, in effect, get involved to rip off, if I could say these—so many of them are young entrepreneurs who are out there hustling.

Who is involved in this whole process of making sure that the materials that are being collected by these small recycling groups are actually getting to where they are supposed to go?

\* (1550)

**Mr. Cummings:** These entrepreneurs probably have as good a handle on where the market is as anyone because that is their livelihood. We do have first of all, the head of our Innovations and Planning branch, but we also have one person by the name of Jim Ferguson who we hired, who was originally with the Recycling Council, who has been acting as a resource for recycling across the province. Certainly I believe he would have been a resource to these people, the same as everyone else who calls to the department for advice. There is also, as a matter of fact though, the Recycling Council of Manitoba, Inc. is one of the better sources of information where markets are available.

The member says she is concerned that somebody may be ripping off these young entrepreneurs. I do not have that concern. If the entrepreneurial spirit is alive and well, I am sure they will find a market pretty quick.

**Ms. Cerilli:** It is interesting that the minister mentions the Recycling Council. I understand that they have had their grant eliminated for their recycling hotline and cannot give out a lot of information now.

I would be interested to know what the Recycling Council thinks about what is happening in the city with respect to the variety of curbside entrepreneurial programs. I am asking if the minister is aware of the opinion of the Recycling Council with respect to what is happening in the city with the way that these small companies are operating and sort of the haphazard pay-as-you-go kind of approach that they are using.

**Mr. Cummings:** In my discussions since I came into this office, the Recycling Council has been quite supportive of the concept of depots, so therefore it would follow, I assume, that they would not be overly

upset with a young entrepreneur wanting to run a curbside, but they believe the most efficient manner of collection, cost efficient, energy efficient, provided it is accessible enough, is a depot system.

So the two are not necessarily incompatible. I do not think that we should leave the impression that they are, but those who want to have a curbside type of program and pay for it through the private system that you are referring to, then I would encourage them to do that. I do not think the Recycling Council would necessarily have a problem with that. I do not intend to speak for them at this juncture either, but I do know they promoted very strongly, and asked to run, the demonstration projects for the depots.

I do not have the figures for how successful they have been except that I know the former chair used to indicate very strongly that having a warehouse does not make you a recycler. They believe in collecting the material and getting it to market at a minimum of overhead, and if you want overhead, then run a curbside.

**Ms. Corliss:** I do not want to spend too much time on the arguments between curbside and depots. I guess it becomes an argument of, are you going to put costs ahead of participation? I think that any study you look at will show that participation is much higher, and that means that the program is more effective in eliminating recyclables from the waste stream, with curbside.

One of the questions I was going to ask is, what is the success rate of the depots? I was at I forget which conference it was a while ago where we had a report, but what I was going to ask was, what kind of participation rates have there been with the depots that the province has supported the Recycling Council and MSDR in running? What have been some of the problems? I know there are some problems. What have been suggestions for improving them? That kind of thing.

**Mr. Cummings:** I am not sure that I can answer that in the detail that the member would like. Both of the people who have been mainly responsible in this area are out of the province right now. I suppose if you want to look at one system that is out there, and whether you agree with the system or not they are doing something towards retaining their own product, and that would be MSDR. They run a depot type of system and are talking about expanding their depots. Their return rate is not as high as we would expect to see, and yet their system

is not a really convenient system yet either. If it becomes more convenient, then we would have a better understanding of whether or not the figures are comparable.

The tonnage at the depots, as I understand it, certainly in the early stages, was beyond the expectation of the organizers. I do not think I can put much more than that on the record, but I will tell you what I will do. I will undertake to have the appropriate people provide a written response to you as to what the opinion of the depots are. We have not finished with that pilot project, so again it might be just a make-work project to start trying to compile figures and make estimations of the project until they have, in fact, completed what they set out to do and then analyze it.

**Ms. Corliss:** Is the minister aware of what is happening at the depots with the overhead that needs to be there as well? They still have to have staff. I went to the opening of the depot. There is one in my constituency at Kildonan Mall and the staff there were frustrated because they were still having to spend a lot of time sorting material. It seems like there is a much greater likelihood of people sorting properly when there is a curbside program because there can be incentives put upon the participants to make sure that they sort. That is not the same thing that happens with the depot. One problem I am aware of with depots is that there still is a lot of staff involvement or employee involvement that needs to take place in terms of sorting.

The other question I have is: How is the material getting from the depot after it is sorted? If it is sorted there, how is it getting to the market where it is being handled? The other thing I would ask is: How does the money change hands between the people who are accepting the recyclables and the people who are transporting them?

**Mr. Cummings:** I will have to make a couple of assumptions. First of all, the last question, I do not think that is particularly an issue. For example, if they deliver the paper to Versatech, Versatech would then do the sorting. So they would probably be accepting it as unsorted paper. If it were sorted prior to coming in to Versatech to a standard that they can accept, then they would pay a different price for it and accept it as presorted paper.

One of the problems in going to the Abitibi market is that it has to be so carefully sorted. Even paper that is considered sorted paper coming in may not

be sorted to the standard that they are expected to produce when it goes out. There are other shippers who would accept the paper. I cannot for certainty say who they would be giving it to, but it is very easy to find out the price of paper. If it is unsorted paper, it is worth so much a ton. If it is sorted and you are a sorter, if you will, or a processor of known quantity, then the paper will be worth that much more.

\* (1600)

As far as the sorting of the material coming into the depots, I can see that is probably a problem. I think it also relates to public education. I can tell you in my local depot, however, in the town where I live, there seems to be almost no problem with people bringing in material. The paper obviously comes in unsorted and they sort it after they receive it. The glass and all of the other materials—the glass comes in washed, the cans come in washed and squashed. It works very efficiently. So it does become a matter of public acceptance and education.

**Ms. Cerilli:** I do not want to spend too much more time on this whole issue of recycling even though I think it is important. Maybe just to finish off, can the minister explain where the market development for the other materials in the WRAP strategy are—tires, the other ones?

**Mr. Cummings:** All four materials, tires, beverage containers, newsprint and used oil have completed their industry and public consultations and are waiting for me to respond with directions to the industry as to what the next step should be. Beverage containers and newsprint—we are very close to doing that. Oil and tires—tires will be probably next, and oil may take a little bit longer.

The department, through me under my signature, will be responding to these four areas as to what the next step will be, whether there will be a WRAP levy employed, whether there will be an acceptance of proposals that they have put forward, whether we expect those proposals to be modified in a certain way and setting of targets will be—each of those committees recommended certain targets for percentage of return. Whether or not we will be prepared to accept those targets as being acceptable for the industry to operate by for a specific period of time—for example, in beverage containers, they have suggested that they could meet a certain target within a year. We may feel that target should be higher, and certainly in the next

number of years we believe the targets need to be much higher. That is the type of action that will be occurring shortly.

**Ms. Cerilli:** So just to clarify the stage that the WRAP committees are at right now is they have not actually identified markets. Is that something that they are going to be doing?

**Mr. Cummings:** Specific markets would be a little different from the type of discussion that they have evolved around. What they have primarily talked about is getting the material out of the waste stream, what would be acceptable percentages in getting it back out of the waste stream. For example, with old tires we do not have a market in the province today other than—well, we do have a market but not one that is capable of taking the volume that would be produced when we have a system that will remove the majority of tires from our waste disposal grounds. That does not preclude the implementation of a WRAP levy to perhaps start the funding of a system.

I am talking hypothetically, and that is always dangerous for a politician to do, but in the terms of explaining how the process is developing—and let us zero in on tires—there are a number of proposals out there. Everybody has the best ever system for getting rid of used tires. We will probably, based on the discussion that we have had with the industry, be prepared to move forward to get proposals for producing a system and accepting the volume of tires that we collected across the province.

I would like to put in a comment at this point on the record as well that the tire industry, I have to say, came to the table knowing that they had to deal with their problem, knowing what has happened in other jurisdictions is likely to happen here in terms of regulation, and they came prepared to do business. The others came with varying degrees of enthusiasm, but they did all come to the table trying to work out a solution.

**Ms. Cerilli:** I had more questions that would deal with that, but I think I will move on. I want to deal a little bit with landfills and the controls that the minister issued the news release on recently.

Have the regulations that go with this news release actually been completed?

**Mr. Cummings:** They have passed cabinet. They have to be gazetted, and they will be in effect.

**Ms. Cerilli:** There is some concern with the regulations, particularly in rural areas where there is



a problem and a crisis in landfills more than, I would say, in the city of Winnipeg—the whole issue of enforcement. What kind of guarantees or assurances or information can the minister give to alleviate those concerns? This sounds great, but the exemption clause is there, and we have a lot of municipalities that might be applying for that exemption clause.

**Mr. Cummings:** I stated at the same time as we released those regulations in their final form, the same as I have stated over the last year and a half consulting with the municipalities, that obviously a large percentage of the rural landfills, particularly, will be in violation of the regulations the day they are proclaimed. Common sense would say you cannot go out and fine half the landfills in the province on Day One because they have not been able to comply.

We will be zeroing in on—first of all, in terms of enforcement, we will have an enforcement policy as to how we will deal with the landfills. I would indicate that it would probably follow these types of guidelines whereby we know there are certain landfills out there that have the potential of polluting more than others. We also know that there are certain landfills out there that have attracted public discontent in the areas where they are located. Those are the ones that we will probably deal with in terms of, first of all, warning and indicating where their problems are and secondly, if they do not want to at least indicate some willingness to start moving, then my belief at that point is that we will have to start enforcing the regulations in a more stringent manner.

There is not one municipality that has said we are not going to comply but they have all said, we will need some time to comply. I would a lot sooner have the regulations in hand and be able to enforce them at a point when it is deemed prudent than to wait until they had upgraded and then enforce the regulation. There are a number of landfills out there that will be closed. We will play a major part of licensing new landfills. That, plus the amalgamation of other landfills into one new one, will be where we will get a great deal of the benefit from the enforcement of these regulations.

The standards by which the new landfills will be developed will provide the majority of the benefits that we will get in terms of environmental improvement in rural Manitoba. The department will put together an enforcement policy that will be

clearly spelled out, what we will do in terms of enforcing the regulations. Clearly, where there is a potential ground water implication, that would be a priority.

**Ms. Cerilli:** So these landfills will deal with existing, as well as new, landfills. That was one concern that was expressed to me. The other thing is, who will be responsible for enforcing the regulations, specifically from the department?

**Mr. Cummings:** Environmental Operations division would lead me to ask the question. We are getting into that division now. If the members want to pass the policy Estimates, they could move it. We are now moving into the Environmental Operations division.

Perhaps I should expand a little bit. We have environment officers now in place across the province. Specifically, they will be enforcing it.

\* (1610)

**Ms. Cerilli:** I realize this is dealing with the other area. I just want to get a clear picture of what is the title of the people who will be responsible for enforcing this?

**Mr. Cummings:** Regional environment officers.

**Ms. Cerilli:** Is this the branch that has the Department of Environment staff who are involved in the Innovations Fund, and how many staff are there?

**Mr. Cummings:** Where we interface with the Innovations Fund is in the policy branch.

**Ms. Cerilli:** We spent quite a bit of time talking about The WRAP Act and recycling. Why is it that the practical aspects of waste reduction are in the planning branch which is delivering this program?

**Mr. Cummings:** We have gone through a departmental reorganization. Originally the establishment of the WRAP branch—that is what it was—was a policy development function. I am informed that as it becomes more operational, the Environmental Operations division will take more responsibility.

**Madam Chairman:** Item 1.(c) Planning and Innovation: (1) Salaries \$467,800—pass

**Mr. Leonard Evans (Brandon East):** We are still on Planning I understand. I just want to ask a couple of questions relating to my constituency under Planning. I do not know whether this is the appropriation. If it is not, I can ask it somewhere else, but I wonder if the minister can give us some

update about the Brandon sewage treatment plant. There were dollars provided under a federal-provincial agreement, I guess the Southern Development Initiative, and I wonder if the minister could give us an update on this.

How does the redevelopment or the improvement of the sewage treatment in Brandon fit in with requirements of the Department of Environment? The Department of Environment has asked for certain standards to be achieved, and there has been a lot of delay because of the insufficient funding available to the City of Brandon. So I wonder if the minister could kindly give us an update on that.

**Mr. Cummings:** Yes, obviously we are the regulatory aspect of the redevelopment of their sewage treatment facility, and the member is correct. Brandon has long held that—first of all, they have long held that we may have been imposing higher standards than what they were capable of meeting; and second, because of the type of industry that they had there, they could not afford to meet those standards without involvement of a larger development agreement to deal with infrastructure.

I will not be making any announcements today, but let me say that Brandon has had their project well advanced in terms of planning. They will be able to meet our standards. As it happens, because of the new environmental awareness at the federal level and because of the nature of co-operation that is expected there, the federal standards are every bit as stringent as provincial standards would be in terms of redevelopment. Of course, they do not do the enforcement, but if they are going to be involved in any way, they would have certain standards that they would expect to be met. We have no problem with that, nor do I believe the City of Brandon has. I think the project is coming together rather well.

**Mr. Leonard Evans:** I thank the minister for the information or for his opinion. Could he advise, from his understanding of the sewage problems in Brandon, what has been the chief source, or have there been any major factors causing the problems that Brandon has? My impression is it is from one or two, and one industry in particular. There are always many factors involved. Has the minister any information on that? What is the chief source of sewage treatment problems in Brandon now?

**Mr. Cummings:** The ammonia load, as I am sure the member is well aware, has been the concern the Department of Environment has had. The receiving water can only take a certain amount of ammonia discharge, and it is the treatment to remove the ammonia that is rather costly for the treatment plant and the redevelopment of the treatment plant.

Ayerst is a source of ammonia. As I understand it, they did some onsite removal to try and work with the city, but Brandon Packers or Pool Packers because of the nature of their discharge would be another one that would cause difficulty, even in the ammonia levels, given the nature of the discharge.

**Mr. Leonard Evans:** Brandon Packers is out of business.

**Mr. Cummings:** I recognize that is not a problem today, but it certainly has been in the development of the problem with the city of Brandon. The fact is that it is—well, not similar to Portage, the net result is the same—that they have just simply been under capacity, given all of the different industries that they have on top of the domestic load. It has largely been as much a question of capacity as it has of special waste.

**Mr. Leonard Evans:** I can tell the honourable minister from personal experience for a long time that the smell coming out of the Ayerst operation has been terrible. So much a few years back—this is before the honourable minister was in the office—I recall that CKLQ had a terrible problem in the radio station being in that area, being very close to the building. For whatever reason, the smell came right through the sewage system and it affected the extreme east end of the city of Brandon. It is much improved now—it is certainly improved. I was wondering, is the minister aware of expansion plans by Ayerst and has his department had any inclination or any information from Ayerst on this, what the impact might be on sewage treatment in the city?

**Mr. Cummings:** The department does not indicate that we have had any applications for expansion from Ayerst. As a farmer, there are always rumors out there about their expansion and contraction of their business. It has expanded and contracted over the years. It would not surprise me if there was an expansion. The member mentioned historical problems. I think part of that is involved in what I talked about earlier about them doing some on-site work, which I think involved some trucking off site to

try to alleviate the concern that he was talking about. That is all the more reason that this type of a development goes beyond what a normal domestic sewage system would require. If you are going to have an industry, whether it is Ayerst or whatever, that produces wet waste, you need to be able to deal with it.

\* (1620)

Portage la Prairie has had a horrendous problem in this manner because of the type of industries that they have there. That is the basis, frankly, which I am sure when he was a member of cabinet, as has been since I came into government, that you argue with other levels of government that if you want any expansion of your industrial base, it needs to recognize the expense that is associated with the infrastructure to do that. That is why I am rather pleased with the developments today in terms of getting Brandon on stream.

**Mr. Leonard Evans:** Yes, just another question and I know our official critic wants to get on asking current questions. I received correspondence, and I do not know whether the minister is aware of this correspondence, from a couple of citizens in Brandon, including Dr. William Paton regarding the environmental impact assessment of the proposed expansion of the Simplot chemical company. In fact, there is correspondence—I have a copy of correspondence to the director of Manitoba Environment asking, in effect, for a full public hearing or inquiry to assess the impacts of the project on air quality, river water quality, even in ecosystems, health and safety. I understand Simplot has retained, I think it is, Tetres Consultants to do some preliminary work and I do not believe copies of that report have been made available to anyone. Dr. Paton and Dr. Gerry McKinney have been asking for copies of it and are requesting public hearing on Simplot's application for expansion. So I am wondering if the minister could comment on that. What are the department's intentions in this respect?

**Mr. Cummings:** No decision. I think we are still in the process of getting further information from the—not in the process but we are getting further information from the proponent or the company, but no decision has been made about public hearings. I have had a fair bit of correspondence with Dr. Paton, so I am well aware of his issues.

**Madam Chairman:** Item 1.(c)(2) Other Expenditures \$40,300—pass.

1.(d) Community Relations: (1) Salaries \$147,600—pass; (2) Other Expenditures \$72,200—pass.

1.(e) Financial and Administrative Services: (1) Salaries \$646,300.

**Ms. Cerilli:** I am just going to ask one issue or question here. I appreciate that the minister must have gone to that and his cabinet to see that there was no reduction in the total budget for this department. As we get into the section on Environmental Operations and Management, we will see that there are some needs in the province as the effects of industrialization and our culture, as we know it, catches up from us. As the environment further deteriorates and we become more aware of the problems, we are going to need more staff, more programs, better legislation, just to keep up.

I would think that this is a department that is going to have to see some expansion at some point. It seems like we keep coming up with more and more areas that should have environment impact assessments. We keep coming up with more and more needs for legislation. So I am going to ask the minister, given that, what areas in his department, if he could see an expansion in it, would he increase the resources to what area, what kind of staff?

**Mr. Cummings:** You may have a palace coup here in a minute. Actually, the member is not far off the mark in terms of the fact that we are increasingly held responsible for regulating more. I do not like the idea of continually increasing regulation, but the fact is, as our society develops, we do need to regulate ourselves or our activity.

Dangerous goods, handling and transportation, is actually the one area that I see where our greatest demand will come along with licensing. We know that we have got an increasing demand for licensing. We are licensing activities today that probably were handled much differently 10 years ago and certainly were not handled at all 20 years ago, I would suspect. I say that in degrees, but the fact is I have no problem with saying that I do not mind running a lean machine either. We have developed the approach, I think, in the department that multi-disciplinary people is the way to deal with issues. Certainly, now that we are regionalized it is easier to do that.

The question that has been raised about the relationship between this department and having a number of public health officers, I think, demonstrates how you can get efficiency in terms of delivery. It does not mean we cannot be more efficient, but it just means that you do not have to have people only responsible for one act in terms of delivering service, but I would guess we, same as any other department, would always—as the workload and expectations rise, you expect to say, well, we need resources to deal with that.

We also need to prioritize, and there are things that perhaps we have been doing that maybe are not as high a priority. That is another way of dealing with workload. The previous administration, and I am not going to wear out that statement because the fact is the previous administration ceased to do certain things because they set priorities. So it is not the first government to have to do that. You make decisions based on what needs to be done, what must be done, and then you do your "have to's" before you get into your "want to's."

The fact is in enforcement, of course, that is a little bit different type of decision making than what it might be in some other departments. So we cannot be seen to be negligent and then enforcing in certain areas, but the two areas that I identified will be the ones where the workload is likely to increase.

**Ms. Cerilli:** One of the things that I have become quite concerned about is the whole area of research. Can the minister explain what kind of research is done in this department, or if it is up to Natural Resources department to do the kind of research on ecosystems that is so needed throughout the province? As I learn more about a variety of different environmental issues, that is what keeps coming up again over and over. It is almost like we need some kind of an agency. Maybe it would be best if it was not a government agency. Maybe it would be better if it was some kind of an arm's length agency that would do the kind of research that is always essential when we are trying to do environment impact assessments.

As I learn more about the issue with the cormorants in Winnipegosis that has come up in the House recently, I realize that it is not just the cormorants and the fish that we are dealing with here. We are dealing with the Fairford Dam; we are dealing with tourism; we are dealing with noncommercial fishing. There has never been a study done on all of those things and how they have

affected the ecosystem around Lake Winnipegosis. So I would ask the minister, where does he see that kind of research fitting into the scheme of things?

\* (1630)

**Mr. Cummings:** I am not so sure that I would categorize it as research as much as I would gathering of information upon which you can make decisions. I suppose that could be characterized as research. Our environmental quality standards section does a lot of what you are referring to. Obviously, if you are talking about forestry, that must lie with Natural Resources, but we have done studies on acid rain and vegetation. We have done ecological monitoring in the North.

Another area where work of this nature is done is doing studies on lakes, bodies of water, gathering information as to what is happening in certain bodies of water. You referenced cormorants—crowducks as the local people like to call them—that would be more than an example of where Natural Resources would be involved. We would be involved in water quality. If there was something that was affecting the quality of those birds that will be infected by the quality of the water, then we would be involved. So, again, you have a multidisciplinary approach if you have a problem that you are—or want to do broad-based research.

Talking about ecological studies, the interrelationship of various ecosystems or the total ecosystem is a responsibility that we share, and very often it gets explored when you get into some of the major licensing, I believe, that we are going to get into, where people need to provide substantiating information as to what they propose to do and what its impacts would be.

We also have been involved in some pesticide studies, so there are some of those types of projects going on, but we virtually see them more as an ongoing responsibility rather than going out and picking specific things off. At least that is the way I see it from my position.

**Madam Chairman:** 1.(e) Financial and Administrative Services: (1) Salaries \$646,300—pass; (2) Other Expenditures \$155,100—pass.

2. Environmental Management (a) Environmental Operations.

**Ms. Cerilli:** Did we miss (d) Community Relations? I did not hear.

**Madam Chairman:** Yes. Some time ago. The one I just read now was (e) Financial and Administrative Services, items 1 and 2.

**Ms. Corlill:** So we passed? Perhaps that was when I was talking to the member for Brandon. -(interjection)- Okay? We can go back to it? -(interjection)- Okay, I will ask the question here.

This is an area that I would like to see expanded. I know there are a lot of groups out there that do this kind of work, but I think it is important that public funding go into educating people about government or about the environment and that it should go beyond just what the government is doing.

I think there are some concerns that this area could be just public relations for the government and really not on the environment. A couple of questions I have is, I am wondering, from the objective statement, it says to foster increased public and news media awareness appreciation and involvement in environment management or environmental matters.

I would ask the minister, where and to who is this happening right now? What are some of the target groups, and how is this done?

**Mr. Cummings:** First of all, in terms of community relations, we do run a resource centre. We produce publications and run a public registry system.

If you want to know who is the target group, I think the member and I might have a different philosophy in how you communicate and who you communicate to and with. I believe that the broadest sector of the public as possible should be influenced by the policy and the direction that we are taking and the information that we have. Therefore I am not sure when we talk about target groups. Obviously you want to communicate with the professional communication venues, if you will, but at the same time, there needs to be resource for those who are technically oriented and want to get into that type of information.

In a broader sense, we have produced material that is suitable for educational purposes. We have a group of people within the department—in fact, almost any member of the department, other than in the laboratory area, is probably willing and able in one form or other to attend public information meetings on request, or in fact, we have people who do hold public information meetings on particular matters. We also, Madam Chairman, in terms of environmental—where we have a problem of

clean-up or whatever, we actually have people who—we develop fact sheets. We have actually had people go out and deliver them to make sure that the people in the community are aware of that particular situation. That is the more day-to-day type of operations. If you are talking about the longer term, it is the matters that I referred to before.

**Ms. Corlill:** One of the areas that I would be interested in having government take a leadership role in working with is industry, and I am wondering where in the department there is any kind of a proactive communicative approach with particularly industries that we know are causing problems in the province, where there is some kind of ongoing information sharing and work being done to see what kind of programs could be put in place so that they start cleaning up their act. I understand that there must be some of that going on in licensing, but if there is anything—I am putting the emphasis on where the department is initiating with industry.

**Mr. Cummings:** Licensing is obviously a direct contact point with industry in terms of, as you say, cleaning up their act. When certain sections of industry are brought under regulation or apply for licenses to operate, the department does not necessarily tell them how to do the job but tells them what standards they must meet. It is also very clearly my desire that we be very co-operative with industry, and that is what our people, I believe, endeavour to do—great deal spinoff benefits from that.

I think that we both missed a very obvious area where the department has made a major, and I emphasize the word major, step forward in communicating with the public, and that was the development of the State of the Environment Report. Regardless of the criticism that the member and others have made of this publication, it does critically analyze a number of areas that are quite critical of where we are at today. Those who say that it is a public relations job, I believe, do not recognize what kind of public relations I would rather have. I think we skirt into an area here that I hope—too often government and departments are accused of having public relations people out there who are not really doing anything more than improving image. I do not think we fall into that category, and I think we have made a strategic decision as a government that we do not want to be in that type of a position. We want to be in where we are providing information, and the Community

Relations is a very important part of that. You will notice that the department historically has put out a lot of fact sheets. Our communications capacity is somewhat reduced. We are not putting out the number of fact sheets that we used to. That is a condition of us being able to operate as efficiently as possible, but the fact is that type of communication is how we will have significant influences.

We also work closely with the Hazardous Waste Corp., and while they are not part of the department and want to be and should be seen as being at arm's length as much as possible, the fact is that the department and the Hazardous Waste Corp. do overlap in terms of getting information out on the handling of hazardous materials. We have quite a significant approach in terms of interface with the public through the Hazardous Waste Corp., which I think is something that is too often overlooked as well.

\* (1640)

The department, through even going out to the regions—one of the activities that a number of the regional directors have undertaken, and I believe they probably all have, but a couple that I have had direct contact with recently have taken it upon themselves to do a lot of liaison work. They are going out and asking and achieving meetings with municipalities, with towns, to show them what regulatory authority we are responsible for, to show them where they will be interfacing with us if they have problems or where we will interface with them if they are in violation of some of our act. Those types of relations are being developed much more than they used to be.

**Ms. Corliss:** I just want to respond a little bit and then we will go on to the next section.

In terms of the report, I think what people, and myself included, were disappointed about is that it was not more technical. The minister talked about how Community Relations does have contact with people who are in the position to want more technical information. I would agree this is a fine document to educate people about some of the problems. I disagree with a lot of the placating, pacifying statements in here, but I would agree that it would probably would have a lot of good use in the schools or with the general public.

I have with me a copy of the federal government's state of the environment report which is far more

technical and is at a standard that I think was expected or hoped for from this department. I am going to refer to it, hopefully later if we have the time. I am willing to pass this section. I have one question in Environmental Operations, and then I will pass it over to the Liberal critic.

**Madam Chairman:** Item 2.(a) Environmental Operations: (1) Salaries—

**Mr. Edwards:** Madam Chairperson, I want to ask the minister's indulgence. I think, given the size of the department, I am going to ask some questions generally in this area, not strictly to environmental operations but some of the other areas, if we can just be a bit broad.

Madam Chairperson, The Pines project is a project which is one I have been—(interjection)—Well, the minister says, that is getting pretty broad. One of the activities in environment—that one actually does fit under environmental operations—is the administration and enforcement of legislation and regulations pertaining to the environment. Now, one of the things that is achieved by The Environment Act is the setting up of an environmental assessment process which falls into three categories depending on the project, where the project fits. Is it a Level 1, Level 2 or Level 3? In all three of those, that is, regardless of the size of the project, the minister has ultimate discretion as to whether or not to hold a public process along with an environmental assessment.

I asked the minister back on November 21, 1989, about The Pines project. I asked him if he would be consistent at that time, because he had already required one for the Charleswood bridge, and order an environmental impact assessment on The Pines project, which had by that time already been approved by City Hall without an environmental impact assessment. Now the minister said two things. First of all, he said the message had to get out to the public, in relationship to these two projects, that there should not be a need for the province to consistently be in the pocket of the City of Winnipeg on these types of issues. That was the first thing he said. Secondly, he said we are setting about today to work with the City of Winnipeg to develop a process whereby their process will be considered equivalent, and there will be no question about whether or not the province has to second-guess whether or not the city has done correct environmental assessments. Noticeably missing at that time was any commitment to do an

environmental impact assessment on The Pines project.

I ask the minister today, given the very obvious, very serious environmental concerns which have been raised with respect to The Pines project, the obvious public concern which has been expressed, brought to this House through numerous petitions, both from this party and lately from the member for Burrows (Mr. Martindale), he will not now agree that an environmental impact assessment—and I do not suggest at this point what that should include, but I say that the minister should surely be prepared today to indicate that an environmental impact assessment of some kind should occur.

**Mr. Cummings:** Madam Chairman, first of all, I would say that we do not yet have an equivalent process within the city. I do not need to get into that debate. I agree that has not yet happened, but I do not, however, agree that The Pines falls in an area where I should declare it a development and cause a hearing to be held. It is one of those interesting situations where everybody says, well, this is a riverbank development, then find out that it is quite some distance back from the riverbank itself and that the development intends to actually relieve some of the riverbank that is impeded today back to riverbank use, whatever choice the city may make of that. The development itself, the building itself, is not one that I think falls within our regulation or should require an environment hearing.

If the member is suggesting, however, that it should be—and I think some people have taken this tack, that there should have been an environment hearing because of the concern of the relationship to the airport, then I think the issue becomes more of a planning issue.

I am not going to debate that aspect of it here, but I suggest that is a planning responsibility, not one that would in fact be an abuse of the environment act to use it to deal with something that needs to be developed, dealt with on a far broader basis than the environmental impacts because clearly we are talking about impacts on discharges or impacts on water and soil that would fall within what would be normally considered an environmental impact. This development does not fit those criteria, and I think it would, as I said, be an abuse to try and pull that development under The Environment Act.

**Mr. Paul Edwards (St. James):** Madam Chairperson, what investigations did the

department do into the project in order to come to that conclusion, that this project did not require an environment impact assessment?

**Mr. Cummings:** The review of the site plan would indicate to us that it is not an area that would be required to be pulled in as a development.

\* (1650)

**Mr. Edwards:** I take it from the minister's comments, of course, the key environment concern would be the riverbank and, of course, there was an agreement to do an environmental impact assessment of the Charleswood bridge. I think it was appropriate to do one for the Charleswood bridge. I would be interested to hear the minister's distinction between the Charleswood bridge impact on the riverbank and The Pines impact on the riverbank.

**Mr. Cummings:** There are a number of things that would be relevant to that, but I think obviously a bridge crossing a river is a lot closer to having impacts on a river and needs to be engineered appropriately so that you do not have the type of impacts that would be harmful. The other thing is, as the member knows full well, there are issues surrounding traffic flow that people wanted to tie-in to an environmental impact assessment of the Charleswood bridge.

The key concern that we had to deal with in the act and the regulation is, as we all know, that there was some controversy about whether this bridge should or should not come under provincial regulations for an environment hearing, or whether it could be designated as a development. There is some ambiguity in the section, and I am not even trying to compare the two. I am only going to give you the reasons why the Charleswood bridge is under it.

The fact is we have now had a ruling under the same section regarding the Campbell mushroom operations, as to whether or not that could be designated as a development. There is a little bit of ambiguity in there as to whether or not these projects are drawn under the act. The concern with the Charleswood bridge is they are definitely dealing with riverbank. They are definitely crossing the stream. There will be some reasons to believe that it has to be engineered properly or it will impact on the river and, therefore, in my opinion is much more likely to be required and should be required under the act.

**Mr. Edwards:** Finally on The Pines, was there a site inspection of The Pines by Department of Environment staff? Did they study the proposal put forward by the developers? What precisely was done in order to come to the conclusion that an assessment was not required?

**Mr. Cummings:** The project clearly does not fall under our regulation, whereas bridges do. The difference with the bridge is there is an option not to review it. The project such as The Pines is not something that is contemplated in the broadest interpretation of our regulation. As I said earlier, they have reviewed the site plan.

**Mr. Edwards:** Madam Chairperson, I asked some time ago in the House about the Golden Acres cottage subdivision at Dorothy Lake in Whiteshell Park. I want to ask the minister in that regard whether or not he is satisfied that the provisions of The Environment Act have been met in their entirety with respect to this proposal.

**Mr. Cummings:** Excuse me, Madam Chairman, I had to refresh my memory on this one. This is one of the situations where the end result was that the environmental conditions were improved. They had a trailer park where not all of the sewage systems, I take it, were what they will be under the new development that is proposed to go there.

I can appreciate the sensitivity of those who are living there, but clearly this was not an environment problem and, in fact, the assessment that I have been given of it is, we are probably improving the situation there in terms of the environment.

**Mr. Edwards:** As the minister is aware, there is certainly some controversy about this project from people who have direct interest in the area. One of the complaints they had, which seemed very legitimate to me anyway, on a review was that the public had only an opportunity to comment on the proposal through the provisions of The Environment Act.

Since the provisions of that act have a specific—they speak specifically about the requirements of notification of the public and the public's right to make comment rather than a general statement, the concern was that under the licensing procedures regulation, Manitoba Regulation 163 of '88, specifically Section 4, it is stated that the director shall perform the duties described in subsections 10, 7, 11 within 21 days, and 21 days of the receipt of objections. The people who are concerned about

this project, suggest, ask the minister to give us any knowledge he has, that in fact the director did not meet the requirements of Section 4 and perform the duties that are described in Section 4 within the 21 days of receiving an objection. Does the minister have any awareness—and I am taking this from a correspondence dated June 7, 1991. It was to the minister. I assume he got that. I assume he checked out that alleged breach of the act. Is that in fact something which occurred?

**Mr. Cummings:** I cannot respond specifically about the letter that the member is referring to. I believe I probably have because I have received some correspondence on that, but I also think that the member's question is certainly technical or legal. It is a legal question really of whether or not we have lived up to the requirements of the act, and I guess I am not going to answer it on terms of a legal question. If he has a case or an issue he would like to refer to Justice, frankly, if we have done something we should not have, then I am prepared to take that as notice, but I think he is asking a legal question, and I do not have the information here to respond.

**Mr. Edwards:** I appreciate that it is one which may have legal implications that flow from it. It is The Environment Act, this is the Environment Minister and these are the Department of Environment Estimates. He did get the letter, I assume. It is dated June 7; it is signed by five individuals. I can provide him with a copy if he wants one, if he cannot find it. The first question posed to the minister, or allegation made, is that Section 4 of those regulations has been breached by the department. I would appreciate a copy of his response to that June 7th letter or, if he has not responded, a response specifically to that allegation, in time. If he wants to refer it to Justice, so be it. I wonder if you would be willing to provide me with a response to that allegation or the actual response he gave at the time to the people who wrote him.

**Mr. Cummings:** I certainly, in responding to the letter, will have to provide that information, and I do not suppose there is any problem with providing him with a copy of it.

**Mr. Edwards:** Madam Chairperson, I just want to cover a few specific projects which are of concern. Another is the Pelican Lake enhancement project. I wanted to ask the minister, specifically in that regard, where that project is in terms of its progression, what stage it is at in terms of its



development, construction and from an environment perspective, what the status of that project is. If he could just give us an update as to his department's involvement and continuing involvement with respect to that project.

**Mr. Cummings:** Yes. Chronologically, we issued a licence, then we received a number of appeals. We have dismissed those appeals, but we have set up an advisory committee. We—I would say that collectively, apart from the affected departments, there is an advisory body between the regulators and both the opponents and the proponents of the project.

It is my understanding—I cannot tell you the precise stage of construction, but I believe it has resumed since the federal authorities have dismissed their final appeals and one time there was a threatened court action, but I believe there has been none of that that has developed.

\* (1700)

I would have to say that this may be an example of where sitting down and going back over the issues and allowing those who were opponents of the project to have further insight into what was actually happening, and to have some ongoing input into the operation of the project, they believe that they have now, at least to some degree, a better level of comfort with the project. It is proceeding as the original licence and, of course, it is our job to make sure that it operates and is developed within the parameters of that licence.

**Mr. Edwards:** Who is on the review—I think the minister mentioned a review committee—

**Mr. Cummings:** An advisory committee.

**Mr. Edwards:** An advisory committee, who is on that committee?

**Mr. Cummings:** I am going to have to go by memory. There are 20 members, I am told, but Natural Resources would be represented, obviously, the local municipalities are represented, the cottage owners are represented, the Pembina Valley owners are represented, the Department of Environment. Beyond that I will have to send you a list of the members. The Indian bands, I believe, are also represented, so we have no problem sending you a list of who is on that.

**Mr. Edwards:** This is a particularly interesting project because it appears to me, and I am also quoting the March 27, 1991, press release from the

minister, that the key rationale for the project was to protect property damage if the lake got to very high levels, and also that the fluctuations year to year in the water levels were adversely affecting the recreational use of the lake.

I do not say that tourism and recreational use are not important, but when compared to agricultural use of land, when compared to quality of water for the use by livestock and for human consumption, it is certainly not to be ranked above those. I wonder if the minister can indicate what priorities his government set and where recreational use, since specific to this project, fit into those priorities. That is, was there any concern about the effect on downstream owners which, of course, was the key concern of those who appealed the CEC decision?

**Mr. Cummings:** The fact is, in issuing the licence and dealing with whether or not there were environmental impacts, the commission and the department came to the conclusion that it would not. That includes making sure that the other interests are not harmed, the issues that the member commented on, and I guess I have to say that as the Minister of Environment and responsible for the regulation, it is difficult to take the argument a long way beyond that.

The issue that is referred to by the member, of course, is why are you doing this at all? If the answer to every concern that is raised about the relationship between the environment and various interests out there is that the only answer is to do nothing, then there are a lot of things out there that would not be done.

This was eventually licensed as a project that was environmentally benign, and at the same time, as is referenced in that release, would enhance other opportunities, and I suppose that is about as simple as you can state the case.

**Mr. Edwards:** Can the minister indicate what the provincial contribution will be to this enhancement project?

**Mr. Cummings:** I cannot, unless the Minister of Natural Resources (Mr. Enns) knows what the provincial contribution to Pelican Lake was. Do you know that figure? -(interjection)- I am informed, and we are ballparking a little here, this could be about \$150,000. It is not a large project in the first place.

**Mr. Edwards:** Given that the project benefits the cottage owners and the land owners on the lake, are they being assessed for a certain portion of that?

**Mr. Cummings:** You are getting into an area that I am not—as a cabinet minister obviously I am responsible for, but I do not have the information here. My best answer would be that they are not, but I cannot verify that. You would have to ask for a written response on that. If you wish, I will get you one. Madam Chairman, I will undertake to get a written response on that question because it is really outside of the departmental responsibility.

**Mr. Edwards:** I will not hold the minister to the \$150,000 he cited. If he could address that in writing, either that or through the appropriate minister, I would appreciate knowing that because indications I have are that it is well in excess of \$150,000. That is based on the supposition that federal contribution is still in the amount of some \$300,000. It is my information that remaining construction may be in the neighbourhood of another million dollars, and that the provincial contribution may be substantial, indeed, and certainly more than \$150,000, but I would appreciate that written response from the minister.

Another concern which has come to my attention, which I have been monitoring with some interest, is the issue of the Winnipeg aqueduct system. I wonder—and just to refresh the minister, I am sure he is aware that the R.M. of Springfield presently has currently two reservoirs of about a half square mile each which store water for the city of Winnipeg, and apparently there are plans to build two more this year. I wonder if the minister, by way of opening comment, could indicate whether or not those plans are still in place to build two more or whether he has knowledge on that issue.

**Mr. Cummings:** I can provide some fairly up-to-date information on this one. We had advertised the project and, based on that advertising, we are now sending a note to the commission asking for a public hearing. Whether there is one or two, I honestly cannot tell you. I believe it is a project.

**Mr. Edwards:** Is there any indication at this point when the hearings will take place?

**Mr. Cummings:** They will be called as soon as is reasonable, but we do not have a definite date.

**Mr. Edwards:** Will the Clean Environment Commission also be charged with the—or at least given the mandate, the opportunity, to look at and recommend alternative locations for the new

reservoirs if not the proposed ones by the R.M. of Springfield?

**Mr. Cummings:** The process that the commission will go through is that opponents could propose an alternative, and if it were deemed an obvious problem the commission could recommend alternate locations, but that is somewhat hypothetical, I think.

\* (1710)

**Mr. Edwards:** Madam Chairman, this is a particularly disturbing proposal, and I just say that from the point of view of the information that I have which, admittedly, has come from people who oppose the project. I look forward to the hearings and a full hearing in front of the Clean Environment Commission, but it proposes the use of some thousand acres, I believe, of prime farmland to create these aqueducts. I wonder if the minister could indicate what his view, his position, is as to the appropriateness of using such valuable farmland for nonagricultural uses.

**Mr. Cummings:** We are definitely getting into a hypothetical discussion, but let me put it in this context, Madam Chairman. If we are looking at a subdivision for the city of Winnipeg, we are taking out equally as productive land. The appropriateness of this location will be looked at by the commission. I think the member also is, of course, thinking about, what are the alternatives to a reservoir? Alternatives are water conservation, and I am sure I cannot add much to the debate about whether or not the city needs another aqueduct. An additional reservoir capacity, however, will help them to maintain the present aqueduct and the appropriateness of locating it there, the appropriateness of even having one, to some degree, two separate issues. The commission will be dealing with the environmental aspects of the location. The appropriateness of whether or not they need it as part of their system is part of another debate, I believe.

**Mr. Edwards:** Where does that debate occur? Because if it is not before the Clean Environment Commission, where does the debate occur? Is it only at the R.M. level as to whether or not it is an appropriate use of this type of high-quality farmland? I mean, I have watched personally, because I was at school down in southern Ontario for six years, the encroachment on the Niagara Escarpment by development, and it was both

residential and industrial. We have seen it in Vancouver at a horrendous pace up the Fraser Valley. We have seen it in Vancouver Island. Southern California very much, I believe, today regrets the development on their prime farmland. I do not suggest we have reached that level, but where does that debate take place if not in the environment department as to what is the most appropriate and the best use of our land, and in this case, prime agricultural land?

**Mr. Cummings:** I think there are two questions, really, in that statement.

Number 1, where should the debate occur about land use? Number 1, it should occur for the local responsible authority. In this case, there is an overlap between the city and the R.M. That overlap is covered as well, of course, by provincial land use policies and the provincial Planning Act which delegates authority. I am not aware whether or not Springfield has a plan, a delegated authority, or whether they—how that area has been specifically zoned. I will take the member's word for it that this is prime agricultural land that may be taken out. The R.M. of Springfield is a rather unique R.M.

The member has just come in and may want to back me up on this but there is also a significant amount of land in that area that was subdivided literally 40 years ago or more, 50 years ago, that is being farmed but technically could be all subdivided at the stroke of a pen because it has already been broken into smaller lots. I was aware of that issue when I was in municipal affairs.

So there are two debates. There is the larger debate, provincial land use policies, and the local planning debate of what type of development they will allow where. We also know that the sheer force of, or the weight of the responsibility of providing infrastructure for a community the size of the city of Winnipeg and the resultant pressure that goes on surrounding municipalities, has spilled over many times into this kind of debate as to even whether or not there should be rural residential developments. We find the local R.M.s sometimes have very significant desires for rural residential development because of the cash flow that comes from that, so then falls back to whether or not the larger land use policies have been appropriate.

**Mr. Edwards:** Madam Chairman, I am going to leave that issue for now. I know my friend, the member for Radisson (Ms. Cerilli), has some

questions. She has already indicated that and I am sure she will draw the minister back, but I leave it that The Planning Act is—and I have not reviewed it. I do not have it here, but it strikes me, and I leave it as a comment, that there certainly is a provincial role to play. If we are delegating entirely to the R.M.s, then we are probably also abdicating our provincial responsibility of land use generally and I—that is perhaps a debate for another day. Perhaps the member for Radisson (Ms. Cerilli) wants to get into it, but I want to move on at this point and ask about, staying on the city of Winnipeg, the problem of ground water contamination in the city.

There is a concern, of course, that ground water in south St. Vital and other areas, but primarily south St. Vital and other areas around the city's edge and bordering the city is becoming salinated due to development, and I am advised that the management of ground water resources was to be reviewed by the Winnipeg Region Committee in early 1991. I do not know if that has happened or not. Maybe the minister could indicate that in his response, but my primary question is, who is responsible for damages to existing ground water users if salt water intrusion has indeed or should occur?

**Mr. Cummings:** The member has asked the question of who is responsible for damages. I am not sure if he means who is responsible if somebody was looking for somebody to sue, or if he means whose regulatory authority should take responsibility for dealing with the issue. I will take it that he meant the latter.

First of all, if we have a situation where somebody is polluting the aquifer and you can identify it, then they are the responsible body and they can be taken care of under The Environment Act. That would, I believe, include a situation where somebody, by overuse, damages an aquifer. In this particular case, you are looking at multiple users, most of which are not licensed for withdrawals, because they are all smaller withdrawals and would therefore end up in a civil suit.

There is still a fair bit of debate about whether or not that aquifer—there is concern that aquifer is reaching its limits in terms of salination. There has been some survey work done there in terms of trying to determine if the salinated water is moving further back. We have no evidence at this point that it is.

\* (1720)

Some of the people who have been raising concerns regarding their water have been approached by our department and by Natural Resources, Water Resources, I believe, indicating to them that there is certain remedial action they can take with their own well sites that may be the source of their problem. I do not want to get into a public hair pull with them, so I will not name anybody. I do not mean to backhand anybody in this case, but I believe that some of the complaints that we have had can be dealt with by remedial action right on their own local wells, that it is not a result of a general decay of the aquifer or damage to the aquifer. We are having some problem identifying—in fact, we have not been able to identify that there is a downgrading of the aquifer given the testing that has occurred, but I know there is significant concern in that area.

**Mr. Edwards:** Can the minister indicate whether or not this indeed has been addressed or discussed by the Winnipeg Region Committee which, I am advised, is made up of the Minister of Urban Affairs (Mr. Ernst), the Minister of Rural Development (Mr. Downey) and the mayors and reeves of the 15 municipalities surrounding Winnipeg?

**Mr. Cummings:** Yes, and I am a member of that committee as well. I attend regularly. I am not sure whether I am officially a member. There has been some discussion, but there has not been a plan of action developed. It has been a topic on the agenda but not fully developed, and it will be an ongoing issue. We all are concerned about the end result because, interestingly enough, that ties into the aquifer, the reservoir, the water supply, all of that. If you are going to have rural residential development, you are not likely going to have capacity for city supply, so therefore there are limitations. All of those things are the very reasons that the group meets regularly.

**Mr. Edwards:** I perhaps was not listening to the minister's first answer closely enough as to who has responsibility for whatever may occur.

**Mr. Cummings:** The regulatory responsibility for ground water lies with Water Resources, but very often where there are concerns of potential pollution, whether water quality issues are raised, the Department of Environment becomes involved as well.

**Mr. Edwards:** Given that, can the minister indicate whether or not there will be an environmental

review, whether or not he is considering that or will consider it for ground water intrusion, before any more developments occur at the city's boundaries?

**Mr. Cummings:** We are not contemplating having a major environmental review, but I believe there are some areas that are being restricted today because of the unknown factor of whether or not the aquifers are reaching their capacity. South St. Germain, I think, is one of those areas.

While an assessment is not being contemplated right now, if there is additional development pressure in some of those areas, there is going to have to be a decision made about whether or not there is sufficient capacity to support that or, again, it will go back to a question of whether or not city services can be extended.

**Mr. Edwards:** Well, I am certainly not an engineer and an expert in this area, but I am aware that there is significant concern. The minister has talked about the capacity of the ground water, the aquifers. What I am asking about is, in a sense, the contamination of it by salinated water.

To my knowledge there has never been an extensive ground water investigation to determine just how much development could be allowed without causing salt water encroachment into the present fresh water, such needed necessary fresh water area, or whether or not there is a need to implement some form of artificial control to ground water flow in the area.

Is in fact that type of study being done now in whatever form, either departmental initiative or review investigation being done through the Clean Environment Commission or another form? Is that being done and is that being addressed? Has it been initiated out of the committee which the minister is a member of? What are the plans for the future to answer the very questions the minister has posed back to me in his response?

**Mr. Cummings:** I have to refresh my memory a little bit on this issue. What I have said a moment ago was correct, because the capacity of the aquifer will decide whether or not you are going to get encroachment. You will not have encroachment if you do not start to reduce the capacity of the aquifer or overpump the aquifer. Water Resources has done a fair bit of work in assessing whether or not the salination is moving and their best opinion today is that it is not moving.

The restrictions that I talk about in terms of whether or not there should be additional development done will have to be based on whether or not there is capacity. That capacity study rather than an environment study is what is needed to decide whether or not there should be any more rural residential development in the area that we are specifically talking about.

You might argue, and I do not want to get into—because we have good working relations on that multijurisdictional committee that we were referring to, I do not want to make the argument about who is ultimately responsible, but you could look at it and say that anyone who wants to develop in that area of any major amount, whether it be the city or whether it be a private developer, that they should ultimately be required to provide some funds towards providing the information that would be needed to provide a capacity opinion of that aquifer.

I believe there is restricted development in that area. Until we have some knowledge of the complete capacity, if we are talking about the same area which would be in the St. Germain area. If you want to talk in the general sense about all of the surrounding area, I am speaking specifically of the one area alongside the river where the concern has been primarily expressed. It seems to me that, ultimately, someone is going to have to decide if there is capacity there. You could then ask the redundant question: Who is responsible for paying for that cost? I am not prepared to make the statement one way or the other on who should ultimately be responsible, but if you want to develop in that area, the work is eventually going to have to be done.

**Mr. Edwards:** I think there is pressure to develop. The minister has acknowledged that. There will be, probably, increasing pressure to develop from some of the municipalities involved but also from the City of Winnipeg.

What I am asking the minister, and I do not intend to belabour it, but I am not sure I am clear yet. He says there are these remaining questions. He has cast it as primarily questions of capacity as opposed to—he says there is some answer already in place as to whether or not it is encroaching. My question is: Is there any kind of action plan in place to answer that question, whether or not further development does in fact add to the salination and whether or not the capacity question should prompt us to restrict development. Is there an action plan in place?

He is saying there perhaps should be some contribution from the R.M.s. I mean, I am not going to get into that either. That is not my concern. My concern is: Is there something being done to answer those questions today, as we speak, or is there going to be something in the near future?

**Mr. Cummings:** That question is pretty clear and the answer, I think, is reasonably clear as well. The multijurisdictional committee surrounding the city of Winnipeg in conjunction with the regulators will have to make a decision, but that decision will be a planning decision.

First of all, if there is a plan that says they want development in that area and it is definitely desirable to go ahead with a considerable amount of usage as part of that plan development, then the decision will have to be made by that group of responsible authorities as to an action plan to determine the capacity, because the lack of capacity is what will allow the salt into the aquifer.

**Mr. Edwards:** Time is short, and I am not going to ask further questions on that particular topic. I leave it that I am not sure we should let this be project-driven as such, but it may be an area in which we want to be somewhat proactive simply because there already is pressure and there will be -(interjection)- He says the alternative is a freeze.

I would think the alternative, rather, was to answer the very questions we need to know now, and then we know if we need a freeze. Maybe we do not; maybe we need restrictions; maybe we need nothing. The suggestion I leave with the minister is that the question is going to have to be answered sometime, better sooner than later. Maybe the restrictions we have already got on, if we have them, we do not need. We do not know, so maybe we should find that out and then we will see if we need restrictions, more restriction or less.

\*(1730)

In any event, let me move on to the Legislation and Intergovernmental Affairs topic. This question flows from some private member's bills that I have before the House, and which I am sure the minister will have read in great detail. I have not heard yet whether or not the government supports them. I suspect not, but in any event, can he indicate whether or not he has any views as to giving some public assurance that public hearings will be mandatory, at least in the biggest of environmental projects, that is the Level Class 3 projects which to

this date do not require a public hearing process associated with them, which I find very regrettable.

The NDP put in that act and, of course, it made some sense that they would not do that because they did not even have an assessment with respect to Limestone, but it seems to me we have come to the point where we should at least guarantee a public process for the largest of projects, if not also Level 2.

Can the minister give me some thoughts on the bill I have before the House presently in that regard? Why not support it? Maybe I will put the question that way.

**Mr. Cummings:** I cannot recall all of the details of the bill at the moment, but I think my recollection of it is that it goes quite a bit further than what the member just characterized. Nevertheless, I do not think that he or I can envisage a Class 3 development that would not have public hearings. That is not an issue, but I think the way the bill was put together, they were talking about a lot more than just the ramifications of that.

Certainly the way our Environment Act is structured, a public advertisement asking for information or for input from the public automatically, in most cases where there is a controversial project, comes back to require hearings.

There are situations, however, on some of the other projects where the public concerns are answered without the requirement of a public hearing process, and I believe the system, as we have it today, is working appropriately.

I do not think I can let the last question, however, go by without making sure that we do not wrongly characterize the issue of doing ground water examinations in the area that we are debating. I want to make it very clear that the information we have today is that we do not have a problem. We do have, however, a situation where if there is going to be significant development pressure, we do not know the answer.

The member has rightly asked, well, is there a plan in place? My answer very clearly is that plan will be developed in the forum that we referred to earlier, Winnipeg jointly with the other surrounding municipalities and regulatory authorities.

**Mr. Edwards:** Madam Chairperson, actually, that is all my act said, my bill. It was about two sections long and the minister can, I think—I hope he takes a look at it because it is very short. That is all it says.

My comments, when I introduced it, were, I would prefer we extend the public hearing process guarantee to Class 2, but in an effort to gain support from the government, I limited it to Class 3.

I think that it is pretty obvious that it should be a guarantee in Class 3, and the minister has all but agreed with that. I do not say he has unequivocally agreed, but he has indicated we cannot think of one that would not have a public process. It seems to me a pretty good reason to put in a public process guarantee. I hope he will take a look at it and not just discard proposals that come forward as coming from opposition and therefore not worthy of consideration for support, because there is a certain tradition in the House, albeit rarely, of co-operation between members.

It was much heightened when they had a minority, I might add. Since they have the majority, it is a little less co-operative in terms of actually getting legislation in place, but I hope he will take a look at it and suggest some amendments. I would welcome some amendments, suggestions from the minister if there is a problem.

Anyway, the member for Radisson (Ms. Cerilli) says that she will support me. I appreciate that very much. In any event, I just want to ask a couple more questions and, yes, then I will be finished because I want to get on to the Innovations Fund. With respect to the Manitoba Hazardous Waste Management Corporation, the community member for St. Norbert (Mr. Laurendeau) will have made patently clear to the Minister of Environment (Mr. Cummings) that he does not support the hazardous waste corporation locating a facility in his constituency, at all, on any terms. He has, I believe, made that clear to me, so I assume he has made it clear to the minister.

In any event, can the minister indicate—I know that the corporation does come in front of a committee—when are they going to be announcing the site? Does he have any indications of when? Maybe I can just leave that question.

**Mr. Cummings:** The corporation is working on the two sites that the member, I am sure, is well aware of—the Four Mile site and in Montcalm. The test results on both sites have been good up to this point, although they are not finished, or at least I have not heard the final results on the Montcalm one. Certainly, all of the early work is good, no surprises,

and they have been having public information meetings in both areas.

I am not going to make a stab in the dark as to which areas are ultimately going to be accepted, but I make no apology for the fact that the corporation had to eliminate a number of other choices and prioritize their choices, so that they could make best use of their funds this summer to come closer to making a recommendation to government.

I would suspect that they will ultimately recommend the two sites with an evaluation of each, and government by policy will then make a decision based on a number of factors that will be available to us. I think I have, in fact, stated that in letters to people who have inquired along this line before. I think, that is, if we end up with two sites to choose between, there are still reasons that we can choose one ahead of the other because of various public responses, policy development, all of those issues.

**Mr. Edwards:** It is very interesting that the corporation is not going to propose two sites. Maybe I am missing something, but I recall the committee meetings to study the corporation when they said they were going to propose one site. I may be wrong on that, but I suspect perhaps the member for St. Norbert (Mr. Laurendeau) has had something to do with the corporation now is going to be proposing two sites. -(interjection)- Well, the Minister of Natural Resources (Mr. Enns)—why do I think that?

The member for St. Norbert is not a shy person, and he has made it abundantly clear to me and I think to probably the New Democratic Party his feelings on this issue. As long as the majority is slim, I think he has some leverage. I do not suggest that is wrong; I suggest that he is using his legislative authority as best he knows how. We know he got elected telling those constituents that, under no circumstances would he allow such a project. So I would assume he will want to carry out his election promises.

Anyway, there was a complaint made by many residents in the area also to myself and, I am sure, to the member for St. Norbert (Mr. Laurendeau) that the corporation was using, and I want to quote here. This is from Mr. and Mrs. Patyn. Their memo to my Leader of March 25 indicates that they: were disappointed with high-pressure tactics that were exerted on us by the Crown corporation officials. They indicated that the area residents were going to

have very little impact on changing the decision if Brady Road is selected as a site. It almost appeared as a done deal.

Did the minister receive those similar allegations against the corporation? If so, did he investigate and determine what occurred at that meeting, or did he have any officials at that meeting?

\* (1740)

**Mr. Cummings:** I have from time to time received those types of complaints, whether it is in St. Norbert, or whether it is in Hamiota, or whether it was in Rosburn. I have invariably investigated them and found that there is, generally speaking, a strong disagreement between the individuals and the corporation about whether or not there should even be a site in the area. I suggest, however, that there is an increasing sense of pressure in terms of the St. Norbert area because of their desire to be heard as a local community as opposed to being part of the larger community of Greater Winnipeg. That probably heightened their sense of frustration, and I have always cautioned the corporation as the minister responsible.

I realize that I am answering questions that I do not need to answer right now, but I do not have anything to apologize for in this area. As far as I have been able to determine, I think from time to time there are members of the corporation who are overly enthusiastic and convinced beyond any doubt that they have a good project, and that it is benign, and they tend to probably come on pretty strong to individuals. I can only say that anytime these have been brought to my attention, the corporation has adequately explained their position. I would not question that there may be some very strong feelings held out there and that people—well, I know people get quite upset when they get into this debate.

**Mr. Edwards:** I did want to pursue it with the minister because I recall that corporation coming before the committee. I must say that at the time and in my dealings with the corporation, I have always been impressed with their forthrightness and the job they were doing. It was, therefore, all the more of concern to me when this allegation came forward. I take the Minister of Environment's comments, and I will look forward to pursuing them when the corporation comes before a committee again directly with the officers of the corporation.

This will be the end of my questions and let me just say that time is short for the Estimates process generally. My friend the member for Radisson (Ms. Cerilli) and I, I am sure, would have hours and hours and hours of questions. This is a very important area for government, but we recognize that other departments also have a right to have an Estimates process, some questioning occur, and we know that with the limit of 240 hours we have to restrict our questions and so I simply want to say there are many, many questions and issues I would like to have gone into.

I might say this minister in my experience has been available to discuss these on a personal basis if and when they have come up, and so I appreciate that and I trust that will continue.

In any event I want to ask about the federal-provincial program to clean up abandoned, contaminated land sites. This is an issue I inherited. My former colleague Mr. Taylor, former MLA for Wolseley, pursued this with a vengeance on many occasions, and I would be remiss if I did not follow up, not only on my own behalf but on his. He was very concerned, as I am, about abandoned or orphaned sites where the owner has gone bankrupt, or is unwilling to pay and the government cannot force payment.

There was a plan in place where the federal government was going to contribute up to \$100 million or 40 percent of the estimated cost, which was—I am sorry, I think it was 40 percent of the estimated cost. Then \$25 million was to come from the government industry program to develop and demonstrate new clean-up technologies. Another \$25 million was to be made available to clean up sites where federal agencies and departments were the responsible polluters. So I wonder if the minister can give me an update on whether or not you now have a complete or solid list of the sites themselves, which is a pretty obvious starting point, and whether or not the money has been committed at the federal or the provincial level and what of it has been spent to deal with this problem.

**Mr. Cummings:** We are in a position to sign the master agreement. The final signature has not been made, but I do not think that is an issue. Within that, there will have to be discussions about whether or not the province has sites that qualify. We may have some. Manfor, of course, is not one of those that would necessarily be an obvious candidate, because the owner is identifiable, in case that was

the next question that would spring to mind. On the other hand, the federal government did sign an agreement with Expo, so we will have to wait and see how those discussions unfold.

**Ms. Cerilli:** I am going to deal primarily with a constituency issue. I see that my constituency on a number of occasions made the State of the Environment Report. We have a number of hazards in my constituency; one of them is the Domtar site. I have been in contact with the department and had hoped that they would send me a copy of the schedule that is being followed by the company that has been contracted by Domtar to clean up the area. Is the minister aware of a schedule for the cleanup and can he describe that to me or send me a copy?

**Mr. Cummings:** Yes, we will send you a copy as soon as we have what would be something close to a final schedule. The corporation has been moving along in dealing with the problems there, but they have not given us a firm and complete schedule. We have no reason to believe that they are going to back out, but at the same time they have not given us a definite schedule to complete the Domtar site.

**Ms. Cerilli:** There is a plan in place. I think I have seen an outline of it, and I have a problem with waiting for the corporation to propose the schedule. I would think that is something that the Department of Environment could push for. I will ask the minister to respond to that.

The other concern that I have, and I was trying to do some research on this myself, was to ensure that the testing is taking place on the materials that had already left the site. As I understand it, concrete and other materials had been removed from the ground. It was supposed to have been tested before it was to go to Brady. When I called, it sounded like they had already taken material to Brady that the department was not aware had already left the site. So is there any assurance in the department, is this part of their licence that material has to be tested before it goes to Brady or that the spray wash water, the waste that was from the spray wash, any kind of water that was used in the site, would be tested before it could go down the sewage system?

**Mr. Cummings:** Both the province and the city had okayed the transfer of the material to Brady, unless the member is aware of something being moved that we are not aware of. It was inspected before it was moved.

\* (1750)



**Ms. Cerilli:** This is a classic case in a lot of ways of where residents in the area, some who are very concerned, have information and, I would think, should be encouraged to act as watchdogs, if you will, of what is going on in the area. You know, we could check. If the minister can show when the dates of the tests were done, I think that we could tell him, tell the department, if all the regulations had been followed or not.

That aside though, there are other safety concerns with other residents in the area who I am concerned about are not concerned enough, and they have their kids playing in there. One woman had her dog fall into a pond with creosote in it. This is a carcinogen. I would ask the minister, is there any attempts to fence off or put up more signage or, as I asked before, for a public meeting or some other way that people could be alerted to the hazards in this area, or to have a fence that would enclose the entire area so that people were not wandering through there.

**Mr. Cummings:** I understand the fencing that has been done is of the most heavily contaminated area, but there are other parts of the site—the member is right—that are not fenced. There is consideration being given to whether or not there should be additional security on that site. I cannot comment on whether or not that will take place. The discussion is between the company and the department about whether or not there should be actual patrol of the area.

I would go back to the former question about material being removed. None of the wash—there was an implication that some of the wash may have gone into the drains, or could get into the drains. That is not our understanding that any of it was, or could, get into the drains. The material that was removed was washed and then removed, and it was a visual inspection.

One should not assume that this—when you are removing cement, if they remove the surface contaminant—by washing, was what I understood took place. So it was not a case of testing before it was removed. It was visually inspected to see if the contaminant had been removed from the surface, because it was not something that would have absorbed into—that would be the status of the material that was removed and taken to Brady landfill. There is no reason to believe that there was anything wrong with that operation.

The security one—the original approach to dealing with this was to fence the most heavily contaminated area. Frankly, in my understanding of the work on the site as it progressed, is that they have found more work outside of the fenced area than what was originally anticipated. The question that the member is raising, and the question that we are dealing with as regulators, is whether or not that is a significant risk in the way it is today. If the risk is deemed to be rising, then I guess we will move to the next stage of restricted access to the area.

**Ms. Cerilli:** I am sure that I read in the plan outline that there was a requirement for material, liquid material I would assume, to be tested before there was anything discharged into the sewage system. It may not have been from the spray wash. I realize that was contained, barrelled up and shipped off, but my concern was any other use of water or any runoff—I am not sure what it was—would have been tested properly before it went down the sewage system.

The other thing I would like to ask the minister is with respect to—I forget which bill it is—The City of Winnipeg Act amendments that change authority over rivers and streams in the city of Winnipeg. I would just ask the minister if he can make some general comments about what he sees as the intent of that piece of legislation, and what he sees as the advantages of it.

**Mr. Cummings:** I am aware of the concern that the member is raising. In fact, she may very well be quoting out of a report from MEC. They have passed on the same information to me in terms of their issues about the environmental aspects of The City of Winnipeg Act that we have introduced as a government.

There is no limiting—in fact, the provincial powers under The Dangerous Goods Handling and Transportation Act and the balance of The Environment Act are not in any way impeded. We do not see those sections as reducing anybody's ability to protect the environment. Certainly, in terms of rivers and streams, the city will be living up to the conditions of our act. They have taken some significant strides in terms of exercising their regulatory responsibilities within the city by, in fact, hiring someone who was previously employed with this department. Aside from the legislative aspect of it, we do not have a problem with those changes, and we do not see them as a reduction of anybody's capacity to protect the environment.

**Ms. Corlill:** There is something in the State of the Environment Report that I want to ask the minister to comment on to see if he supports it, on page 99: "2,4-D is the most widely used herbicide in Canada, both agriculturally and domestically. Any ban or regulation of its use would have major economic repercussions, including the problem of disposing of the millions of kilograms already in circulation." Does the minister agree with that, particularly the first part?

**Mr. Cummings:** The question is, do I believe that 2,4-D is the most widely used herbicide in Canada, both agriculturally and domestically? I have no reason to doubt that statement and certainly with my experience in the agricultural field, I would tend to think that is a supportable statement, yes.

**Ms. Corlill:** I guess it is the next paragraph, too, that needs to also be considered which seems to indicate, as the title of the section does, that there is not conclusive evidence on the hazards of 2,4-D. That is generally the idea that I am getting at, where the minister stands on that issue.

**Mr. Cummings:** Madam Chairman, as a statement and the fact that 2,4-D has been and still is an important product in terms of food production in this country and the fact that the risk associated with it is being reviewed even as we debate this—that is an ongoing review by Agriculture Canada—that indicates that we need to be concerned about it, that we need to take proper protective measures not only for ourselves as users but for future purposes.

\* (1800)

**Madam Chairman:** Item 2. Environmental Management (a) Environmental Operations: (1) Salaries \$3,256,400—pass; (2) Other Expenditures \$569,300—pass.

2.(b) Environmental Management: (1) Salaries \$3,158,900—pass; (2) Other Expenditures \$1,064,400—pass; (3) Less: Recoverable from Other Appropriations \$152,700—pass.

2.(c) Legislation and Intergovernmental Affairs: (1) Salaries \$82,100—pass; (2) Other Expenditures \$30,000—pass.

2.(d) Manitoba Hazardous Waste Management Corporation \$2,000,000—pass.

Resolution 40: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,008,400 for Environment, Environmental Management, for the fiscal year ending the 31st day of March, 1992—pass.

3. Environmental Advisory Organizations (a) Clean Environment Commission: (1) Salaries \$375,200—pass; (2) Other Expenditures \$223,400—pass.

3.(b) Manitoba Environmental Council: (2) Other Expenditures \$50,000—pass.

Resolution 41: RESOLVED that there be granted to Her Majesty a sum not exceeding \$648,600 for Environment, Environmental Advisory Organizations, for the fiscal year ending the 31st day of March, 1992—pass.

Item 4. International Institute for Sustainable Development \$1,375,000—pass.

Resolution 42: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,375,000 for Environment, International Institute for Sustainable Development, for the fiscal year ending the 31st day of March, 1992—pass.

At this time I would request that the minister's staff please leave the Chamber.

Item 1. Administration and Finance (a) Minister's Salary \$20,600—pass.

Resolution 39: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,909,100 for Environment, Administration and Finance, for the fiscal year ending the 31st day of March, 1992—pass.

Environmental Innovations Fund.

**An Honourable Member:** No.

**Madam Chairman:** The hour being past 6 p.m., as previously agreed, committee rise. Call in the Speaker.

## IN SESSION

**Madam Deputy Speaker (Louise Dacquay):** The hour being past 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, July 18, 1991

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