



Fourth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

42 Elizabeth II

*Published under the
authority of
The Honourable Denis C. Rocan
Speaker*



VOL. XLII No. 54B - 8 p.m., MONDAY, MAY 3, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
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CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
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DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
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EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
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GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
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MALLOWAY, Jim	Elmwood	NDP
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MARTINDALE, Doug	Burrows	NDP
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McINTOSH, Linda, Hon.	Assiniboia	PC
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WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 3, 1993

The House met at 8 p.m.

ORDERS OF THE DAY

(continued)

COMMITTEE OF SUPPLY (Concurrent Sections)

FAMILY SERVICES

Mr. Deputy Chairperson (Marcel Laurendeau):

The hour being eight o'clock, committee will resume. We are going to deal with item 4.(b) Community Living and Vocational Rehabilitation Programs (1) Adult Services (a) Salaries \$1,110,600.

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Deputy Chairperson, I would like to get into the payments to external agencies.

In the House and outside of the House, the minister indicated that they had to make tough choices, so they, in essence, decided that they had to give money to support organizations that were providing service. So they cut funding to those that, in their judgment, provided primarily advocacy. Is that correct? I do not want to put words in the minister's mouth.

Hon. Harold Gillieshammer (Minister of Family Services): Mr. Deputy Chairperson, that was one of the criteria that we looked at. I certainly have had discussions with a number of these groups that do provide advocacy. They, in some cases, may also provide services to their members and some services to the community. Certainly the ones that were providing what is generally known as advocacy were part of a group that had some reduced funding.

I think that when the Finance minister made his announcement across government, one of the things that were said was that advocacy groups were one of the targets. As well, there were agencies that were providing programs that were not of the highest priority within our department and what our department mandate is. Some of them, of course, had gotten into other service delivery to do with their work within the community.

Mrs. Carstairs: First off, payments that were made today, the recipient organization, I found it rather interesting that the first two list in their name that they are advocacy groups, the Brandon Citizen Advocacy Inc. and the Winnipeg Citizen Advocacy Inc. While their funding was reduced from, I think, a high of \$38,000 to \$34,200, they did manage to maintain a large chunk of their funding as opposed to, for example, the Association for Community Living.

Can the minister explain why these two, by their own definition, advocacy groups managed to survive but the Association for Community Living did not?

Mr. Gillieshammer: I can well understand why the member has asked the question. I guess part of the explanation is that these are two groups who work with mentally disabled clients and perform an advocacy function for their clients and, as such, a service for those clients.

The Brandon Citizen Advocacy Inc. assists that organization that is working, again, primarily with mentally disabled individuals in day-to-day living and in a sort of big-brother, big-sister fashion and of course as indicated, within the city of Brandon.

The Winnipeg organization is essentially the same. They advocate for individual clients who would be described as mentally disabled.

Mrs. Carstairs: Surely that is a definition of what the Association for Community Living does.

Mr. Gillieshammer: Again, I do not think there is a clear-cut definition of advocacy. Many of the groups were probably in a broader advocacy role representing their particular client group advocating government on certain programming and certain directions. These, it was thought and felt, because they provided a service to the mentally disabled, were providing a service that we wanted to maintain.

Mrs. Carstairs: The only new recipient organization that I could find, unless of course it is a pullout from one of the others, is the CareerStart transition. Is that a brand new group that is being funded this year? It was not found last year.

Mr. Gilleshammer: Yes, it is part of our community living initiative that we announced in the subject that we spoke about earlier.

Mrs. Carstairs: Can you tell me what was the function of Abilities Network, because they seem to also be one that does not have its funding this year, but received some 76.6 last time?

Mr. Gilleshammer: This was a nonprofit association that was fostering and promoting the effectiveness and relevance of those organizations whose primary purpose is to provide continuing education, training and development for adults with intellectual, physical and psychiatric disabilities.

Mrs. Carstairs: It would sound, from the description, that they were providing a direct service.

Mr. Gilleshammer: Again, I think there is a gray area here where the previous two groups that the member was asking about certainly provided a direct service to individuals. In this case, the Abilities Network was an umbrella organization that encompassed a number of groups that in fact do provide service.

Mrs. Carstairs: Was there a percentage figure which was used for all the recipient organizations other than, for example, the ones who had their grants eliminated altogether?

Mr. Gilleshammer: Yes, there were some that lost 100 percent of their funding. Others, there was a 10 percent reduction. With some others, there was a 4 percent reduction.

Mrs. Carstairs: What was the determination for one percentage vis-à-vis the other percentage?

Mr. Gilleshammer: The 4 percent was agencies that we felt could achieve the workweek reduction model that government is imposing on civil service staff. The 10 percent was on larger agencies with a capacity to achieve some savings in efficiencies within their organization.

Mrs. Carstairs: The housing type models like Ten Ten Sinclair received no reduction in their funding at all between '92-93, '93-94, whereas some of the other agencies seem to require more of a cut even though they are also providing accommodation, for example, Main Street Project Inc. which received a rather massive reduction of some hundred thousand dollars.

Mr. Gilleshammer: With the Main Street Project there was a 10 percent reduction in the grant funding

that we gave them. With Ten Ten Sinclair there was a 4 percent reduction that it was felt they could achieve on the salaries portion.

Mrs. Carstairs: So they got 758 last year and 731 this year. All right, I see that.

Mr. Doug Martindale (Burrows): Mr. Deputy Chairperson, I would like to go back to some of the comments the minister was making at five o'clock. I could not let his remarks go unnoticed or uncommented on. He ended on quite a rhetorical flourish at five o'clock. Unfortunately, I have forgotten most of what he said. It went in one ear and out the other, I guess.

However, I would like to say that the main point of difference between us is his alleged reference to fairness. I know that the minister has heard us say this before in Throne Speech Debate, in Question Period and in Estimates. We believe that the pain is not being shared fairly and we will continue to repeat that. I just wanted to make sure that I got that on the record in reply to the minister's remarks and then I have some questions.

Mr. Gilleshammer: I might respond with a challenge again. The member has consistently said that in Family Services we have not made the appropriate decisions, that we are not showing a sense of fairness within our budget. I have challenged him to give us some options that he would see as a direction as a member potentially of a government that may someday have more realistic thoughts of forming government, and we are still waiting for those options.

* (2010)

Again I say to the member, the reality of government is the reality faced by the Premier of Ontario and the Premier of Saskatchewan, and the reality of opposition is the rhetoric that is coming from federal members of his party who, of course, are so used to being in opposition that they continue to say the same lines and do not account for the fact that once in government you have to make some hard decisions.

We believe in this department that we have shown a sense of fairness in finding the savings within our department which allows us to make the increases in a number of areas where we are dealing with very vulnerable Manitobans. I know that before the Estimates are over the honourable member is going to tell me what some options are within Family Services that he would lobby for

should he ever have that opportunity. I say to the member, these were difficult decisions that your Leader has recognized on numerous occasions and I am sure before we are finished maybe the honourable member will also recognize them.

Mr. Martindale: Mr. Deputy Chairperson, there are some very specific examples of how we feel that this budget is unfair, for example, the total elimination of the grant to the Manitoba Anti-Poverty Organization. In conversations with many organizations, particularly external agencies that are funded by your department, we know that different organizations are dealing with their reduction or even elimination of grants in different ways.

For example, some executive directors or board members have told me that they are going to sit down and redo their budget for this year. Others are going to save money primarily from the workweek reduction that the minister just referred to. Others are going to charge fees to their members, in some cases, for the first time; hopefully, in that way they will keep their organization afloat.

However, Manitoba Anti-Poverty Organization really does not have any of those options. They feel that their staff are underpaid for the kind of work that they are doing now. They have no ability to reduce staff wages to continue, because such a large part of their funding comes from your department. They cannot charge fees to their members because they are dealing with poor people who probably would not be able to pay, let alone willing to pay, for service. So I think that is one organization whose ability to rebudget or to take workweek reductions or charge fees is either severely constricted or impossible. They may well end up with having one staff or no staff, and if there is no staff, there is no organization.

Now the minister knows that out of the 56 organizations that received no funding, there are only a very few that we have gone to bat for, and Manitoba Anti-Poverty Organization is one of them. If the minister were to reconsider any decision of the externally funded agencies, that is the one that I would probably pick out of all of them for the minister to reconsider. Since this is the first time we have really gotten into payments to external agencies in any detail, I would like to ask the minister if he would reconsider the funding decision regarding Manitoba Anti-Poverty Organization.

Mr. Gilleshammer: I would be pleased to answer that and note that the alternatives that were requested by myself have yet to come forward.

The Manitoba Anti-Poverty Organization is one of the groups that I have met with frequently and will be meeting with again in the not too distant future to discuss the work that they do. Again, this was one of those difficult decisions that we had to make within this budget, to achieve any degree of savings. I recognize what the member is saying, to a large extent, is correct.

Again, these are services that are provided by the department and where we have staff who work with individuals on social allowances. So, in some ways, there is a bit of a duplication of service there, although I do recognize that the organization did advocate for the system and, in some cases, for individuals, but then there are other organizations that do that as well. I know that the WORD organization, which is not funded by government, the Winnipeg organization representing the disabled, again, has brought forward excellent recommendations, some of which we have followed. One of the most significant was the fact that we put into place a benefit called Income Assistance for the Disabled. I know that the member has been supportive of that.

The other organization that has provided good advice and good background to the department and to the minister is the Social Assistance Coalition of Manitoba. I know those are individuals not unknown to members of the opposition. We have frequently met with two of their executive members who not only provide advice and information for the department, but also do a lot of advocacy on behalf of individual members who may be accessing the system.

As well, I would point out that the member has indicated that because of the need for funding, the organization cannot maintain its profile and its work. There are thousands and thousands of volunteers in society that provide service and provide advocacy for individual groups. I do not think the member and I would ever agree whether there is sufficient service and sufficient advocacy for the disadvantaged who are on social assistance. I would say that there are other groups; there are other individuals and we do have departmental staff that provide service to the many thousands of cases that we deal with.

Mr. MartIndale: Will the minister not agree that there is a fundamental difference between the Manitoba Anti-Poverty Organization and the other two organizations he talked about, namely WORD and the Social Assistance Coalition of Manitoba?

The fundamental difference, in my view, is that the Manitoba Anti-Poverty Organization had a paid staff and an office at 365 McGee Street, and they were providing a service to people who walked in the door or who phoned them. They were acting as advisers and advocates for individuals, mostly for individuals with problems with city and provincial social assistance. Whereas, my understanding and knowledge of WORD and SACOM is that they are fairly limited in that they do not have paid staff. They do not advocate or give advice to a whole lot of individuals. Primarily, their purpose has been to advocate on behalf of groups of people on social assistance and advocate to change the rules and to improve the benefits. They were primarily lobbying organizations and had no or almost no service component.

Would the minister not agree that those are fundamentally different functions of those organizations?

Mr. Gilleshammer: As much as I would like to find some area where the member and I can agree, I am surprised that he is so critical of those organizations which have really provided valuable input to the department and valuable input to government on a number of issues. I can assure him that they certainly provide individual service.

* (2020)

We met with the co-chairs of SACOM many times and listened to the number of cases that they do individual advocacy and work for. They have many times assured me that they work with clients on a day-to-day basis to help them achieve some of their goals in terms of education, some of their goals as far as working within the social allowances system. I sense from the vast knowledge they have of the legislation and of the system—and, certainly, I have not asked for any documentation, but I take them at face value that they do a tremendous amount of work for individual clients who come to them.

Similarly, with the WORD organization, although they are small in terms of membership and they do not have a permanent full-time staff, they have achieved a number of gains for the disabled community as a group and for individuals. I think it

is an example how groups like that, which in many ways feel unencumbered by government, do provide both a service to individuals and good advice about the system.

Mr. MartIndale: Well, the minister is trying to put words in my mouth. I am certainly not critical of either of those organizations. In fact, I support nongovernmental organizations that advocate with government on behalf of individuals or groups of people. I would repeat that they are fundamentally different from MAPO, another difference being that, as far as I know, neither of the other two groups are incorporated or have a board of directors.

I can appreciate that the minister gets advice from them and appreciates that advice, but the fundamental difference is still there. One was an organization with paid staff serving large numbers of people, and the others were serving less people without any paid staff.

I would like to go back to Community Living and Vocational Rehabilitation and ask the minister what positions have been eliminated by staff cuts to the civil service in three areas: behavioural specialists, family services workers and vocational rehab workers.

Mr. Gilleshammer: My understanding is that we have two fewer staff in that area.

Mr. MartIndale: For clarification of those three areas, there are two fewer staff?

Mr. Gilleshammer: Yes, that is correct.

Mr. MartIndale: Can the minister tell us what he sees as the role of his department in meeting the needs of aboriginal people with a mental handicap?

Mr. Gilleshammer: There is an understanding that in Manitoba the Government of Canada is responsible for services to aboriginal people whose residency is on reserve. Of course, in the not too distant past, the Government of Canada, in terms of a transition from the reserve to a nonreserve location, also were responsible for certain programming for First Nations people as they moved from the reserve to the city of Winnipeg or elsewhere in the province.

The example that I am most familiar with of course is the whole area of social allowances, where there was once an understanding that as aboriginal members moved off reserve, the federal government were responsible for them for the first year.

Similarly in child welfare, the federal government played a larger role there. In the area of citizens who access programming through this area of the department, the province is responsible for off-reserve services to Status and non-Status and because this does not come under the CAP cost sharing, this is a service provided by Manitoba.

Mr. Deputy Chairperson: 4.(b) Community Living and Vocational Rehabilitation Programs (1) Adult Services (a) Salaries \$1,110,600—pass; (b) Other Expenditures \$413,400—pass; (c) Financial Assistance and External Agencies \$38,586,800—pass.

4.(b)(2) Children's Special Services (a) Salaries \$223,900.

Mrs. Carstairs: In the last line of this particular appropriation it talks about Financial Assistance and external. I am presuming that means External Agencies, but what External Agencies would be covered under this since none of them are listed?

Mr. Gilleshammer: I am told this is primarily through per diems and primarily to St. Amant.

Mrs. Carstairs: What kinds of Children's Special Services would come under that?

Mr. Gilleshammer: This is the way in which we flow money to St. Amant, that there is a budget line around \$13 million or \$14 million that is accessed by St. Amant for individuals who are clients there.

Mrs. Carstairs: I did not really want to get into this one, but I was shocked when I saw the St. Amant Developmental Day Care program line under Child Day Care because it was 413.4 in '92-93 and in '93-94, it is 158.2. I would have thought that would have come in here.

Mr. Gilleshammer: The daycare program at St. Amant is funded under the Day Care line.

Mrs. Carstairs: But the Day Care line for St. Amant, and we can discuss it in detail later on, is some \$300,000 less than it was last year.

Mr. Gilleshammer: That is correct. As part of the review of the St. Amant Centre that we did in conjunction with them, there has been a change in the way the St. Amant Day Care Centre is operated. In this budget year the advice of that review committee was to treat the St. Amant Day Care in a similar fashion that we treat other daycares in the province so that the funding levels for the St. Amant Day Care now reflect the formula we have for funding all daycares.

Mrs. Carstairs: I do not disagree with that except that I—and this is where I got confused, because I would have thought that those special needs for those children within that daycare centre might have shown up under Children's Special Services, but in fact there is a decline. Where is the money coming from for those children in the daycare that need Children's Special Services?

Mr. Gilleshammer: Within the global daycare budget there is a certain amount of funding for special needs children. The funding that flows to the St. Amant daycare for special needs comes out of that formula in the daycare budget.

Mrs. Carstairs: Would that be in addition to the 158 which is listed under External Agencies Grants?

* (2030)

Mr. Gilleshammer: Yes, that is correct.

Mrs. Carstairs: There has been a decline in the financial assistance. Is this because there are fewer children being serviced, or is this just a reflection that everybody had to take less to do that servicing?

Mr. Gilleshammer: Part of the restructuring that St. Amant has done with their daycare shows some changes in the way which, for instance, transportation is being handled. There is a reduction in the transportation allowance, again to reflect the type of funding that we do with other daycares.

This was worked out with the board of St. Amant. The changes in that policy to do with daycare was done in agreement with the St. Amant board.

Mrs. Carstairs: I am now dealing actually with Community Living and Vocational Rehab Programs under Children's Special Services. There has been a decline in the Financial Assistance line from 20.6 to 20.5. Is that as a result of fewer children, or is that as a result of just the downsizing that everybody has been asked to do?

Mr. Gilleshammer: That is part of a budget reduction of 2 percent on the per diems.

Mrs. Carstairs: The 2 percent in per diems for special services?

Mr. Gilleshammer: For clients of St. Amant.

Mrs. Carstairs: So St. Amant is now receiving less grant to look after the same child?

Mr. Gilleshammer: The 2 percent is a reduction in the global figure that we flowed to St. Amant. Again,

I go back to this major review we did in co-operation with St. Amant. Part of it was to determine how they should be funded.

There was some line of thinking that thought St. Amant should be funded as a hospital. There was another line of thinking that thought they should be just funded on per diems. We also had to deal with an accumulated deficit.

The outcome and the changes that are taking place in St. Amant are minimal. We have flowed additional money, I think around \$350,000, to deal with an accumulated deficit. Part of our treatment of St. Amant is similar to other organizations where we have asked them to take 2 percent less and to find that within their salary structure.

Mr. Deputy Chairperson: 4.(b)(2) Children's Special Services (a) Salaries \$223,900—pass; (b) Other Expenditures \$83,700—pass; (c) Financial Assistance and External Agencies \$20,590,500—pass.

4.(c) Manitoba Developmental Centre (1) Salaries \$20,371,900.

Mrs. Carstairs: Mr. Deputy Chairperson, with regard to MDC, I think that all MLAs received a recent letter with regard to the staffing problems or as this individual indicates. Is it normal for a staff person at MDC to work between six and eight days in a row straight without a day off?

Mr. Gilleshammer: Well, I am not aware of what correspondence the member is referring to, but no, it is not a normal practice. We abide by the civil service guidelines as far as staffing goes.

Mrs. Carstairs: Well, in this particular case, they refer to Monday to a Sunday shift as a regular type of occurrence—Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday—and they admit they then get four days off. My understanding is that is contrary to the labour code.

Mr. Gilleshammer: We are not aware of that and my limited experience in terms of what the civil service guidelines are, it appears to me that there are opportunities within there to raise a grievance over an issue like that. I would be surprised if government did not have an appeal process following that if the person's concerns had not been addressed.

Mrs. Carstairs: Well, I just give it to the minister because I received it as correspondence and would

ask that they look into it just to ensure that this kind of thing is not in fact going on at MDC.

The Supplementary Estimates indicate that there has been a decrease in staff years which reflects workforce adjustments. It would appear that there has been essentially 10 staff, I think, reduced in this staff years reduced. There does not seem to be a corresponding reduction in the number of clients at MDC. What does this workforce adjustment refer to?

Mr. Gilleshammer: Yes, there is a reduction, I believe, of nine positions at MDC. I can give you a bit of a breakdown of those if you like. I am told that four and a half of the positions are from within the nursing department, and there have been retirements and resignations there. We are redeploying two positions back into that area from what was called the transitional unit. One position in the vocational training department was recently vacated as a result of a promotion, and workshop supervision and program management will be maintained by redeploying one position from the transitional unit.

I do not know whether I have to go into the transitional unit. There has been a unit there preparing individuals—and it was called the transitional unit—for transitioning out of the institution.

We are reassigning that staff because of the fact that a number of these individuals are part of the pilot project that we talked about before, and we felt that the transitional unit at this time was not necessary. So the positions that we are downsizing in MDC, nine of them, a number of them, are being covered off by members from the transitional unit.

Mrs. Carstairs: There have been a number of significant structural changes at MDC over the last six or seven years, all of them desperately overdue. I have to say that, having been at MDC in the mid-'60s and having gone back to it again this summer, there was positive upgrading and the government should be congratulated.

My first impression, having gone to MDC, was that I wanted to remove all of the clients and I wanted to blow the place up.

I was back this summer, and I must admit I had a more positive feeling about the type of physical plant. I always felt the staff was very competent and doing a very good job, but I must say that I thought the physical plant left a great deal to be desired.

And pat people on the back when they deserve it. The government deserves a pat on the back.

Mr. Gilleshammer: I thank you for that, and I will be certain that staff pass that along to the staff at MDC.

Mr. Deputy Chairperson: Item 4.(c) Manitoba Developmental Centre (1) Salaries \$20,371,900—pass; (2) Other Expenditures \$2,910,300—pass.

4.(d) Child Day Care (1) Salaries \$1,818,900.

Mr. Martindale: Mr. Deputy Chairperson, I think we will be here for quite a while. Probably till midnight.

I have a number of excellent letters—

* (2040)

Mr. Gilleshammer: Could I just ask if you wish to stay on this till midnight there is a possibility that some staff do not have to remain here if we are not going into child welfare? And if you want to change your mind—

Mr. Martindale: We may get into Child and Family Services.

Mr. Gilleshammer: Okay.

Mr. Deputy Chairperson: Would you just stay in the one level though, at the administration level and that, or—

Mr. Martindale: I would like to ask all my questions on Child Day Care all at once, of course giving some time to the other critic.

I am in receipt of some excellent correspondence from people who are very involved either as parents or board members or staff in child care centres. I would like to quote from some of this correspondence because I think it makes a case that I have been trying to make in Question Period without success, mainly having to do with the impact of the changes announced by the minister, particularly the increase in fees and the capping of subsidized spaces.

The first letter I would like to quote from is from the law firm, Wilder, Wilder and Langtry.. Langtry kind of rings a bell. As the letterhead points out, he is on leave of absence. However, one of his colleagues there, Leslie Tough, has sent an excellent letter on behalf of the—actually, she is writing in her capacity of treasurer of the board of directors of Little Bo-Peep Children's Day Nursery Inc.

I would like to quote some of the facts that she presents. She says that Bo-Peep daycare is presently licensed for 32 spaces. However, she says: We have 40 children in attendance, because many share a space due to the part-time requirements of their parents. This is largely a reflection of the current economic and employment climate where parents are either unable to secure full-time employment or have been cut back to part-time hours by their employers. Thus, the sharing of spaces meets a real need in our community and in particular for those families who are already experiencing financial difficulties. These are people who cannot afford daycare without a subsidy.

We were originally told that we had been allocated 25 subsidized spaces pursuant to the recent policy of the provincial government limiting the number of subsidized spaces permitted. This created a very difficult situation, but our director felt that we could try to cope with it. However, this was recently changed to cases, meaning children. Obviously, this results in a disastrous situation for the daycare and the parents. We will no longer be able to provide part-time care for subsidized parents. We will be unable to fill up all of our 32 licensed spaces. The result will be a loss of revenue to the daycare and probable staff layoffs.

The purpose of this letter is to draw your attention to this situation and to respectfully request a reconsideration of the allocation of our subsidized cases. We do understand the current economic situation, but the course taken by the Province of Manitoba is shortsighted and disastrous. It will remove people from their employment and children from licensed daycare. It will create a subsidized ghettoized daycare system for the poor.

Mr. Deputy Chairperson, I would like to begin by asking the minister if the facts as presented in this letter are the same as what the minister has been saying in the House. This individual is saying that they are going to be forced to reduce the number of children in their child care, and the implication is that they are going to have to lay off staff.

I would like to ask the minister if the reason for this is not that—in the past, two and sometimes more children were sharing one space—that this will no longer be true and each case will refer to one child.

Mr. Gilleshammer: Mr. Deputy Chairperson, what we are doing, as I have indicated to my honourable

friend on a number of occasions, is making a slight reduction in the number of children who are receiving subsidies. In this particular case, and in all cases, we have looked at the number of children who are in that daycare who are being subsidized and have been subsidized over the last number of months. The average change is that we will subsidize one less child than was subsidized there before.

I think part of the misunderstanding that the member has is if a daycare had 32 spaces, in the past they were eligible to be subsidized for those 32 spaces. What we have done in terms of downsizing it is to look at the actuals; and, if they actually had 25 children subsidized there before, we have indicated that we could subsidize 24 children. So there should not be, by following that logic, a great disruption for any one centre.

I tell the member, as I have told him in the past, we are capping the system at 9,600. That is—I do not know what the percentage works out to be—but a slight downsizing by attrition of the number of subsidized children that we will accommodate in the coming year. We have indicated that individual parents can work with the daycare directorate, and we will promise to give fair treatment to all who want to access the system.

I think the confusion in the numbers is the difference between what they were eligible for before and what their actual number of subsidized children in any particular centre was over the last number of months. So, in changing the system, and we have got 400 or 500 centres that have subsidized children, we in doing this will not impact any one organization to any great extent.

Mr. Martindale: In the past I have heard the minister explain the changes as reducing the number of spaces or cases by one child on average. This time the minister said one less. I would like the minister to clarify the difference between reducing the number by one less or one less on average, and his explanation just now that there is a difference between what they were eligible for and the actual number of children.

Mr. Gilleshammer: Maybe start with that first, that all of the daycares are licensed for a maximum number of spaces, and because there was no capping of subsidies before, that means that all centres and homes were eligible for as many subsidies as they had spaces. In restructuring and

making a small downsizing of the system, we want to be sure that there is not any daycare centre or daycare home that is impacted by more than one or two subsidized children so that there is a sense of fairness to this.

Now, the centres and the homes always have had a component of children within them that were full fee paying children. I recognize that there were some centres where there was a greater number of subsidized children, and we are aware of that and we do not want to impact them anymore than we would impact any other centre. So, on average, the centres will not have more than one or two fewer subsidized children.

Mr. Martindale: I thank the minister for that explanation, and I will certainly be reading it in Hansard to see if I totally understand it and agree with it and will also be sending it to Little Bo-Peep Children's Day Nursery.

I would like to ask the minister to consider a couple of particular sentences in this letter and see whether he agrees or not. Leslie Tough says, quote: We will no longer be able to provide part-time care for subsidized parents. Is that true or not?

Mr. Gilleshammer: There has been no regulation change that would prevent them from providing part-time care.

* (2050)

Mr. Martindale: The next sentence reads: We will be unable to fill up all of our 32 licensed spaces. Is that true or untrue in the minister's judgment?

Mr. Gilleshammer: Well, there are 400, 500 centres, and some of them have vacancies. They will not have more subsidies than they had in the past. They will be eligible for one or two fewer.

As the world changes out there, people may make decisions to have their children in a different daycare for a variety of reasons. Maybe they have moved. Maybe there is some particular reason that they want their child in a different daycare, but certainly it is the responsibility of the board and the centre to attract children and parents to use that centre.

If they find that there are fewer people wanting care at that particular centre, certainly they will have to make staff adjustments, just as they have had to make staff adjustments if their enrollment rises. I

mean, that is what the public school system is doing all the time.

I understand in the St. James-Assiniboia School Division that they have closed 12 schools. I think it is fair to say that there has been a drop in enrollment and a corresponding decrease in the staff.

So there is no guarantee anywhere that all centres will always be full. So there is competition out there, and I am sure the member will agree that parents will make the decision that is best for their children and best for their family. If they decide to go to a different centre, that is their decision.

So there are always changes at the end of a school year as children graduate from a daycare and move on to the public school system. There is always, I guess, that pressure on the centre to try and backfill those spaces. We are saying that they will have the ability to have nearly as many subsidies as they had before.

Mr. Martindale: I am also in receipt of a copy of a letter to the Premier (Mr. Filmon) written on behalf of Inkster Community Child Care Inc., Maples Day Care, Splash Child Care, Keep Childcare Inc., Sugar-N-Spice, Champlain School Age Centre, Champlain preschool and SPLASH. They have done a survey of those child care centres and have discovered that, out of the eight centres polled in Winnipeg North, we have lost access to 119 potential subsidized cases.

I would like to ask the minister if he feels that that is an accurate assessment of those eight centres?

Mr. Gilleshammer: I cannot do the arithmetic for you right here, but my previous answer should give the member an understanding of this. If they are licensed for 32 spaces, 40 spaces, their stance on this is that they were eligible for that many subsidies before. That is true because we had no cap on subsidies.

Now what we have done is taken the number of subsidized children that they have had over the last six months and have indicated that we will be sure that they are still able, as long as they attract those children, to have the same number of subsidized children less one or two.

Mr. Martindale: I think these child care centres would beg to differ. They feel that they have lost 119 potential subsidized cases in their area. One of the implications for them is a rise in the numbers of latchkey children. They say: "Parents will leave children to their own means, and we will see ever

rising numbers of latch key children at an earlier and earlier age".

Does the minister agree that due to the lack of subsidized spaces, even if, as the minister says, it averages one per centre, that there are going to be children who are not going to be able to access child care who will be left at home unattended?

Mr. Gilleshammer: I think the member is getting some understanding of the difference between the eligible spaces, which were eligible for subsidy in the past. Centres that were licensed consider all of those spaces to have been eligible for subsidy; in fact, that is true in that there was no limit on the number of subsidies that a centre could access before.

So we are saying that we have taken a snapshot in time and that those centres can access the same number of subsidized children less one or two so that they should be able to maintain the subsidies that they were accessing before with that small caveat.

That is where the difference is coming. I mean, you can add the number of centres, and if you have more centres, there were more potential subsidized spaces. We, for the first time, have put some limits on the number of children that we will provide subsidy for, and we have indicated that they can work with our daycare staff to make arrangements for their child care. What the member is saying has always been true: the parents will make the decision.

The parents will make the decision about where their children will receive care, and surely the critic is saying that decision should not be lodged elsewhere.

Mr. Martindale: Does the minister agree with the eight centres in north Winnipeg when they conclude that, as a result of changes, specifically capping, whether it is cases or spaces or children, the result will be an increase in the number of so-called latchkey children, that is, children at home who are not being attended to by a parent?

Mr. Gilleshammer: The parents have the primary responsibility for making arrangements for their children, and I am confident that the majority of them will make the correct decision.

Mr. Martindale: I hope that the minister sees the connection between his policies and what is actually going to happen to some individuals out in the community.

The eight centres in north Winnipeg go on to say: "Due to the potential loss of subsidized cases and not being able to fill these spaces, some Child Care Professionals have been laid off and many more will be experiencing the same fate. How can you justify that all these laid off people who will be collecting UIC and then going on Welfare is helping the system?"

That is their question, and it is a good question.

Mr. Gilleshammer: If they have written a letter to me, we will be sure to answer that for them. What the member is indicating is that he disagrees with the capping of the subsidies.

What would happen if we had not done that is we would continue to be overexpending our daycare budget. Last year, we overexpended that budget by \$5 million, and we spent in excess of \$50 million on child daycare. Particularly, the major expenditure is in the area of subsidies.

* (2100)

One of the advantages of opposition, of course, is that the member can advocate that we overexpend our budget, but we simply cannot do that.

The member can look at what is happening in other provinces and see what the longer-term results are if in fact you do not live within your budget and you constantly have these overexpenditures. So I think that it is important that the member factor that into his thinking.

The member has not offered alternatives of how we could live within those budgets. If the member would want us to reduce the grants, then we would have additional room to pay subsidies. If the member is saying there are savings elsewhere in daycare, then we could have additional subsidies, but what we are trying to do is live within a budget of some \$47.5 million in daycare. That is \$1 million more than last year's budget.

What we are trying to do is prevent the overexpenditure of that budget. When subsidies are available on demand, that is what happens. That is why we were over budget by \$5 million last year. So that is our objective. We are trying to do this in the fairest way possible so that no centre will be adversely impacted.

The member did have a glimmer in his eye; I think he has an understanding of what numbers the centres are giving him as the number of spaces that

they were eligible for. What we are looking at was the actuals from the last six months, and tried to make a small reduction from that actual. This is where a big part of the misunderstanding comes in, and I think that, if the member can grasp that, he can do a lot to allay the fears of those centres that the amount of dollars they are going to access through subsidy should not be a whole lot different from what it was the previous year, provided there is a need in that centre for subsidized spaces.

Mr. Martindale: I have a letter from the Funshine Day Care Center Inc. in Virden, Manitoba, and they say that capping is going to cause empty spaces in their centre and increasing unemployment due to child care professionals being laid off and also parents not being able to stay in the paid workforce due to not being able to access child care.

Then they make a special case for smaller centres and parents who live in rural areas, and point out that, unlike urban areas, rural areas have fewer licensed facilities, and, therefore, parents have fewer centres to find subsidized spaces in. They also point out that wages are generally lower in the rural community; therefore, a large number of people eligible for subsidy will be vying for a few subsidized spots. Thirdly, rural daycare centres tend to have many part-time users. The author, Lisa Hicks, the director of the centre, says: I feel part-time users should be able to share a subsidized case.

As a result of this change in policy, will part-time users be able to continue to share a subsidized space?

Mr. Gilleshammer: I have referred to the subsidies in terms of the number of children that were accessing subsidies before, and I do not know how many licensed spaces they have in that particular daycare, but if they were accessing subsidies for 20 children on average over the last six months, they would now be eligible for nearly that many. As I have indicated to the member, we are going to do this by attrition. We are going to try and manage it so that the average is respected and we will not impact any one centre to any great degree.

I am seemingly having trouble getting the member to accept that, and I think it goes back to the distortion of the system that occurs when you accept that all of those spaces that they are licensed for were eligible for subsidy before, that no centre will

be impacted by more than one or two subsidized spaces.

Mr. Martindale: Just to make the Clerk of Committee's job easier, I would like to make the point out that I tabled the letter on the letterhead of Inkster Community Child Care Inc. on behalf of eight child care centres.

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

In the case of the Funshine Day Care Center in Virden, they say that they have 25 cases allotted to their centre, and currently have 27 subsidized children. Does that mean that they are going to lose two children to their centre?

Mr. Gilleshammer: The information I am given is they are licensed for 35. The six-month average was 25 subsidized children; they have been allocated 25.

Mr. Martindale: I would like to ask a general question based on the minister's answers and this correspondence. I am wondering if, since these decisions were made a few weeks ago, and child care centres, hopefully, have had a chance to study them, does the minister believe that child care centres now understand the changes and why the policy is being made?

The correspondence that I have suggests that there is still a lot of confusion out there, although these letters were written—April 21 in one case, April 21 in another case, I have an undated letter, and April 30. One of them at least is fairly recent. Do you think that the child care community understands these changes now and how they were arrived at?

Mr. Gilleshammer: I am given information by my staff that there is a greater understanding of the system now than there was probably when those letters were written. I guess that is understandable in that we have had an opportunity to have some face-to-face meetings with centre directors and boards, and that we have been able to return some of the correspondence that has come forward on this issue.

I guess maybe it is fair to say that the communication that has taken place through the press based on comments that are made by honourable members in some cases served to make the understanding of the issues a little more difficult. The Day Care office has had an opportunity now to meet with those directors and, as I have indicated, return some of the

correspondence. Of course, there are those who put their own interpretation on the changes to suit their own purposes. Sometimes that plus the communications, because it is delivered through the media, does not give that accurate picture of the changes that we are making.

So we have tried to have as many meetings as possible with daycare centres, their staff, and to provide them with some understanding of the changes.

Mr. Martindale: Since the minister and his staff seem to have a lot of detailed information at their fingertips, I would like to ask him about the Winkler Day Care Centre. They have written a letter to the editor of local newspapers and pointed out: There is a cap on the number of subsidized cases each centre can accommodate. For Winkler Day Care Centre, the cap is at 34. We currently have a caseload of 41. This is because rural centres have always had more part-time children in care.

I wonder if the minister could tell us what the changes are at the Winkler Day Care Centre.

Mr. Gilleshammer: The centre that the member references, I am told, is licensed for 36; the average subsidized caseload or number of children is 34; and their allocation is 34.

Mr. Martindale: I would like to go on and quote from this letter to the editor some more because they talk about the impact of changes. We may disagree on how the changes were arrived at, but I am convinced that the impact is, as these child care centres say.

This one is, I think, particularly worth reading into the record. They say, and I quote: These funding cuts will cost the government more money. Parents who are unable to access a space because of the cap on spaces will not be able to take jobs. Parents who are unable to pay the extra \$1.40 per day per child are quitting their jobs. For these families social assistance is the only alternative. For a family of two parents and two preschool children, \$1,180 lies within the range of monthly social assistance benefits. The cost of child care for the same family, even if they are fully subsidized, is \$696. In addition, working parents pay taxes. Without question these funding changes contradict the very reason they were implemented. They will cost the taxpayer more money.

* (2110)

I would like to ask the minister if he believes that is true. They are giving two different scenarios. One is a parent who is employed and the children are in a fully subsidized space. They also point out that parent who is working is paying taxes. The other scenario is that the parent is on social assistance, and they quote an amount of \$1,180 for social assistance. Does the minister agree with this letter which says that it will cost the government, cost taxpayers, more money to pay this family social assistance than to subsidize their child care.

Mr. Gilleshammer: It is difficult to talk about specific parts of that letter without looking at the total letter and putting it in context. But let me refer to these numbers again. They have 36 licensed spaces. They had 34 subsidized children. They will continue to have 34 subsidized children. So I am not sure that the catastrophic results that the member is referring to are going to happen here; they are going to have the same number of subsidized children today and later that they had over the last six months. So the member can get into talking about whether people are better off working or whether there is a cost to the system if they are on social allowances. That is a completely different argument, and one that we got into under the social allowances.

What we are saying is, the confusion in the mind of the member still revolves around the number of spaces that they were eligible for before, because they were eligible to have subsidized children in all their spaces. There is no great impact on this centre. So to talk about people having to be referred to social allowances and staff layoffs and salary reductions does not really make a lot of sense, so that you have to look at each individual case.

What we are saying is that we are going to review the average number of subsidized children that they had before and give them no more than one or two less than they had before. So the impact, in going from 10,000 subsidized children to 9,600, should not affect any centre to any great degree.

The distortion that the member is making was most evident when he talked about the eight centres before, where you took the cumulative number of spaces that they are licensed for and then said, they now have lost all of these subsidies. I forget the number, but there were hundreds of them.

Well, that is not reality, and I think the member is not doing a service to the community if he continues to distort those numbers. I think the member understands that we are trying to manage the downsizing of the system so that no centre will have too great an impact on it.

Mr. Martindale: I certainly was not attempting in any way to distort reality, and I appreciate the minister's explanation, particularly of the individual situations such as Winkler Day Care Centre.

If we look at the more global picture, what is going to happen to the 400 parents who are not able to access child care because of the cap on the number of spaces? Does the minister believe that some of those parents will end up on social assistance, that some of them will drop out of the paid workforce because they cannot find suitable child care? If so, does the minister agree, as this letter to the editor suggests, that in some cases it will be more expensive if those families are on social assistance than if they are working?

Mr. Gilleshammer: I will explain again that the downsizing of the system is going to take place by attrition. We are not pushing anybody out of the system. We are not eliminating anybody from the system. As the normal course of changes takes place, we are going to have people leave the system during the course of this year as we do every year.

In many cases, as these children access the public school system, that family no longer requires that daycare space, and, in the course of the coming months, we are going to downsize the system from 10,000 subsidized children to 9,600. We have more than 400 centres and homes within the province that are licensed to care for children, so we are going to try and manage the system so that no one feels too great an impact.

If we were to accept the numbers that the member was putting on the record earlier, that they are losing 10 subsidies, 12 subsidies, 16 subsidies per centre, we would be losing far more than 400 subsidized spaces and children within the system. So that is where the distortion comes.

Again, I think the member would do a service to that community if he would get his mind around that and be able to represent the manner in which we are doing this.

Mr. Martindale: I will certainly do my best to get my head around this. You can be sure that I will be photocopying the questions and answers in

Hansard and sending them to all the child care centres that I have named. Hopefully, that will help to clarify the situation for them as well as for myself.

I would like to ask the minister: How will the 9,600 spaces be prioritized for subsidy? Will parents who qualify for a partial subsidy count first?

Mr. Gilleshammer: We, I guess it is fair to say, are assigning those subsidies to the centre, and the management and the board of the centre will make those decisions. We rely on them to treat the people who come forward to access services in a fair and reasonable manner.

Mr. Martindale: There seem to be some problems in accessing the special social needs subsidy. I would like to ask the minister what the criteria are for acceptance. Is a referral from a professional in social work, public health, sufficient? Or whose advice is relied on to access the special social needs subsidy?

Mr. Gilleshammer: That is a program that we have not altered, and that decision may be made by the agency or by professionals within the department.

Mr. Martindale: The minister and I have had questions in the past about the child benefit, and we know that in Manitoba all recipients will be keeping the child benefit because of a decision that this government made. However, one could argue that the \$1.40 a day increase in the fees for a subsidized parent is, in effect, a clawback of the child benefit. We have monies put in the hands of families by the federal government, and we have an increase in fees by the provincial government. Will the minister comment on that scenario?

* (2120)

Mr. Gilleshammer: The member is correct that all provinces had a decision to make on the flow-through of a lump sum or monthly payment from the federal government. This decision is not unlike other decisions we had to make as new programs came into the system. Probably the one previous to that was the GST rebate, where the decision was made to flow that through as exempted income. So every province and every jurisdiction in the country had the duty to make a decision on the new child benefit. Do you allow it to flow through as exempted income, or do you tax it back or claw it back from social allowances?

We were probably the third or fourth province to make a decision to simply flow it through. It was a substantial amount of money and a big decision that

we took a little bit of time to understand. Not every province has done that. The Province of Saskatchewan had the same opportunity, of course, to flow that through to social allowance recipients and, for whatever reason, chose not to do it. So, yes, I agree these were individual provincial decisions that had to be made.

Now this is not related to the decisions that we are making around daycare. I have been very open and up front about those decisions. We were overexpending an already large budget. While we wanted to increase the budget, print over print, we wanted to be sure that we lived within that budget, and to do so we have made some changes. There were different ways to do it.

We could have achieved that \$1.40 savings by cutting back even further on the subsidies, or we could have maintained the subsidies and made that \$4 or \$5 a day. We thought we would take a balanced approach that would maintain as many subsidies as we could and not upset the manner in which those centres operate and, at the same time, ask for a contribution from those that are receiving the subsidies.

Yes, we could have done things differently there. We could have prorated those subsidies or that payment by the subsidized parents and called for lesser amounts from those who are fully subsidized and a greater amount from those that were only partially subsidized, or the other way around. There were a lot of decisions made in the daycare area.

I point out our budget, print over print, is still going up around \$1 million, but we felt we had to live within that budget. We did that by freezing the spaces, by capping the subsidies and by asking for this contribution from those who were getting the subsidy.

Mr. Martindale: Is it correct that there is a freezing of licensing on both group and family daycare spaces?

Mr. Gilleshammer: That is correct. However, we are reviewing some requests that have come in to license some additional spaces where there is no cost to the government. We have people who want to expand some spaces or create some spaces where they say, we are prepared to accept government regulations, we do not need a grant and we do not need a subsidy. We are going to be moving ahead with some licensing in that area.

Mr. Martindale: So if I understand the minister correctly, you are going to license for profit on subsidized child care. Is that correct?

Mr. Gilleshammer: We are going to license some additional spaces for those who meet the criteria and who say that they do not need a grant and they do not need a subsidy. I can think of a particular church group who want to start a daycare, and they say they do not need any government assistance of any sort, but they have to be licensed and we are going to move ahead with some licensing there. So this would apply to both the nonprofit as well as independent centres.

Mr. Martindale: How does the government plan to monitor the proliferation of unlicensed caregivers?

Mr. Gilleshammer: Well, we do have staff in this area of the department that are responsible for licensing. They are responsible for monitoring the system.

What the member is saying is, should we have a watchdog on those parents who want to perhaps have their grandparents look after the children, their neighbour look after the children. If people are making individual arrangements with family and friends, I do not believe government has a role to play in monitoring that system other than we know how many spaces are there, we know how many subsidies are there, and we do have the capacity to monitor those who are accessing the system.

Mr. Martindale: Could the minister tell us how the three changes that he just reiterated are being implemented? In 1991, there was a restructuring which I understand had a three-month lead-in time. These changes are being made with a very short notice time. Does he feel that the staff are able to cope with what is probably a great deal of paperwork in a very short period of time? How are these new policies being implemented?

Mr. Gilleshammer: Well, they are being implemented by the existing staff. There are certain times when if there is a need for additional assistance surrounding the subsidies or if there is additional pressure on the Day Care office, that we have the ability to give some assistance from other areas of the department.

Mrs. Carstairs: Thank you, just a brief question in one area and then I want to move into the whole area of subsidy.

The minister indicated that he was willing to look at some applications for licensing for groups that

required no funding. I recently wrote to the minister myself with respect to a group which is operating presently a child care centre and wants to start up another one. Their principal direction is ORFF music and art. So it is a unique kind of program that they offer. They have more than enough children to fill the space. Is that the type of re-examination that the minister is prepared to look at?

Mr. Gilleshammer: Yes, that is correct. We have been in touch with them to make those arrangements.

Mrs. Carstairs: I thought I understood the subsidy issue and then I got very confused in the middle of the explanation. So perhaps we can start again and clarify me.

Is it possible to in fact have more subsidized spaces in a child care centre than the actual licence? For example, the child care centre is licensed for 36 spaces but, because of a mix of children, some using it two days a week, another using it three days a week, those 36 licensed spaces may actually be used by 46 children.

* (2130)

Mr. Gilleshammer: That is correct.

Mrs. Carstairs: Is it possible to have 46 subsidies for a 36 licensed space?

Mr. Gilleshammer: That is correct.

Mrs. Carstairs: Will it still be possible—this sounds like a courtroom—to have 46 spaces with subsidy in a 36 licensed child care centre?

Mr. Gilleshammer: Yes, there have been examples where there were, to use your numbers, perhaps 40—some subsidized children in a daycare with only 36 spaces. What we are saying is that they made up those 10,000 subsidized children that were in the system before, and we are going to bring that down to 9,600 subsidized children. But, yes, you do have this phenomena of more subsidized children than you have spaces, because they attend on a part-time basis.

Mrs. Carstairs: It is my understanding that some of the confusion around this issue is that the vocabulary that was used to explain this referred to licensed spaces as opposed to subsidy spaces. So some of the child care centres took it into their head that, if they had 46 children using those 36 spaces, they were now only going to be eligible to have 36 subsidized spaces, and therefore they were going to lose 10.

Mr. Gilleshammer: Well, this confusion, I think, is largely being cleared up as we meet with centres on a one-to-one basis, and I guess different people are using different terminology, whether it is spaces, cases or children. I think what is most understandable for me is if we talk about the number of subsidized children.

Mrs. Carstairs: All right. So the goal here is that, on average, no child care centre will be asked to lose more than one or two subsidized spaces?

Mr. Gilleshammer: Cases, children.

Mrs. Carstairs: All right, subsidized children.

Mr. Gilleshammer: Right.

Mrs. Carstairs: Thank you. I think that clarifies it a bit in my mind anyway and, hopefully, in some of the child care centres' minds, at this point in time.

With respect, however, to the decrease in 400 spaces, I would like some clarification with regard to the minister's numbers. Now, the Estimate of Expenditures for this department last year was \$46.7 million. I understand that was overspent by \$5 million so that approximately \$51.7 million was spent in this appropriation last year. Is that correct?

Mr. Gilleshammer: The adjusted—the vote for '92-93 was \$46.7 million, almost \$46.8 million. We expended actually \$52.7 million. So there was an overexpenditure of between \$5 million and \$6 million.

Mrs. Carstairs: So actually as far as child care or daycare, this particular appropriation, the minister is estimating that for this year he will spend approximately \$5 million less than he spent last year, or the government spent last year, not him personally.

Mr. Gilleshammer: That is correct.

Mrs. Carstairs: How much of that \$5-whatever million will come from a subsidy?

Mr. Gilleshammer: Last year's actual was 33.7, and this year the print will be 29.7. So there is difference of 4 million there.

Mrs. Carstairs: I assume that the balance of that will come from the 4 percent cut in the grant to each individual centre.

Mr. Gilleshammer: Yes, that is essentially correct that there will be a difference of about \$1 million on the grant line of that in daycare.

Mrs. Carstairs: So in reality the poor are being asked to come up with another \$4 million this year to balance the child care budget.

Mr. Gilleshammer: Well, we are indicating that there will be fewer children eligible for subsidy, and I gave the subsidy range the last time we met. I point out to the member that that is on net income. Certainly the majority of the fully subsidized children are at the bottom end of that system, and it goes up to \$55,000-56,000 salary for that family on a net basis.

Mrs. Carstairs: What was the reason the department determined that it would be those receiving subsidy that would pay more for child care rather than those who receive no subsidy?

Mr. Gilleshammer: Well, what the member is asking is, how do we withdraw a number of million dollars from the child care system. We are doing it partially by reducing the volume of the subsidies. We are taking some of it from the grants. We could have put up the cost per day and had the whole system adjust that, but it would have impacted much more on those who are paying the full amount.

We are withdrawing about \$5 million from the amount that we pay; about \$1 million comes from the grants and about \$4 million from the subsidies, but there will be fewer subsidized children.

Mrs. Carstairs: No, the minister is not just doing that. What the minister is doing is charging people who have an income of \$16,000, a single parent with two children, and that woman will end up paying an additional \$650 for child care because she is going to be charged—I see the Premier (Mr. Filmon) not quite understanding that figure, but we went through it the other day. It is a \$1.40 per child times two, times five, times 52 weeks a year; or if you want to make it 50 weeks, I will settle for \$650.

So we have a situation in which that woman, or man if it is a single-parent father, will pay an additional \$650 a year, but a person earning \$50,000 will pay no additional fee for child care above and beyond what they paid last year.

I just want to know how the government made that determination, that they would hit the person at the lower income as opposed to people at the upper income.

Mr. Gilleshammer: As I indicated before, there were options that would achieve the same ends, but we have really done three things in freezing the licensing, capping the amount of subsidy, but also

asking the parents who have subsidized children to make a contribution. What the member is saying is that others could have made a greater contribution, but using the example that the member put forward, the cost to government for that person with the two children in the system is between \$8,000 and \$9,000 that the government is contributing to that subsidy. So there are different ways of doing it. We felt that this was a fair way of adjusting the system, given the fact that we are still spending a million dollars more on the daycare line, print over print, as we did last year.

Mrs. Carstairs: With respect to the changes that have been made in the reduction of subsidized spaces, what happens in the situation where the parent who has the child in the child care space becomes unemployed? I understand they now can only keep that child in a subsidized space for two weeks. If they do not find a job at the end of that two-week period, then they must withdraw the child since they do not have the money and they will no longer qualify for subsidy. Is that factual?

*(2140)

Mr. Gilleshammer: Yes, the person who is unemployed can maintain that subsidized space for a two-week period as they look for work.

Mrs. Carstairs: When that person then finds employment, as hopefully he or she will, is there any guarantee they will then get back their subsidized space?

Mr. Gilleshammer: If the daycare where they were accessing that care has a subsidized space available, then they will have access to it. We are assigning those subsidized spaces to that daycare centre, and they will be the ones who attract or enroll children within their centre with the number of subsidized spaces that we are assigning to them. It is possible, if they have taken another subsidized child in that person's place, that person may have to get that service from another daycare or make other arrangements.

Mrs. Carstairs: If a child care centre actually replaces a subsidized child with a nonsubsidized child, that is, the subsidized child leaves and a nonsubsidized child fills that space, will that mean that child care centre has lost that subsidized space forever, or will they still maintain the same number that they had at the moment that child left?

Mr. Gilleshammer: If they attract a full-fee-paying parent, then they will not need that subsidized

space, and I think while we would not want to start juggling the system immediately, if we have got centres who are backfilling with the paying parents and others could use that subsidy, I think part of the management of the system would be to allow that subsidized space to flow to another centre.

Mrs. Carstairs: What is the operation of the child care office when an individual finds himself in a situation where they cannot find a subsidized space and therefore cannot take advantage of a job opportunity? We had a question of that nature in the House the other day. What is that particular person to do? Are they to not take the job?

Mr. Gilleshammer: We would do everything within our power to identify a space for them, and the Day Care office, part of their responsibility is to keep an eye on the system and be able to identify spaces for individuals, whether they are in centres or homes. Given whatever flexibility we have within the system, we would certainly want that person to take that job, and we would do our very best to see that they found a space.

Mrs. Carstairs: What is the degree of computerization of the child care office and how up to date on a daily basis is their information about spaces available?

Mr. Gilleshammer: I think it is fair to say that there is only a modest degree of computerization within this particular branch of the department. Certainly it pales in comparison to a couple of other examples that I could use. Again, if we had the resources, this would be a need within the department to upgrade the automation in this area.

Mrs. Carstairs: What is the policy with regard to smoking in child care centres?

Mr. Gilleshammer: Smoking is not permitted in centres.

Mrs. Carstairs: Is that also true in licensed family child care spaces?

Mr. Gilleshammer: No, that is not the case there.

Mrs. Carstairs: Why not?

Mr. Gilleshammer: I suppose it goes back to the fact that the service is provided in a home. There is a guideline, I believe, that indicates that the caregiver cannot smoke in the presence of children.

Mrs. Carstairs: Is the department aware of the centres in which one of the caregivers does in fact smoke? I mean, is that information that is available to families?

Mr. Gilleshammer: Well, in the centre, smoking is not allowed.

Mrs. Carstairs: I mean the family child care.

Mr. Gilleshammer: That is information at the present time that is not lodged within the Day Care office. I guess it is fair to say that when a parent is attempting to identify a space, whether it is in a centre or in this case if it is in a home, it is a question regarding the home that they should ask.

Mrs. Carstairs: I ask the question because in fact I did receive some correspondence from a mother who had a family child care space recommended to her. She apparently informed the child care office that her child was an asthmatic, but it did not make any difference because the space the child was referred to was one in which the caregiver smoked.

I suppose it is hard to know how to get around that, except for trying to impress upon those working in family situations that children are very susceptible to secondhand smoke, and they should not be exposed to it if that is at all possible.

Mr. Gilleshammer: It is an issue that I am aware of because I think I received the same letter, and it happens to be from out in western Manitoba. It is the first time that issue has been brought to my attention. I think what we need to develop within the Day Care office is a strategy to deal with that as an issue.

I believe there are some powers of persuasion to make and to help caregivers understand more and more that is an issue in the workplace. The difficulty in licensing in a home is that, if you are going to have home-based care, there are some limits as to how far you can make demands on the people who also make that their home. It is an issue that I have become aware of, and I do believe that we are going to put our minds to how we can best handle that situation as we work with home providers.

Mrs. Carstairs: Are there any additional child care spaces being built in conjunction with schools?

Mr. Gilleshammer: Not at the present time.

Mrs. Carstairs: Can the minister tell me why that policy was dropped? I mean, it was, as you know, initiated under a former government minister who made it a policy that, if a community wished to build child care spaces in co-ordination with the school, then the Minister of Education was prepared to work in conjunction. It seemed to me, particularly in terms of both before and after school care and in a

sense of a neighbourhood development, that it was a good policy.

Mr. Gilleshammer: It is an issue that we have spent considerable time reviewing. One of the issues in conjunction with this is the cost of construction; there often is space in the community nearby which can be used, in some cases converted to child care, at a fraction of the cost of new construction. We have had discussions between staff in our department and staff in Education looking at this issue.

* (2150)

The demand has, I think, been modified to a certain extent in that a lot more licensed spaces have come into the system in the last few years.

I can recall, when I first became a member in 1988, there were considerable discussions that there were not enough licensed spaces, that there were waiting lists everywhere. Well, we have licensed in excess of 3,000 more spaces today than existed in 1988, and we no longer have this great demand for space and waiting lists. That has been addressed. So that is part of the equation as well.

It is a subject of some ongoing discussions with Education and with community groups and with school boards, but at the present time we have not licensed any more, and I do not think there are any on the horizon.

Mrs. Carstairs: It is true that there are additional spaces out in the community than existed before. However, there also has been a major recession and a very large number of unemployed, and a number of people have removed their children from child care spaces because they quite frankly do not have jobs, and therefore one or the other is staying at home and looking after the individual child. So I anticipate that, if we go back to a better employment situation, we may yet, once again, have waiting lists for child care spaces in the province of Manitoba.

Mr. Gilleshammer: That is true. It is difficult to forecast down the road into the next few years, but if that happens, then certainly I think we have to look at again licensing additional spaces. Our budget has increased dramatically, as I have said before, and we will have to view the situation at that time and make the appropriate decisions.

Mr. Martindale: Mr. Acting Deputy Chairperson, would the minister agree that the result of eliminating 400 spaces is that there will be no part-time children in the licensed child care system?

Mr. Gilleshammer: With respect, I have to disagree.

Mr. Martindale: In a letter to child care providers, dated April 8, 1993, it says: Each subsidized case at your facility refers to one child, whether that child is enrolled on a full-time, part-time or extended-hour basis.

What incentive would centres have to accept children who are part-time, given the effects that will have on their budget?

Mr. Gilleshammer: I guess what the member is saying is it is more convenient if you have children enrolled on a full-time basis and they are fully subsidized. The member for River Heights (Mrs. Carstairs), I think, helped to clarify it, and maybe the critic for the NDP was not in the room at the time.

It is possible that in a centre with 36 licensed spaces, they could have 40 or 42 subsidized children. So what we are saying is that the 10,000 children that were subsidized in the system last year were a combination of part-time and full-time, and we are going to work that down to 9,600 children.

(Mr. Deputy Chairperson in the Chair)

There certainly are many, many families and children that are only accessing child care on a part-time basis. So centres have been accepting children on a part-time basis for a long time. I know in Langruth centre, that we have had many discussions of, they have many more children enrolled than they have licensed spaces. This is probably true of a number of centres where they accept children on a part-time basis and the subsidies flow with those children depending on their circumstances.

I do not see the system moving to completely full-time children within the system.

Mr. Martindale: The minister has announced that operating grants are being reduced for licensed daycare centres by 4 percent, and for licensed nursery schools by 50 percent. The 4 percent reduction is in line with the workweek reduction, so I could understand where the minister might get that figure, that percentage. But what is the rationale for reducing operating grants for nursery schools by 50 percent?

Mr. Gilleshammer: The nursery school is, of course, vastly different than the daycare centre. I think it was only two years ago that the grants to nursery school were only being given to half of the

nursery schools in existence. This was the policy of the previous government that some nursery schools received a grant and some did not. We changed that policy a year ago, I think, so that all nursery schools receive that grant. So in looking at the nursery school grants, and they were small, only I think it was less than \$1 million was devoted to those grants to nursery schools, and, of course, they provide a different function.

These are, by and large, stay-at-home parents or parent, who want to have their child involved in an activity with other children at a nursery school. It is an option that is different than the daycare where presumably the parents are going to work and need that care. In the case of the nursery school that is not so. We did take a different view of them. We did take a different look at them, and made a decision to reduce those by 50 percent.

Mr. Martindale: It seems to me that if centres continue, particularly nursery centres, the reason is that they are being subsidized by low wages and poor working conditions in that most staff have very few benefits, and the absence of a pension plan.

Would the minister agree that the effect of these changes is that staff will continue to be underpaid and therefore undervalued for the kind of work that they do, and that the pressure on wages and benefits will be downward rather than upward, particularly in centres where the staff and board are unable to collect the fees from parents.

I already know that in many centres they are unable to collect the dollar-a-day fee. Now it is \$2.40. Many of these parents are on social assistance and unable to pay that. So boards, of course, are faced with making very difficult decisions—you know, one of this minister's favourite expressions—and having to offset the loss of revenue from parents paying this per diem fee.

Would the minister agree with this statement that those centres that continue to exist will do so because the staff are subsidizing the system through low salaries and a lack of benefits and a total lack of pension plans?

Mr. Gilleshammer: I find it difficult to agree with the analysis that the honourable member puts forward. I am not sure how he viewed the system before when the party of which he is an active member funded some centres and did not fund other centres. Would he apply the same criteria to the thinking of the government of the day then when a

number of these nursery schools got no funding at all? I do not think there was a pension plan then, and I do not know whether the amount of salaries has changed downwardly since that member's party was in government.

* (2200)

Mr. Martindale: This minister has announced reduction in the job search period from eight weeks to two weeks. I believe this eliminates accessibility to child care for those who are unemployed. For some of those people it is going to perpetuate the cycle of poverty that they are in and a continued dependency on social assistance.

We know that we have a high unemployment rate. The jobs are difficult to come by. Today in Question Period I quoted statistics from Statistics Canada on the average number of weeks that people are on unemployment insurance. I believe it is 23 or 24 weeks.

How does the minister believe that his policy is going to improve the situation? I would say that it is going to make it much worse for parents who are looking for employment or university students whose children are in child care, and at the end of the school term, they have two weeks, or upon graduation they have two weeks to find employment. Does the minister really believe that this is reasonable and that it is going to help people to get off social assistance and find employment?

Mr. Gilleshammer: The individuals who want to access this provision still have the ability to get subsidized care while they are searching for a position, albeit not as long as they were able to do so before. For those students, of course, they do not have to wait until the day of their graduation to seek employment and are, I am sure, seeking employment in the weeks preceding their graduation. For sure, this a reduction in the number of weeks.

Again, it was part of what we thought was a fair package to live within an expanded child care budget. Again, I am not sure what the member is advocating, whether we should be increasing that budget by \$5 million, \$10 million, \$15 million to keep all of those parts of the program that were there before or simply to allow the budget to overexpend itself without making these corrections or these restrictions on the system.

But I have said clearly, we had made an attempt to live within that budget and increased it to \$47

million. There are changes to help us to stay within that budget, and I do not hear any alternatives coming forward. I am sorry my honorable friend is distracted here because I thought I was giving him some good information that he would want to get tonight instead of having to read it a day or two from now. [interjection]

Well, I am hesitant to repeat myself, but there are changes that have been made to the system. I do not know what better advice the member would have for us to live within that budget, but perhaps he could give us that advice at this time.

Mr. Deputy Chairperson: I think I just might at this time ask if it is the will of the committee to take a 10-minute break just to stretch your legs.

An Honourable Member: Agreed.

Mr. Deputy Chairperson: Ten minutes.

* * *

The committee took recess at 10:04 p.m.

After Recess

The committee resumed at 10:12 p.m.

Mr. Deputy Chairperson: Committee can come to order. We were dealing with 4.(d)(1) Salaries \$1,818,900.

Mr. Martindale: Well, I would like to go back to reducing the workweek and respond to some of the comments that the minister put on the record. The minister always gives us a false dichotomy. The minister always says, you know, what is the alternative? Spend more money.

The problem with his government is that they only consider the choice of reducing expenditures to reduce the deficit without considering other alternatives, because philosophically they do not really believe in job creation. They only believe in lessening the amount of government and the cost of government and basically believe in the old adage of: less government is the best government.

I think that the alternative is to help people to access the job market, to make it easier for people to find employment, because we know that when people are employed they are paying taxes. People when they are employed feel better about themselves. People who are employed usually have higher incomes than people on social assistance, although not always. In fact, for people with large families working at minimum wage, probably their income is lower, but probably they are

willing to trade that off for the benefits of being employed. But even they need access to child care, so I believe the minister has made the wrong choice in this case, because I believe it is going to be more difficult for people to access employment if they do not have affordable child care or even access to child care.

Now I would be quite happy to discuss this again next year in Estimates and see what the effects are of this government's policy, and certainly we will know from talking to child care centres what happens to parents who cannot find a subsidized place.

It looks like the minister wants to respond to these comments.

Mr. Gilleshammer: I am not sure what the learned member means by a false dichotomy, so I will not get into that because that is brainy stuff, but he was on the verge of talking about other alternatives. I think we are really making some progress here if we are going to really get these other alternatives out.

What I hear him saying is that his view of a Conservative government is that less government is the best. The opposite, I suppose, from the socialist point of view is that more government is better. If you want to talk about dichotomies, then I do not understand where Bob Rae is going when he lays 4,500 Hydro workers off from Ontario Hydro, or where he takes 20,000 civil servants and says: Most of you are not going to have a job, and we are going to have to develop a social contract with the rest of you to downsize and pay less.

I notice the member is not listening as attentively as he was before, but again we are faced with this reality of government—

Point of Order

Ms. Becky Barrett (Wellington): Yes, I would like to—perhaps it is a point of information.

Mr. Deputy Chairperson: No, it is a point of order.

Ms. Barrett: Point of order. The government of Ontario, in its reduction of its civil service, which is less than 20,000, is, as a proportion of its civil service, laying off or through attrition—

Mr. Deputy Chairperson: Order, please. The honourable member does not have a point of order. It is a dispute over the facts.

* * *

Mr. Gilleshammer: I respect that she did not have a point of order.

This shows the dichotomy, whether it is false or real, between those who govern and those who are in opposition, and the honourable member's fellow traveller at the federal level now is indicating that Bob Rae is doing the wrong thing. So, again, I point out to my friends in the opposition that it is fine to be in opposition and criticize and not have to come up with alternatives, because you are not in the position where you are in government.

So, yes, there is a downsizing of government in all provinces at this particular time, and it is only the opposition that are saying, hire more government workers, hire more people with Ontario Hydro, hire more people to run the civil service. Every other government and even governments that are going into elections in the Maritimes and are being re-elected because it reflects what the public mood is at this particular time. I dare say that Premier Rae and Premier Romanow are reading that correctly, and I am surprised that my two learned friends from the NDP do not see that is the road that all governments are taking at this time.

Now, the honourable member says that job creation is the answer. Well, when last the NDP were in government job creation consisted of making work, and where are those jobs today? They do not exist. There are still the remnants of some of those signs to be found about the province, but the jobs do not exist. Do you know what does exist? The debt, the hundreds of millions of dollars that it cost government of the day to employ those people temporarily, because those jobs no longer exist. As your Leader says and said very emphatically, people were counting flowers in the ditches of Manitoba and erecting green signs around the province. Those jobs were not jobs. They were just a manner of government passing government tax dollars over to individuals, and that type of job creation simply does not work.

What does work is keeping the taxes low and leaving that income in the hands of the consumer, and the consumer is going to spend those dollars. That the opposite, raising the sales tax, raising the income tax, raising the corporate tax does not work, and in fact the one thing Bob Rae did in the last budget was to lower the corporate tax because in government he realizes you cannot keep taxing

corporations, those jobs will disappear. Now what we have also done is to eliminate the tax on jobs, the tax that was put there on employees.

An Honourable Member: Partly eliminated.

Mr. Gilleshammer: The member says, partly eliminated, and he is correct that we have eliminated systematically more and more of that tax. Again, I see the NDP wringing their hands and saying, oh, there is another tax gone. Bring back that tax. Well, I will tell you, the way to stimulate the economy is to keep those taxes low, and only now is Manitoba finally getting back into a competitive situation with other provinces by keeping those taxes low.

* (2220)

You can go to western Manitoba along the Saskatchewan border, and Saskatchewan people are doing a lot of purchasing in Manitoba because there is a difference in the sales tax, there is a difference in the gasoline tax, and there is some integrity to the GRIP program. You talk to people who are accessing our stores and accessing our communities who actually live in Saskatchewan, and are saying that two points on the sales tax is devastating to them, that the gasoline is cheaper in Manitoba and that there is integrity to the GRIP program. That is what is going to sustain Manitoba, make it more competitive and leave that money in the hands of real people. So we will continue to have a fundamental philosophical difference as far as the alternatives go.

Even New Democrats are saying in Ontario and in Saskatchewan, yes, less government is what we need. Here in Manitoba in opposition, the honourable member is saying no, hire more people in government. Maintain that workforce.

I would be surprised if you do not make the front pages, too, in supporting Bob Rae and supporting Steve Langdon. I do not think that the member is going to get fired as Steve Langdon did, but the public is asking real hard questions. Where do the New Democrats stand on these issues when they see Premiers in Saskatchewan and Ontario making those difficult decisions, yet opposition in some jurisdictions are saying, no, create those flower-counting jobs and those green sign jobs that disappear; continue to spend hundreds of millions of dollars and have no lasting benefits; and yes, tax, raise the sales tax, raise the income tax, create new taxes. It simply does not work any more.

Mr. Deputy Chairperson: I would like to remind all honourable members that we are dealing with 4.(d) Child Day Care (1) Salaries for \$1,818,900. It might be wise at this time to deal with that line.

Mr. Martindale: I would certainly like to thank the Deputy Chairperson for that reminder to the minister. I am going to ignore his rambling polemic and ask questions on the child care budget.

Could the minister tell us what is happening to the daycare volunteer program funding? I believe there was \$5,000 a year which was channelled through the Manitoba Child Care Association. Since they are no longer receiving their grant, I wonder if the minister can tell us what is happening to that funding.

Mr. Gilleshammer: The member is correct, that was part of a flow of funds to the daycare union. The funding has now been terminated, but the decision on that program will remain with the organization.

Mr. Martindale: I wonder if I could ask for clarification. Did the minister say that the \$5,000 will continue to flow through MCCA?

Mr. Gilleshammer: No.

Mr. Martindale: Who is receiving the \$5,000?

Mr. Gilleshammer: We have discontinued that funding that was channelled through that organization, but the program is still continuing.

Mr. Martindale: Who will receive that funding, or how will it be disbursed or spent?

Mr. Gilleshammer: Government is no longer providing that funding, and decisions made within that organization to continue the program will be with their own resources.

Mr. Martindale: I would like to ask the minister some questions about commercial centres. I understand that commercial centres may have 25 percent of their spaces subsidized and that the province cannot recoup this money through the Canada Assistance Plan, which normally they could do on a 50-50 basis. Is that correct?

Mr. Gilleshammer: What the member has related is basically correct.

Mr. Martindale: Is it true that the province gives commercial centres an additional subsidy, or a grant, to equate payments to the operating grants that nonprofits receive?

Mr. Gilleshammer: That is correct.

Mr. Martindale: Will this continue in this budget year?

Mr. Gilleshammer: Yes.

Mr. Martindale: Well, I would like to question the government's priorities. Since there is a limited amount of funds available, I think that priority should go to nonprofit centres and not to commercial centres.

Another issue is that nonprofit centres, I believe, are more accountable in that they have a board of directors to whom they are accountable and to my way of thinking, they are a more public institution than commercial centres. I wonder if the minister agrees with that.

Mr. Gilleshammer: I agree that there are differences between the independent centres and the nonprofit centres. I think those differences are part and parcel of the choices that parents can make in terms of determining what care it is they want for their children.

Mr. Martindale: It seems obvious to me that this government also has choices to make and that you have chosen to continue subsidizing the commercial sector as well as the nonprofit sector. Given that there are limited funds available, what is the rationale for continuing to subsidize profit-making child care centres?

Mr. Gilleshammer: Well, there are alternatives out there that parents have for care for their children. We believe that parents should have some choice as to what kind of care they would want to access.

It seems to me that the member is moving in the direction of saying there should be only one kind of care acceptable to government. That may be the view of himself and his colleague and his party, but we have said, over the course of the last five years, that there are different types of care available that government will support, and the decision remains with the parents.

Mr. Martindale: Could the minister tell us how much the province of Manitoba receives from the federal government for children with treaty status? I assume that treaty children who are in child care would be paid for by the federal government.

Mr. Gilleshammer: The cap recoveries for all children is the same.

Mr. Martindale: So treaty status makes no difference in terms of child care programs?

Mr. Gilleshammer: I am told that the cap recoveries are the same for all children.

Mr. Martindale: Is it true that social assistance will pay for private babysitter fees on behalf of a welfare recipient?

* (2230)

Mr. Gilleshammer: I am told that there are certain circumstances where the social allowance program does provide funding for that type of child care.

Mr. Martindale: If that same social assistance recipient found a licensed unsubsidized space, would social assistance pay that fee as well?

Mr. Gilleshammer: Sorry, could you repeat that?

Mr. Martindale: If that same client or social assistance recipient found a licensed unsubsidized space, would social assistance pay that fee too?

Mr. Gilleshammer: I am told the answer is no.

Mr. Martindale: I am glad to hear that, and I do not need to ask my next question.

I would like to go back to the impact of the changes of this government, the capping to 9,600 cases or spaces or children, whatever the case may be, and also the increase in fees. I understand that a national daycare study found that the majority of children are not in licensed care and that low-income parents in particular use an informal child care system of friends, neighbours and babysitters. I believe that by increasing the fees to \$2.40 a day, what you are doing is limiting access to affordable child care by low-income families and also by students, by aboriginal people and by new immigrants. I believe that this disadvantages those people who can least afford to be disadvantaged, including in terms of child development.

We know that there are many advantages to children being in a child care centre in terms of child development. Just one of those is that children who have speech problems or behavioural problems or hearing problems, any number of different problems, that those problems become identified by the staff at child care centres and the result is that remedial action is taken much sooner for those children.

That probably saves not just a lot of anguish and grief on behalf of the individual and their families but probably saves the system or saves the government money in the long run, in that, if problems like hearing impediments are corrected early it probably helps the children to progress normally or more

normally in their education. So I think it is advantageous to have children in the child care system, partly for the advantages that accrue to child development and to identifying problems.

Would the minister not agree that is the case?

Mr. Gilleshammer: I would agree that early diagnosis, early detection and early remedy is beneficial in a whole variety of cases with a whole variety of people.

Mr. Martindale: But the minister, at the same time, has no problem with limiting access to parents who cannot afford child care and who need affordable child care and for whom the fee of \$2.40 a day is a barrier. Does the minister not see any contradiction between agreeing with the statements I made and at the same time limiting access?

Mr. Gilleshammer: I do not know whether I agreed with the statements the member made or not, because there was quite a variety of them. I said I thought early detection, early intervention and early treatment were beneficial to a whole variety of individuals in a variety of cases.

Mr. Martindale: I have a number of questions about children with mental handicaps and child care. The first is, how many children with mental handicaps currently receive daycare on an integrated basis in regular child care centres?

Mr. Gilleshammer: Mr. Deputy Chairperson, we have a group of children with disabilities for whom we provide program funding. The number of children that were served last year was 529.

Mr. Martindale: What kinds of support, such as staff grants, equipment or training, are child care centres eligible to receive if they have one or more children with mental handicaps?

Mr. Gilleshammer: I can tell my honourable friend that staffing grants are the main grant support offered directly to daycare centres and to nursery schools. Start-up grants provide funding for renovations and equipment needed to accommodate a disabled child and to provide extra toys and educational materials not usually available in a community daycare centre.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

Training grants allow staff to receive additional training specific to the child in their care, and due to current restraints, it is not possible at this time to approve those start-up grants. Supplementary

daily grants are available to programs and family daycare homes that do not access staffing grants.

So the type of assistance that those 529 children are accessing come through staffing grants, start-up grants, training grants and other supports offered by the Day Care office.

* (2240)

Mr. Martindale: Are all centres requesting supports receiving the supports to achieve quality integrated services?

Mr. Gilleshammer: I think it is fair to say that there are a number of centres that have taken on the responsibility to handle the children with disabilities. Rather than disburse the resources across a wide variety of centres, there are certain centres who have made this their specialty, and the required support is channelled to them.

Mr. Martindale: Which of the centres currently receive staffing grants for integration support, or are there too many to list?

Mr. Gilleshammer: We do not have a list available today, but there are a number of them. In addition to that, certainly the St. Amant Centre and the Society for Manitobans with Disabilities have a significant program. As well, there are other centres. Perhaps I can get that information for our next meeting or I can get it to the member at another time to give you a cross section of those centres that provide that service.

Mr. Martindale: I would like to thank the minister for agreeing to provide me with a list or a partial list at some time in the future. What additional supports are centres receiving besides staffing grants?

Mr. Gilleshammer: I indicated that there are staffing grants, start-up grants, training grants and supplementary daily grants to those particular centres.

Mr. Martindale: Are there more or less spaces available this year for individuals with disabilities who require additional support?

Mr. Gilleshammer: It will be very similar to last year.

Mr. Martindale: What kind of training is available to child care staff and boards regarding integration practices for children with disabilities?

Mr. Gilleshammer: I am told that training is offered through St. Amant Centre.

Mr. MartIndale: I understand that a number of child care centres have children with fetal alcohol syndrome. Do those centres receive any extra funding or supports to help with those children? I assume that it requires more staffing for those children.

Mr. Gilleshammer: For those children that would fall within the children with disabilities program funding, they would get that support.

Mr. MartIndale: Do children who are diagnosed as having fetal alcohol syndrome fall within those criteria that the minister just mentioned?

Mr. Gilleshammer: In some cases, yes.

Mr. MartIndale: Then in some cases, they do not. So are there child care centres with children with fetal alcohol syndrome where there are no extra grants or support or training?

Mr. Gilleshammer: This is done on a case-by-case basis, and they are dealt with individually.

Mr. MartIndale: How does the Child Day Care office decide which centres get extra support and which ones do not?

Mr. Gilleshammer: I am told there is an assessment committee that would assess these situations on a case-by-case basis.

Mr. MartIndale: I have been told that there is one centre where there are seven children with fetal alcohol syndrome and no extra staff or dollars. Since I do not know the name of the centre and the minister has said that it is on a case-by-case basis, what is the best way to deal with this problem? Should the centre be applying for extra support for these children?

Mr. Gilleshammer: If any particular centre has an issue around children with disabilities or any other issue as far as that goes, they certainly are aware that they can contact the Day Care office to state their issue and have whatever support they need discussed with the Day Care office.

Mr. MartIndale: I would like to move now into family daycare. I would like to—first of all, the issue of smoking. I was in receipt of a letter, as well as the Liberal critic, and as far as I know, I only know of one parent who raised it as an issue. However, when I contacted the Family Day Care Association and also the Manitoba Child Care Association, both of them said their organizations would favour a regulation prohibiting smoking by residents of a family daycare home.

In fact, the board of the Manitoba Family Day Care Association wrote me a letter dated April 13, and I quote: We as members of the Family Day Care Association of Manitoba support the introduction of a bill that will require all family daycare homes be smoke free as a requirement for licensing.

Now, it is not quite as complicated as they assume. It would not require a bill; it would merely require a regulation or a change in the rules—a regulation, I guess, similar to child care centres. I believe Regulation 12(5) says, smoking shall be prohibited in the presence of any child in the daycare centre.

I would like to see something like that for family daycares. I believe that smoking is a very big public policy issue. In fact, I contacted the Manitoba Lung Association before I asked questions of the minister in the House, so we have lots of statistics about the number of deaths due to lung cancer, for example. We know that this is a huge cost to society, which basically means it is a huge cost to government and therefore to taxpayers.

I think that is why governments have been very supportive of groups in the community like the Manitoba Lung Association in banning smoking from hospitals and from institutions. In fact, I believe it was an opposition bill that was supported by all three parties during the minority government that banned smoking in public places. I think there are many, many good reasons to justify that. It seems to me that it is appropriate to extend that, as far as we can, into more and more areas of life.

I think this is an opportunity to extend it into family daycare homes, and part of the rationale would be that this is public or government subsidies that are providing the income for at least one parent in a family daycare home. I think that is another reason why it could be changed, why regulation could be brought in.

I would like to ask the minister what his view is on approving a regulation to prohibit smoking in family daycare homes?

Mr. Gilleshammer: I guess maybe this goes back to the previous page, where the member said he was in favour of more government and more intrusive legislation than what we as government would support. The policy at the current time is that the care provider cannot smoke in the presence of children. Let me just see if I am framing this correctly. What the member is saying is he would

like to see legislation which banned smoking completely within that home, I presume, on a 24-hour basis.

* (2250)

This is where we run into some difficulty about what people can or cannot do in their own home. I think the member would see that it becomes difficult to pass a law in this area. I think we can probably achieve our goals by education rather than legislation. It would be the method that I would prefer proceeding in, but the one letter that he has received probably is the same one letter that the Liberal critic has received and may even be perhaps the same letter I received.

I think we are prepared to work with the relevant association and to work on the area of education rather than creating more laws that would intrude into someone's home.

Mr. Martindale: Well, once again, the minister is putting words in my mouth when he says that I am advocating more government and more intrusive legislation. In reading the regulation for child care centres, it says, smoking shall be prohibited in the presence of any child.

I am wondering if the minister would consider the same regulation for daycares which—you know, in reading this regulation again, it does not go quite as far as I was advocating; it just says, not in the presence of a child. It seems to me that in a daycare home or a family daycare home, you could prohibit the smoking in the presence of a child rather than banning smoking totally from that home. Is that the policy now?

Mr. Gilleshammer: That is correct. So I think we have substantial agreement here.

Mr. Martindale: Well, I am glad we have substantial agreement on something. So the regulation for daycare centres is the same as family daycare homes. Well, I am grateful to hear that we can agree on something.

Mr. Gilleshammer: I suspect that we have agreement on a substantial number of issues and that the member is—as he reads over the dialogue that has taken place over the course of the day, we get closer and closer together in our view of things.

I know that the member for Wolseley (Ms. Friesen) would agree, because we did agree earlier on an issue she had, that we would move in a direction that would have us analyze and monitor

the number of homes that are currently in her constituency and work with the community. So I would say on more than one issue there has been some agreement today, and I am pleased about that.

Mr. Martindale: Well, we will have to make sure that this agreement does not go too far on too many subjects.

I would like to ask the minister: What are the regulations for family daycare providers regarding hot beverages? I have the regulation for child care centres which says the drinking of hot beverages by adults in areas in which children are engaged in play activities is prohibited. Does that regulation apply to family daycare centres as well?

Mr. Gilleshammer: We have the booklet of regulations here, and I will be reading it to you in a moment so that we can both understand this better.

I am told that this regulation is for centres, where it says a licensee shall not permit the drinking of hot beverages by adults in areas in the licensee's daycare centre in which children are engaged in play activities. That is Regulation 14(7). When you revert to daycare homes, again, because this is a home setting with people making that their living quarters and living accommodations, it is not encompassed in regulations in the same manner.

Mr. Martindale: Since this would seem to be a safety issue, would the minister consider extending this regulation to family daycare homes?

Mr. Gilleshammer: Well, I would certainly raise with the department the number of documented complaints that we have had in this area, and if it seems to be an inordinate amount that are coming forward, then I think it would be incumbent upon us to move in the direction of taking some remedial action.

Mr. Martindale: So the minister is willing to move on it if there are a number of documented cases. Is that the only reason why the minister would do this?

Mr. Gilleshammer: Well, we tend not to want to try and resolve problems where no problem exists. Again, maybe this goes back to the member's view of more government and more intrusiveness into the lives and homes of individual citizens.

Mr. Martindale: This minister really is quite amazing. He has taken what I have considered to be a safety issue and translated it into a government

intrusiveness issue. Your ability to twist and contrive things is really quite amazing.

Point of Order

Mr. Gilleshammer: The member is asking whether there is a problem. I have said, if there is a problem we will address it. If there is not a problem, then I have no problem with the status quo.

The Acting Deputy Chairperson (Mr. Reimer): I would say that the point of order is out of order. It is just a dispute over the facts.

Mr. Martindale: The minister was quoting Regulation 14(7) and I had Regulation 12(6). So obviously I am not as up to date as I should be. I wonder if I could get a copy of the regulations from the minister so that I can be well informed, current and up to date.

(Mr. Deputy Chairperson in the Chair)

Mr. Gilleshammer: Yes, we would be pleased to provide the member with a copy of the regulations.

Mr. Martindale: I would like to move onto another issue. This one has to do particularly with the Family Day Care Association. When I talked to them a couple of months ago, I discovered that they were in receipt of monies from the federal government, training money in the amount of \$361,719.

When the funding changes were announced and their grant was eliminated, they were concerned that they would not be able to deliver this training with the federal grant. I wonder if the minister can tell us if that fear was well founded or what has happened in the meantime. Are they continuing to deliver that training?

* (2300)

Mr. Gilleshammer: Our understanding is that the grant that was forthcoming from the federal government is in place.

Mr. Martindale: Was there a provincial grant promised for the same period as the federal grant of \$168,217?

Mr. Gilleshammer: The funding that the family daycare training program was discussing with the Province of Manitoba was with the Department of Education. I understand the Education Estimates are coming up soon.

Mr. Martindale: Could the minister tell us what the training money was for and if the Family Day Care Association was the organization that was delivering the training?

Mr. Gilleshammer: I am told that this program offers three 10-month training sessions with 20 participants enrolling in each session. Participants who successfully complete the requirements of the training will receive a New Careers certificate of attainment from Manitoba Education and Training. Some credit towards the child care services program is provided by Red River Community College.

Participants for the first year were drawn from within 60 kilometres of the Winnipeg region. Participants for the second year have been drawn from different geographic regions of the province, including Thompson, The Pas, Eriksdale, Morden, Portage la Prairie, Woodside, Minitonas and a couple of communities in western Manitoba. There are no fees charged to providers participating in the training. In the third year, the family daycare training program hopes to attract aboriginal candidates.

Basically, that is the overview of the program and again, I would indicate the provincial money is housed in Education and Training and probably the member could get more details in those Estimates.

Mr. Martindale: Just one last question then: Will this training continue and if so, who will provide it?

Mr. Gilleshammer: I am told that our anticipation is the training will proceed.

Mr. Martindale: Will the Family Day Care Association of Manitoba be the organization that the money will be channelled through or the organization that is providing the training?

Mr. Gilleshammer: Our understanding is that organization is receiving the funds, any funding from the federal government on this initiative and their discussions over provincial money are with the Department of Education.

Mr. Martindale: I have a newspaper article describing a seniors daycare centre. It is my understanding that there is no regulation governing senior daycare centres. I guess that is not surprising, given that this is a fairly new service being provided in the community, but I would be interested in knowing the minister's thoughts and also his department's policies—first of all, whether the minister thinks they should be licensed or not.

Mr. Gilleshammer: That is an area that is beyond the jurisdiction of the Department of Family Services. At the present time, our responsibilities are with the children's daycare programming.

The member is, I guess, asking to engage in some discussion of whether we should be creating programming for seniors. To some extent, that is the responsibility of the Department of Health as they are responsible for the personal care homes that exist within the province of Manitoba.

In many rural communities, there is an activities department within that personal care home that provides programming for the residents and also extends invitations to citizens within the community to participate. Whether we need a more formalized system is a debatable point.

Again, I sense that my honourable friend is looking for expansion of government programming and having government create new regulations in an area where none exist outside of the personal care homes at this time. I am not sure that debate has really taken place in the community and whether the public, the taxpayer, is demanding that a new service, a new function for government be established. I am I think led to believe, although I have not done a lot of thinking in this area, that by and large the community is looking after the needs of the elderly through the Manitoba Society for Seniors that have brought many, many ideas to government.

We have created a ministry responsible for seniors in Manitoba and meet regularly with the MSOS and, again, would say that I do not think a discussion or a debate has taken place on that particular issue, but perhaps it is something that will happen in the coming years. At the present time, it would seem that the seniors of Manitoba are not advocating that new centres be developed. Many, many communities have seniors clubs that are very active. The Department of Health has created, in a number of communities, a seniors help organization that provides for meals for some, provides entertainment, co-ordinates the volunteer sector.

Again, this is the danger that we get into. I think we have told the volunteer sector, in many ways in services provided by this department, that we do not need you anymore, that the services provided by volunteers and the church are not valued anymore, that government will look after you. I think that has not necessarily been a really positive thing. I would

hate to see government tell the MSOS and the seniors organizations and the communities that you no longer have to be involved in this, that government will organize centres for the needs of the elderly. So I guess if the community is looking after this at the present time, I do not know whether government needs to necessarily get into this activity.

Mr. Martindale: We will refer questions on this to our Health critic since, as the minister points out, it more properly falls under the responsibility of the Department of Health. I am disappointed that this minister seems incapable of making a distinction between raising legitimate issues of public policy versus government becoming more involved. I think these are legitimate issues of public policy, and I was not inferring, although the minister wrongly accuses me of inferring, that there should be more government involvement.

I just have one or two final questions on the daycare budget. Will subsidized families be reassessed as the result of the changes that have been announced to subsidies and fees, et cetera?

Mr. Gilleshammer: I am told that reassessment has already occurred.

Mr. Deputy Chairperson: Item 4.(d) Child Day Care (1) Salaries \$1,818,900—pass; (2) Other Expenditures \$510,700—pass; (3) Financial Assistance and Grants \$45,137,400—pass.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$132,604,400 for Family Services, Rehabilitation, Community Living and Day Care, for the fiscal year ending the 31st day of March 1994—pass.

We are now going to move on to 9.5 Child and Family Services. Provides for the co-ordination of child and family services through the provision of program and administrative direction and funding support for services.

5.(a) Administration (1) Salaries \$354,500.

* (2310)

Mr. Martindale: Mr. Deputy Chairperson, maybe I will start with one of the smaller items. My apologies if I do not ask questions in the proper line here, but I know that the minister is very competent and capable of answering any question at any point.

One of the organizations that I have been lobbied by that this minister—

An Honourable Member: We never, ever, ever do that.

Mr. Martindale: I think it does not hurt to compliment the minister once in a while. I would not want to do it too often, but once a day, I am sure, it will not hurt, unless it goes to his head, of course. I am sure the minister has noticed there are great differences between his critics, his former critic and current critic.

I am sure that the minister has been lobbied by the same organization that has been lobbying me. It has to do with changes to adoption laws. Is the minister willing to take some questions on adoption laws at this point?

Mr. Gilleshammer: Thank you very much. Modest though I am, I do appreciate those kind words and the recognition that the member recognizes that there are many, many difficult decisions that have to be made within this department. These decisions have to be made with a certain balance. As we get more and more into these Estimates and the member gets a better appreciation of all of the different areas of the department, his recognition of the issues will grow, and his appreciation of the department will also grow. The kind words that he said tonight were simply echoing the words of the previous critic who frequently made the same comments. I have always appreciated them.

Yes, we would be pleased to take questions on adoption.

Mr. Martindale: The minister is going much too far. I only said he was capable of answering questions at any place in the Estimates line. I did not say he was capable all the time of everything. With that caveat attached, I will ask my questions.

If I can recall what people are saying to me, they are saying, we think we should have access to all adoption information. I know that not all parents who adopt out children want that to happen. There are parents who, for very legitimate and good reasons, do not want children who have been adopted out to have access to those records. So there is an issue of confidentiality here and an issue of permission.

My limited understanding of the system the way it works now is that both confidentiality and limits are respected, that people do not have access to adoption records unless permission is given, unless both parties have agreed to some kind of match-up.

I guess my first question would be, is that the way the system works now? And if not, perhaps the minister could explain the current system that is in place.

Mr. Gilleshammer: I think the member has characterized the system very well.

Mr. Martindale: Has the minister received any representation from groups wanting to change the system, especially to totally open it up, which I think is their goal? Have they communicated their requests to you as the minister?

Mr. Gilleshammer: Yes.

Mr. Martindale: What is the minister's position on the requests that they are bringing forward on changes to adoption laws?

Mr. Gilleshammer: Well, this is an extremely sensitive area that I think we have to respect the confidentiality of the people who are part of this discussion. There are those who would portray this as a simple request or demand that can easily be resolved, but I can tell you from looking at all sides of this question I would think that any changes in this area would have to be brought about with great care and that these changes will come about very, very slowly because of the need to preserve the integrity of the system and the commitments that have been made to people who are part of the system.

Mr. Martindale: So I take it that the minister is not contemplating any changes now to access to adoption records?

Mr. Gilleshammer: We do have what is called the Post Adoption Registry, which is there to facilitate the individuals who want to access information. That Post Adoption Registry works. To some, it works much, much too slowly, but again, I think that it is necessary to preserve the confidentiality of those who made decisions in the past and who believe that a commitment was made to them. The Post Adoption Registry will work where there is a willingness on the part of the different individuals who are part of the system to make some connections.

Mr. Martindale: One of the areas of tension and controversy around this whole issue is access by people to marriage and birth records. Just by way of illustration, I happen to know that in the United Church this is a problem in that in the past, archival records were totally open to the public, and now we have made a policy change and decided to restrict access to them, the reason being that people are

tracing their parents through church archival records. So some of the same issues are present, and we have put some restrictions on access to those records.

I am wondering if this is a problem in Vital Statistics, if people are trying to access marriage and birth records in order to trace their parents.

Mr. Gilleshammer: Well, I am really quite interested in what the member is saying about the experiences of the United Church which would seem to support the caution taken by the Post Adoption Registry. I think that it gives one a little more insight into the issues that surround this particular function, but we are not aware of Vital Statistics being an inadvertent supplier of information which would in any way put into conflict the confidentiality that exists around adoption issues.

Mr. Martindale: Could the minister tell us if the Post Adoption Registry is matching up people any more quickly or any more slowly than in the past? I know that people in the community are concerned that if they do not act quickly or find someone soon, it will be too late due to death. Have government cutbacks affected the Post Adoption Registry process?

Mr. Gilleshammer: Our statistics show some increased work in that area to address those issues, and it reflects an addition in staffing in that area.

Mr. Martindale: Could the minister tell us how many more staff have been added?

* (2320)

Mr. Gilleshammer: I am told there is an addition of two staff in that area.

Mr. Martindale: Does this make a difference? Does this speed up the process of matching up people?

Mr. Gilleshammer: Yes.

Mr. Martindale: I would like to go on to another issue beginning first of all with Winnipeg Child and Family Services Agency.

The minister, I believe, has repeatedly said that in spite of government cutbacks, for example, eliminating grants to external agencies—well, I believe a number of this government's policies have implications for Child and Family Services. I believe that all of those implications are for greater demands on the service.

At the present time we have the director of the Winnipeg Child and Family Services Agency, Mr. Keith Cooper, saying that their staff are already overworked, that they are understaffed. Now, as the result of policies not by this minister, but by the government as a whole, there is a workweek reduction.

So there is going to be, I believe, a large and significant reduction in the number of staff hours that all Child and Family Services agencies will have to deliver service. My first question would be, since this is Estimates and we can get into a lot more detail than Question Period, how does this minister plan to ensure that an adequate level of service is delivered with 3,000 hours of less staff time for the Winnipeg Child and Family Services Agency?

Mr. Gilleshammer: Mr. Deputy Chairperson, I indicated to the member before that prior to budget decisions being released, we had a lengthy discussion with the presidents and the executive directors of the three southern agencies to indicate some of the budget decisions that were being made that were going to impact on their agencies.

We talked about a number of things, including the workweek reduction that is part of overall government planning to control the deficit and the budget, and acknowledge that there were significant challenges there that have to be met in the provision of services. The various functions of the agencies were discussed and looked at, that for sure we are not saying that the same number of people could do the same number of work in fewer days. But management was of the impression and the view that through their organization that they could do their very best to manage the workload. At the same time, it is incumbent on the directorate to be in touch with the agencies to discuss with them some of the ways they were going to manage this decision. It was the view that we could work together and co-operatively on this.

If the member recalls, in the previous year we did dedicate some funds to workload relief projects, and we do have some money in the budget to assist with this in the coming year.

Mr. Martindale: How much money is in the budget for the coming year for the workload relief program?

Mr. Gilleshammer: There is \$600,000.

Mr. Martindale: Will some of that money be used to offset the fewer hours of staff time due to the workweek reduction?

Mr. Gilleshammer: The money will be dedicated to specific projects related to the overall workload.

Mr. Martindale: I have talked to one of the board members of a Winnipeg Child and Family Services agency who says that the agency cannot provide the same level of service with 3,000 less hours of staff time. They made a very interesting comment. They said, there is no down time in Child and Family Services.

I would like to ask the minister if he believes they can deliver the same level of service in spite of the workweek reduction?

Mr. Gilleshammer: I have just indicated the recognition that the same number of people working fewer hours are not going to do all of the things they did before, and that management will be involved in prioritizing some of the activities and seeing that the agency still functions in the child protection area where their most vital work is being done.

I would again remind him there is the possibility of using some of the money dedicated for workload relief. We have also added some significant reform to the system, which we had an opportunity to discuss before in the SIS system and the high-risk indicators.

So there are changes taking place within the agencies and in the manner that the agencies do business. I would say to the honourable member that it is an area that is one that we are going to monitor very carefully. I think, in any discussions I have had with social workers, they feel there is always more time that they would like to devote to more and more clients, because we are talking about some of the neediest individuals and children in our society.

Manitoba, I would point out, has the most comprehensive child welfare system in Canada. In recent discussions that I had with my colleagues from the western provinces, they certainly acknowledged that there are many areas of their provinces where service does not exist. The difficulty often is that it is not a lack of agencies and a lack of workers, it is often a lack of solutions and change that has to take place with those individual children.

I can tell the member from spending many years of my working life working with students, that a lot of professional time and effort can be put toward the needs of specific children, and sometimes the

changes that you would like to see take place do not. In that way it can be very frustrating work.

* (2330)

When we look at the front line service providers in the Child and Family Services agencies and the proliferation of agencies and the treatment programs that we have with the big four agencies and with the private treatment agencies, we certainly have more staff time, agency time, treatment time being devoted to children in Manitoba than many other jurisdictions. The question really is, when will we ever have enough? It is difficult to say because as long as there are children who are running away from placement, as long as there are children within the school system, within the agencies where we are not fixing them, there is still more work to do.

It is a very tough debate that often takes place within the department, how can we be more effective with the resources we have? Certainly those who work in the system are saying the automation is great, the Child Advocate is a major step forward, the high-risk indicators are a major step forward. All of these changes have been very positive. At the same time that we have had the development of more and more agencies, more treatment beds, there is still a real call on the system to find ways to provide more treatment, to provide more service.

An area that I am interested in is the number of different places that people can access service from government. I think I told your colleague this case last year, and you maybe would have missed it so I will repeat it. There are families that have social workers assisting with that one child who come from the justice system; another social worker comes from the health system; another one comes from income security; and a fourth one comes from the child welfare system, all trying to work with that one child. Something that we have been trying to get our minds around is the co-ordination of service. I think this is exactly what the report that was brought forward by the trustees association, the school business official, the principals association and the MTS group was getting at.

We need to find more effective ways of using the large number of resources that are currently there. So there are many challenges in the system, and they will continue to be in the system. I think that the agencies and government are working very

positively as we bring more reforms on line to address these cases.

Mr. Martindale: I can certainly appreciate what the minister says in terms of the challenge, having worked in the inner city for 10 years before I was elected and currently representing a constituency that could be described as mostly having inner city characteristics. I certainly know the challenge is out there in the community to Child and Family Services agencies and other organizations in terms of the problems that children have that they try to deal with.

Also I am quite aware of families that have three or four social workers or even more organizations or agencies involved with one individual or one family. I frequently have been lobbied by an individual who used to work for an agency whose office, I believe, was located on Main Street that actually specialized in assigning one worker to a family instead of a half-dozen agencies to a family. This social worker thought that that idea still had relevance and should be revived.

I guess at one time it was in existence and was terminated. There may be a need to revive something like that for some, what shall we say, multiproblem families.

I have been told that some Child and Family Services workers are being told not to apprehend children. I am wondering if the minister can tell us if that is true or not. I would certainly like to be assured that it is not true. I am wondering if the minister has any information about this.

Mr. Gilleshammer: It is not something that has come from government that we fund those agencies that operate within a mandate. I raised this with the director of the Winnipeg agency because, I am not sure whether it was the member who raised the question in the House or someone else, and I asked if that was their understanding of what government wanted. Certainly there is no misunderstanding from our point of view. They are mandated to provide services, and we have not suggested or indicated that.

He tells me that the agency has not changed their direction to their staff. So I guess I am commenting on what the member clearly says is a rumour that circulated from someone. It is often difficult to deal with these things, but that is not a direction of government and it is not a direction of the Winnipeg agency. I did not follow it up with any other agencies

because I am sure that their mandates have not changed.

Mr. Martindale: When the Filmon government fired the 100 community volunteers serving on the boards of six regional Child and Family Service Agencies and replaced them with appointed board members, I think the system in Winnipeg fundamentally changed. It changed in terms of its accountability to the public, in terms of access of information, access to things like minutes, access to information about costs and contact with people in the community.

Now that has changed somewhat in that there has been an election recently in Winnipeg of community members to those boards. I attended that first public meeting to elect board members at R.B. Russell School. So this minister is moving very gradually and very slowly in the right direction, but I think there is a lot of room for further democratization of the system, because, as I understand it, the number of appointed board members still outnumbers the number of community-elected people.

But I have some specific questions. Could the minister tell us what the attendance record has been of the six paid board members?

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

Mr. Gilleshammer: I do not have any information on the attendance at board meetings. The member has indicated that he is speaking to board members from time to time. I would urge him to contact the chair of the Winnipeg agency if he wants to discuss board issues or if he wants to pursue some of those questions. If you want to drop me a line, I will take them up with the board chairman and get specific answers to those.

But the member, in reviewing the history of child welfare in the city over the last couple of years, again, is partially correct. I appreciate that he recognizes some of the positive things that have happened.

* (2340)

The member from Wellington (Ms. Barrett) has passed up a book on the dream world that I do not think is applicable here.

But I would say to the member that part of the changes that have taken place allow for more attention to be given to service where there is the

ability within the agency to combine some of the functions that happen in six different places in the past. I remember reading a newspaper article of the chair of one of the boards, whose name escapes me at the moment, who said: Yes, there are many functions that could be better handled centrally and referred, I believe, to accounting and to the recruitment of foster families, of a number of other issues that have, of course, been amalgamated within the agency.

I appreciate that the member recognizes that there is a role for the community to play. I am pleased that there are more volunteers working in the system today with the Winnipeg agency than were working in the system with the six agencies before. Some of the strengths that certain agencies had now are becoming the strength of the entire agency.

Another issue that has been addressed is the fact that there were areas of the city where foster homes were more readily accessible than in other areas. Now access to those foster homes can be shared.

So many, many positive things have happened, and I am pleased that the member acknowledges that. Again, I would say that it is still an area where more positive changes, I think, can take place, and I am pleased that we have made great strides in sharing the information, sharing the change, and bringing about a number of positive aspects of child welfare which can be applied evenhandedly across the system here in Winnipeg.

Mr. Martindale: Given that one of the rationales for recentralizing the Child and Family Service Agency in Winnipeg was the charge that those boards were not fiscally responsible, what is the record of expenditure of the Child and Family Service Agency by the current board? Does the minister believe that they have been more fiscally responsible? Does that mean that they have spent less money or spent it more wisely? What does the minister consider their record to be?

Mr. Gilleshammer: I am pleased that we do not have the millions of dollars of deficit that the minister would have to go back to central government to address, that we have been able to live within a budget. The member referenced the fact that he and a friend of his attended the annual meeting and that there is an accounting of the board and audited report that if the member wants that information, I am sure that it is available.

So there is, I suppose, a difference in attitude about the planning of expenditures with the new board. I would hasten to recognize that there were boards that took great pride in the past of being fiscally responsible and that we must not judge all of the agencies by the manner in which some of them responded.

So there was a divergence of the manner in which boards conducted themselves in the past, but basically, we are pleased with the fiscal management of the current board.

The Acting Deputy Chairperson (Mr. Reimer): The member for Broadway—pardon me—Burrows.

Mr. Martindale: I know that the government House leader wants us to go till midnight, but he will have to try and keep all his members awake if we are going to do that.

My understanding is that in the past the Child and Family Services Agency received money from United Way, but I understand that it is the policy of United Way not to give funds to government organizations. I think a change was made this year and that grant was withdrawn from the Winnipeg Child and Family Services Agency, which raises a number of questions. First of all, is my understanding correct that a grant that was made by the United Way is no longer available to Child and Family Services Agency?

Mr. Gilleshammer: I would say that there is a positive relationship that has developed between funders that are funding some of the services in the city of Winnipeg, and I know that there is always going to be a call for the funds of the United Way and the Winnipeg Foundation and government for that matter. I think that the United Way is going to continue funding some of the services that are needed particularly in the inner city, and that very positive relationships have developed which allow a number of funders to work with organizations such as Rossbrook House and Pritchard Place, but there are always more challenges out there. Currently, we have very recently had a meeting with the Downtown BIZ organization, who are proponents of the Street Kids and Youth Project.

So as federal funding that was once available for some of these programs disappears, there is always a call for somebody, whether it is the province, the city or other funders to backfill. So I think that the relationship between the United Way and the Winnipeg agency is a very positive one, where they

are perhaps doing some realigning of the priorities which will allow them to both continue funding some of the common programs.

Mr. Martindale: I was told that the United Way was not allowed, as a matter of policy, to fund government organizations, and that a grant to the Winnipeg Child and Family Services Agency had been terminated. Is that correct or not?

Mr. Gilleshammer: There is an issue that the member has identified there, but I think that by realigning some of the priorities and some of the funding that they have historically been involved in, the same level of service will be continued in a different way.

Mr. Martindale: Now we are getting close to the real situation. The minister has almost admitted that what I said is true, that there was a grant from United Way to the Winnipeg Child and Family Services Agency that is no longer available to them. Is that correct?

Mr. Gilleshammer: I am sorry if the member is having a difficult time understanding what I am saying, but I will say it again. There has been a level of funding from the United Way to the Winnipeg agency which they are rethinking to have the agency fund some different components of service that are delivered in the downtown area or in areas where service is provided by the agency, and the agency perhaps take on some different responsibilities. So there is a co-operative working relationship that exists between the United Way and the agency to manage their funding and still provide the same program.

Mr. Martindale: I can understand that the United Way may be rethinking and that they may be co-operating with the Child and Family Services Agency in shuffling money around to different organizations, but it is my understanding that they lost a grant for a particular part of their programming and, therefore, they have fewer resources to deliver the same or even greater services in the city of Winnipeg. So can the minister tell me how they made up the money that they lost, or how they plan to provide the service without the money from the United Way?

* (2350)

Mr. Gilleshammer: Maybe I can try again. The \$600,000 that we spoke of before in project money is being used for a number of programs that the agency is continuing to offer. The commitment of

the United Way, while it may not be directly into the budget of the agency, is going to fund some programming that the agency was previously involved in.

The Winnipeg Child and Family Services have made a commitment to support alternate service providers in the community. They have entered into a service and a financial arrangement with the following community-based programs. One of them is the adolescent parent centre; a second is the Moms and Babes program of Mount Carmel Clinic; a third, the parents' community centre; a fourth, Pritchard Place; a fifth, community resource clinics; a sixth is POWER; and the seventh is the Salvation Army.

So there is an outreach component of what the Winnipeg Child and Family Services do, and this is work that is somewhat similar to what the United Way does, so that the funding, I guess is what I am saying to the member, that is going to support certain services can be flowed directly from the United Way to those services, and other funding comes from the Winnipeg agency to support another group of services.

While there is a different funding arrangement, similar services are still being offered and there is a demand for more. There are more groups out there. There are more people with ideas. There are more organizations that want enhanced funding or funding backfilled where they perhaps got it from the Core Area Agreement before. The level of service that is provided by the Winnipeg agency and the United Way, I think, remains fairly constant but there is a different manner in which those dollars are flowed.

Mr. Martindale: I am certainly familiar with many of the organizations that the minister read from that list. In fact, one of them, Pritchard Place, is in Burrows constituency and the Adolescent Parent Centre is in Wellington constituency, both excellent organizations doing a very good job. I can understand that these organizations would be very keen to apply for this money. Can the minister tell us, where did this \$600,000 come from and who knew it was there to apply for? Is this new monies in this current fiscal year and, if so, who knew that it was there to apply for?

Mr. Gilleshammer: It was money we put into the budget last year that we made all of the agencies aware of. The Winnipeg agency by far and away

made the largest call on that money and we retained that within our budget in this current year. I know that last year we looked at proposals from the Westman Child and Family, Central Manitoba Child and Family, as well as the Winnipeg Child and Family.

Mr. Martindale: I wonder if the minister could tell us which line the \$600,000 is contained in in the Estimates.

Mr. Gilleshammer: I guess if we go line by line we will come to it but maybe with my staff here I could get them to identify it. I am told it would be under 5.(b)(3) Maintenance of Children and External Agencies.

Mr. Martindale: Could the minister tell us how organizations were notified in the community of this funding or if they were notified?

Mr. Gilleshammer: We notified the agencies that I just referenced. As part of the work that they do in working with other community groups they were aware that there was some special project funding last year and we have continued the majority of that this year. The director of the Winnipeg agency and their staff in working with the community were able to enter some partnerships with the community directly with that agency.

It was not an initiative that the department took to relate to those groups that I referenced earlier but, certainly within the Child and Family Services agencies, the three agencies that I mention, they were aware of that funding, they were in discussions with the department, and then they had some choices to make of how they wanted to access that. In many cases, they entered into partnerships with existing groups in the community to preserve the service or to enhance the service.

Mr. Martindale: Going back to the board of Winnipeg Child and Family Services Agency, could the minister tell us if the minutes of board meetings are public, and, if so, how one can get copies of their minutes?

Mr. Gilleshammer: That is an issue that has not been raised before, but I would be pleased to make inquiries on behalf of the member.

Mr. Martindale: Has there been management hired, new management, in the Child and Family Services Agencies in the last year, and, if so, are those senior management or some other level of management? Have there been any additions at the management level of the Winnipeg agency?

Mr. Gilleshammer: The board does have management staff in place that bring information and requests to the board. There have, in all probability, been some changes that the agency has moved in. Again, if the member could maybe be more specific in his question we could find the answer for him.

Mr. Martindale: A more specific question would be, have there been any new hirings in management in the four regions in Winnipeg?

Mr. Gilleshammer: I am told that the agency has been working with the service information system in putting that into place. There may be staff hired in that area to bring that on line in the agency. The agency has been working on some quality-assurance issues and may have some additional staff or redirected some staff in that area.

The Acting Deputy Chairperson (Mr. Reimer): The hour being twelve o'clock, committee rise.

HIGHWAYS AND TRANSPORTATION

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Highways and Transportation.

Would the minister's staff please enter the Chamber.

Mr. Brian Pallister (Portage la Prairie): Mr. Minister, my question to you is in regard to a discussion we have had earlier concerning the proposed Assiniboine River bridge on PR 240—the newly located bridge which will provide increased access to Portage la Prairie from the south and access to the Southport Aerospace Centre for community people in Portage la Prairie.

I am just concerned, first of all, Mr. Minister, with where that project is at at this point in time.

Hon. Albert Driedger (Minister of Highways and Transportation): Madam Chairperson, I thank the member for that question. The member is probably well aware of the time when the existing bridge, when we had a major catastrophe there, a little over a year ago I guess, when a vehicle hit one of our approaches out there and the whole section collapsed. Fortunately, nobody was killed.

I want to take this opportunity to commend my bridge staff who were out on the job and we actually got the approach rebuilt, but concerns were expressed at that time that the existing bridge on

240 was such that there were concerns about safety for the school buses that were taking children across there.

This was the most unique thing that ever happened, where a certain standard was hit, and just goes to show the fragile nature of things from time to time and, you know, the possible ensuing results.

But to answer the member's question more specifically, the decision was made that, in view of the overpass that we have built, a new alignment would be established to service the Southport and that plan has been moving ahead.

We also are looking at doing a new bridge across the Assiniboine under a new alignment. I think it is a couple of kilometres to the east of the existing structure—not quite, less than a kilometre. So we have been working very diligently, our staff have been, in terms of trying to get everything finalized in terms of the new road that will connect and, ultimately, the bridge that will lead us into Southport.

It is our intention that by the time we have the new bridge and new alignment constructed, there is going to be—it would turn over the existing bridge and the road to the municipality. It will be a service road. The bridge will be taken out, and then we will have the new bridge and new alignment leading into Southport.

There is also the question of the access into the Southport area where we are talking about doing that project in conjunction with the realignment at the present time. It is my understanding from staff, Madam Chairperson, that we are finalizing the last stages in terms of property. Negotiations have been going on. I want to just do a little bit of background. The plan of subdivision was registered many, many years ago, and that was sort of not proceeded with and so we are trying to do some exchange in terms of properties.

To the present member for Portage, I could say that his predecessor, the member for Portage, Mr. Connery, he might have been a smaller guy but he wielded as big a stick as the present existing member who is much, much taller. I have made a commitment to both gentlemen, previously to the previous member and to the member now, that we are proceeding on the basis as fast as we can.

Coming back again, let me just—if everybody will bear with me for 30 seconds, I would like to sort of give an indication of exactly where we are at.

Thank you for your patience. The present status is that we have approval for the grading as well as for the bridge. The design on the bridge is 80 percent completed, and it would be our hope that we have the environmental licence. So it is just a matter of cleaning up some acquisition of the right-of-way. We are looking at expropriation on that, but it would be our intention to take and do the approaches to the bridge, some grading jobs starting later on this fall probably. The bridge is one of the things that stands to be prioritized for construction later on this year.

So basically, we are virtually completely ready with it, with the exception of a little bit of property, and with ongoing encouragement from the member in the community, which I know is there. I feel that by fall we could have the approaches moved on, as well as finalizing everything else in terms of completing the grading as well as the bridge.

Mr. Pallister: Madam Chairperson, as the minister is aware, I am under, of course, great pressure to see this bridge proceed this year, not just solely from the former member, but, of course, including the former member.

There are many people in the community who are very concerned that this bridge go ahead for the safety reasons that the minister has already outlined, but also from the overall developmental standpoint of the community and the benefit to the whole community and region.

My next question for the minister is in terms of the procuring of the land necessary for the right-of-way. Am I correct in assuming that if the land is not arranged very soon, the construction of the foundation or the approaches to the bridge would delay the project a further year? Is that correct, and if possible can I have assurances from the minister that will not be the case, that there will not be a delay in this project?

Mr. Driedger: Madam Chairperson, in spite of the difficulty that we are having with land acquisition, we still feel we are on target to proceed as I outlined earlier. I want to make that commitment that in spite of the fact that if we have to move, that we cannot come to an agreement with the landowners involved, we will proceed with expropriation which would still allow us to take and do exactly as the program has outlined.

I just want to again repeat this, as I have done a few times I think, that if we move with expropriation,

that the landowner should not necessarily have undue concern, because what expropriation basically does—I have to go through a process of getting approval from my colleagues in cabinet for expropriation and once we have that, that gives us the right to enter. That does not take away the right of the individual to proceed further with trying to negotiate the financial arrangement.

* (2010)

I want to again repeat that before anybody runs to a lawyer immediately to try and see whether they can take court action against the process under expropriation, I advise that members advise the people that they represent where this takes place that they should first use the Land Value Appraisal Commission. Make an application there, which gives them a chance to appear and plea their case. Invariably, any decision that is made to the Land Value Appraisal Commission would be then binding on government, but not necessarily on the landowner.

At that stage of the game, the landowner still has the right to go to court and challenge the decision in court. So I advise all my colleagues that get exposed to this to use the Land Value Appraisal Commission as a first step, because I think in many cases it is a government-appointed board of people from all walks of life who use common sense in making a decision. This is only after our acquisition people have failed to reach an agreement, and we have proceeded with expropriation.

So we are on track in terms of making sure at the present time that even if we cannot reach an agreement with the landowners involved we would then move with expropriation and should still meet the target dates.

Madam Chairperson, I fully realize the commitments that I have made in the area, saying that we would move this thing forward as fast as possible, and I will do everything within reason and within the possibility of my jurisdiction to proceed and meet the targets that we have set.

Mr. Pallster: I thank the minister for his reply and again just urge the department to proceed as rapidly as possible in this important project for my constituency.

My second area of concern relates to a matter which the minister and I discussed previously regarding Provincial Road 305, and concerns a couple of things related to 305. First of all, in terms

of the road restrictions placed on 305 in the spring of each year, it has been brought to my attention by constituents—and I believe the minister has been corresponded with from various rural municipalities as well in regard to 305—that the road restrictions placed on that particular road are indeed restrictive as far as the ability of local farm operators to access their markets. Particularly those hauling potatoes from the south side of the Assiniboine River on 305 are forced to travel in excess of 25 miles on gravel road for the most part.

I am just wondering in terms of that. I know the minister has received copies from rural municipalities, Portage la Prairie, Grey, and others as well, asking that that particular road be upgraded with bituminous asphalt to allow for weight restrictions no lower than the 60 k to be placed on it, and I am just wondering where that sits with the department at this time.

Mr. Driedger: Madam Chairperson, the member has raised this with myself and my staff on a few occasions. Just to make sure that we are talking about the same issue, it is my understanding that on the south side of the bridge on 305 we have a short distance that, by and large, is maybe substandard in terms of the quality of road, and because of that we restrict that. I raised this with staff to see whether on that short portion—in fact, it is a very short distance really—if there was some way we could address that.

Certainly for this year the restrictions are in place already, but I want to give the member an undertaking that we will take a look to see whether we can address that short portion which I believe is the area of concern that has been coming forward. Once we have, during the course of the summer, I will reply back to the member to outline the course of action that we plan to take with that specific area.

It again relates to the fact that sometimes people feel that by putting on restrictions, we are doing this—well, not vindictively or with malice aforethought, but sometimes it almost appears that way. But we put restrictions on with very careful consideration, realizing the economic hardship it creates for certain farm operators or industries. So wherever possible we try and see whether we can alleviate that situation. So again in this case here, because it is my understanding and I need further verification in spite of the fact that the member raised it earlier, I think it is only a short portion that we basically are concerned about.

I will confirm that further to the member as I get the final report coming forward in terms of whether we are just addressing the short portion south of the bridge, whether that would take and maybe raise the level of restriction that we have to 60 kg, knowing that there are some pretty big operators out there who are dependent on this road. So I will give a further report on that once we have the final information coming forward as to what is required to raise the standard of the restriction that we have on that road.

Mr. Pallster: I thank the minister for that, and I again would emphasize that the degree of damage done by these heavy trucks to the rural municipality's roads and surrounding areas I think is certainly an offsetting factor that we need to take into account here. The excess distance that we do force the local professional agricultural managers to travel in their trips to the surrounding communities is also a key factor in this one. So I thank the minister.

The final concern that I had relates to Portage la Prairie, and the minister has communicated to me that there is an update for design work underway for Portage la Prairie. I just wanted to verify specifically with 8th Street West to 21st Street West in Portage, I am of the understanding that this particular section of Saskatchewan Avenue is included in the highway construction program for survey and design for future construction projects. I would like some clarification as to the time frame we may be looking at for this project to proceed as it is, I think, a very progressive one for my community, and I would like to see it proceed as quickly as we possibly can.

Mr. Driedger: Madam Chairperson, let me first of all go back to the concerns that the member expressed about where we restrict roads that ultimately many of our farmers and industry users, when we restrict the road, take and move onto the municipal roads, creating no problems for the municipality. Invariably, that is the reality of life at the present time as we are struggling to try and bring our roads to a standard where we do not have to restrict them. I would expect that will continue on, and municipalities invariably always bring this to my attention saying that when we restrict the traffic turns onto the gravel roads—and many of those roads are even less standard than ours—we invariably create a lot of damage on it.

In reference to Saskatchewan Avenue, I believe it is, am I right? With your indulgence, Madam

Chair, I will just maybe give the member a bit of an indication where it is at. We are looking at a distance of 2.4 kilometres of Saskatchewan Avenue going west in Portage la Prairie. The functional design by district, which previously was approved between 8th Street West and west of CPR crossing, has been started but we have not made too much progress. I am talking of the functional design. Survey and design was approved in the 1992 budget to the tune of \$40,000.

This portion of the PTH 1A is presently a four-lane undivided section that is adjacent to the new downtown section of Saskatchewan Avenue. Existing bituminous pavement is 30 years old, badly cracked and showing some rutting. Lack of a centre divider to separate and channelize traffic is causing traffic operational problems such as are occurring at the Co-op shopping mall access. Design to provide for improved traffic operations. Design work will also have to co-ordinate with any underground storm sewage construction that the city plans to undertake in this area.

So we have the approval to proceed with the survey design, and functional study, we have not completed that. I want to assure the member that especially when we are working urban sections of this nature that extensive consultation takes place with the local authority, being the City of Portage in this case, to make sure that we address a lot of their concerns.

* (2020)

It is not something that my staff just take and develop a plan and try and oppose it. We do a lot of consultation with, in this case the City of Portage, but in other communities as well, to make sure that we address certain accesses, that we address concerns that they have, as well as addressing the safety concerns that we bring forward.

So we are in the stage of doing it. We have not made too much progress, but this will be the first stage. After that, we would be prepared to start looking at doing the capital project, which, incidentally, I do not have a figure on, but usually these urban sections are a pretty substantial cost, but I am hoping that we can maybe address that in the near future. Once we have the design done, know what we want and that the City of Portage is happy with it, we can then proceed to have it under the capital program.

Mr. Pallster: Can the minister give me an idea of where this design stage is at currently? Is design work in process or are we waiting for design work to begin? Has any consultation with the City of Portage la Prairie taken place at this juncture or is it something that we are waiting to initiate?

Mr. Driedger: Madam Chairperson, in this particular case, we sort of develop a functional design and once we have that, then we go out to, in this case, the City of Portage, and present it to them, and then ask for their input into the matter.

All I can tell the member right now is that the functional design is not quite completed. I have had representation made to me by yourself, the MLA for Portage, as well as the community. I want to give the member assurance that we will proceed with this, that there will be nothing further in this upcoming approval program, but once we have the plan ready, which I would hope should be for next year, that we would then be able to sit down and finalize some decisions as to how we proceed from there.

Ms. Rosann Wowchuk (Swan River): I have a few other questions that I want to ask the minister about roads in the Swan River constituency, but I would like to first of all raise an issue that is outside of my constituency, in fact, in the Roblin constituency.

I have a letter from a Mrs. Vera Demkiw who is trying to build a seniors' independent living residence for seniors on her property, and she says a feasibility study has been done to support this project. However, she says, the project was stopped in its tracks when the Department of Highways advised the Municipal Planning Branch that if she made a private road off of Provincial Trunk Highway No. 5 that her road would be closed.

So this woman has been trying to get a business started. She tells me further on, the Minister of Highways had a meeting on August 22 and he advised the reeve of the council to pass a by-law, to present to the R.M. of Calder in Saskatchewan, requesting assistance with the negotiation of this property.

She has made no headway with it. She wants to proceed with her business, but she is having difficulty in getting access off her property onto Provincial Trunk Highway No. 5. This has been ongoing since last year, last summer.

I want to ask the minister whether he recalls having the meeting, and is there any way that we can help this woman who is prepared to start up a business? As she indicates, it is an important business because it is setting up independent living for single people, people without children, people who do not have the supports. She is prepared to put the supports in place.

When I spoke to her, her proposal seemed to be very valid, but she has run into a stumbling block with the Department of Highways and the Department of Rural Development in getting access to her property.

So I want to ask the minister whether he has been able to take any steps on this and what he advises Mrs. Demkiw to do in order that she might be able to proceed with this development?

Mr. Driedger: Madam Chairperson, yes, to the member for Swan River, I remember the meeting well. At that time, I made suggestions as to what I thought, based on the information I had at that time, she should do.

It is a very unique situation, where there are some individual landowners that by and large show some concern and do not want to give up their property. Well, they are prepared, I guess, at a price that seems exorbitant. So there has been ongoing dialogue, and even though we have not made any progress, I made certain suggestions at that time when I met with Mrs. Demkiw, I think is her name.

I know that my assistant already from time to time has had nightmares because I think—I commend Mrs. Demkiw for her ambition and the plan that she has. It is just a matter of circumstances that creates the problems in terms of how we access onto Provincial Trunk Highway No 5.

If the member ever looks on the map, she will see a problem, that little zig where it goes into Saskatchewan because of the lay of the land and the ravine that is there. It is that little notch that goes into Saskatchewan, and that is why basically we were looking for some support. We cannot expropriate land that is in Saskatchewan, which creates these technical problems that we have in terms of trying to resolve it.

We also have, if I can recall correctly, some problems in terms of safety at the bridge, you know, where at the present time, there is convoluted trail—I should not call it convoluted, but a very complex trail that leads up to her property that at a time when you

have heavy rains or snow conditions, the grading is such that it is virtually impossible to get to the site that she has.

I must say that knowing the problem, it is a very unique site that she has which basically is up there overlooking—you know it is a beautiful place for possibly seniors or for some development to take place. The difficulty we have is as we come down to the ravine and how we get onto No. 5. The one option that has been discussed by staff from time to time is, across this particular property where, I believe, there are two gentlemen involved that own that property who have no intentions of selling it. Now, because it is a private access, we cannot expropriate, and we had asked the Saskatchewan municipality to see whether they could assist in possibly dealing with it.

If it was my highway that was involved at that stage of the game, then I could proceed with expropriation and deal with it. At the present time, I am not quite sure whether the municipality has the authority to take and do expropriation. In this particular case, it is the municipality in Saskatchewan that, by and large, is involved in part of that potential expropriation.

That is why I suggested that the resolution be passed by the local council to submit to the Saskatchewan council to see whether it would be prepared to proceed. I am just giving this background information to illustrate the great difficulty we have in that.

I am not taking away the fact that the proposal is a commendable proposal. It is just a matter of how, under technical circumstances, we sometimes get caught where it seems that nothing moves. We have made every effort to look at options to see whether we can help with it. The most logical option is still to proceed straight west from our property into Saskatchewan, across this private property and have access onto there. The further problem is the safety end of it at the bridge, if I recall some discussions with some of our professional people on that.

You know, the issue is not dead. It has not made any progress. We will continue to see whether this summer we can undo the logjam that is there. I know the frustration that is there. Certainly the lady has expressed her frustration to me. At first blush when you hear some of this information, you say well, okay, there is a problem; let us fix it. In this

particular case, it is one of those cases where it is very, very hard to fix it.

* (2030)

We will continue to keep looking at options and working with her and seeing whether something can be done. That is the best I can do at the present time.

Ms. Wowchuk: I guess the minister says there is the option. She says that she has the option of purchasing some land in Saskatchewan, but at an exorbitant price plus to bring Hydro in, there is a problem with Hydro and all of those things. I think it is a viable project. It is a good idea.

We certainly have a need in this province to have facilities where seniors can be looked after, particularly when it is a very unique kind of situation where seniors could be housed and have independent living in a rural environment which many people want.

I am pleased to hear that the minister's staff is working on it. I would hope that they would continue to work on it until they come up to some solution with it. I believe that Mrs. Demkiw is becoming very frustrated, and I know that she has contacted many people on this. I hope the minister can find some solution to it in the near future.

I want to go back to another area that I touched on earlier this afternoon, and that again is in the Ethelbert area where we talked about the extension of 269, and I believe the minister said that there were plans in place to extend that road up to No. 10 Highway, but there was need for all groups to work together on it.

When I met with council, they told me that the environmental assessment had been done already, and that there also was a design on what had to be done as far as a bridge. The recommendation was that we did not need a bridge there, that it could be handled with pipes. I just want to verify that information. Has an environmental assessment been done on extending 269 to the No. 10 Highway?

Mr. Driedger: Madam Chairperson, indications are, I have to reconfirm, that it has not taken place. However, because we are scrambling with a lot of information here, I will just have staff double check, and possibly I can confirm exactly the status of it, not today but at a later time, in terms of where we are at with the thing, so that by way of a memo to the member I can maybe clarify what the status is. As I say, we have many projects that we are looking

at. We are scrambling to get as much information as we can. My information tells me, no, we do not have the environmental thing, but I will review that and give an update.

Ms. Wowchuk: I thank the minister for that. I know it is hard to keep track of all these questions and get accurate information, but if you could provide me with that, I would appreciate it.

Just along that line, I will then add a couple of more things to the list. I do not expect the minister will have the answers here as well, but if he could let us know—it is Highway 267 which is in the Ethelbert area as well. There was a request to do improvements to that road. However, the municipal council is being told that the improvements to that road cannot be made until they do the proper drainage work. Their concern is that the drainage work is complete, but yet they cannot get anywhere with the department staff in Dauphin as to getting this road completed. That is 267, the Sifton road to Venlaw.

Mr. Driedger: Madam Chairperson, I know the area the member is talking about. In this case as well, I will have to review it with staff and see exactly what the problems are. Just to verify it with myself, it would be from No. 10 going west to No. 274. Let us see what I have for information here.

It is a distance of 8.9 kilometres, which is basically slated for grade and gravel somewhere along the line. The right-of-way acquisition which was approved in 1982 has been completed. Environmental screening will be required. Apparently, that is starting very soon. I think the utilities—the Hydro line has been moved. The existing grade is low and narrow in spots, also rough and difficult to maintain, subject to numerous complaints, located within the area where the R.M. of Ethelbert has experienced land drainage problems. Preliminary results of an area drainage study undertaken by Water Resources at the R.M.'s request are also now available.

I am told by staff here, my briefing: However, grading should not proceed until drainage issues have been resolved and appealed.

So we have it basically ready for grade and gravel. Once we have the issue with drainage resolved, it would be ready for consideration, I would think possibly as one of the projects next year.

Ms. Wowchuk: Just one clarification on that, can the minister advise—council is saying the drainage

work is done. The paper that the minister is reading from is saying that the drainage is not complete. Who would then be the person to contact? Is it the Dauphin office that has to deal with that, or how do we get through this one, because they tell me their drainage work is done?

Mr. Driedger: My understanding, Madam Chairperson, is that Water Resources has made some recommendations, but there is a certain amount of unhappiness with those recommendations. From our perspective, before we would be prepared to put it forward for the final grade and gravel, we would want to confirm with Water Resources and the municipality that everybody is sort of satisfied. Apparently that is not the case at the present time, because it is not going to be a project that we would bring forward at this time in spite of most of it being ready to go aside from some drainage concerns. I will undertake to have staff work further with Water Resources to get an update as to whether there are any further complications. Having resolved those, then it would be one of the many projects that we would be looking at bringing forward possibly next year.

Mr. Edward Helwer (Gimli): Madam Chairperson, I have a question for the minister. I would just like to ask the minister, on Route 90, between Inkster Blvd. and the Perimeter Highway, with the addition of the overpass there a couple of years ago on the Perimeter Highway, it certainly saved a lot of problems and it is a great asset. But Route 90, from Inkster to the Perimeter, there have been some fatal accidents over the years. Again here, just recently, a couple of weeks ago, there was another bad accident on that highway, some people injured there.

Over the years though there have been a lot of fatalities on this route. There are only about I think three or four miles or whatever it is. Can the minister maybe tell us what are the plans there? I realize this is in the city of Winnipeg, but I understand you are doing some work on Highway 75 from St. Norbert south, but this is about the same situation. Do you have any idea as to when this Route 90 is going to be completed?

Mr. Driedger: Madam Chairperson, the member, I believe, is talking about Brookside Blvd. which is an area that I have concern that I have expressed many times in terms of where we spend. If anybody ever looks at the Manitoba map, we have a lot of highways that are twinned coming into the city.

Then once we hit the city boundary, they have not put that priority in terms of continuing that kind of twinning into the inner city.

* (2040)

Highway 7 probably exemplifies what has happened where the province has spent many, many millions of dollars doing the twinning of Highway 7 with a big overpass at the Perimeter. Then once we get into the city portion of it, there is I think two miles that is involved on Brookside Blvd. that is then back to two lanes again. I am doubly concerned because an awful lot of our trucking industry is headquartered along Brookside Blvd.

I have raised this with the city on numerous occasions, and I want to compliment my colleague the Minister of Urban Affairs (Mr. Ernst), who has basically been negotiating with the city on my behalf and his behalf and the province's behalf, has recommended that Brookside Blvd. be one of the projects that be undertaken by the city in terms of completing the twinning up to the inner city.

That is the typical example, I guess, that I use very often, saying we spend the money to bring a twinned highway in for safety reasons, and once we get to the city portion of it, then we are down to, I should not call it a cow path, two very marginal lanes very often. Brookside Blvd. is the most typical example of that.

I repeat again, on that highway, we have many of our major trucking industries located along there, and it is a major concern for safety reasons. So we dialogue, and I think we are comfortable that activity will take place together with the city, whether on a cost-sharing basis or not. This is something that the Minister of Urban Affairs (Mr. Ernst), who is a very good negotiator with the city, will ultimately deal with.

Certainly the member for Gimli (Mr. Helwer) has raised this from the time that we had the official opening of the by-pass going over the Perimeter, the concern on the Brookside Blvd. I am optimistic that we have prioritized it with the city, and that this project is going to move ahead.

Mr. Helwer: Thank you, Mr. Minister. Another question I have is on Highway 220. We have about a mile and a half or about a mile or so from Highway 67 into Oak Hammock. As you know, we just opened the Oak Hammock Marsh Interpretive Centre there this past weekend. There were thousands of people there this past weekend and a

lot of traffic on Highway 67 and 220 going into Oak Hammock.

We have some gravel there yet and one thing and another. With the number of buses and school buses and the traffic now going into the interpretive centre—it certainly is a major tourist attraction there now, Oak Hammock—I wonder if the minister can tell me what he has in mind for Highways 67 and 220. Actually Highway 67 probably between Highways 7 and 8 is the main route into Oak Hammock and then on Highway 220 into Oak Hammock.

Mr. Driedger: Madam Chairperson, that short portion from Highway 67 going on 220 into Oak Hammock is a distance of four kilometres. We had approval in 1991 for acquisition of right-of-way, and we are proceeding on that basis. Once we have the right-of-way, we have it actually slated, ready for consideration in this year's approval basis this spring for grade and gravel for the four kilometres.

Ironically, I want to say to the member that a few members for the opposition were screaming and yelling and saying that the government was putting all kinds of money into the project as part of the Oak Hammock development and accusing my department, as well as the Department of Natural Resources, for, you know, riding roughshod over the environmentalists' concerns and spending all kinds of money in there.

I just want to clarify and put on the record the fact that the proposal of what we have here was based not on the present Oak Hammock development with Ducks Unlimited. This was done prior to that when there was an interpretive centre there. Any decision that was made that we have here at the present time was done aside from and above and beyond the fact that we have the Ducks Unlimited development that has taken place.

I fully appreciate the comments that the member made in the nonpolitical statement in the House today that there were virtually 10,000 people there on the weekend at the opening; that tremendous pressure is going to come down in terms of moving forward with that four kilometres. I want to ensure the member that, if at all possible, I will have that brought forward in the approval process within the next couple of weeks when I bring forward the capital program.

Mr. Helwer: I appreciate that answer. I also have another concern on Highway No. 8, the portion north of Highway 17. It has not been widened yet. There

are no shoulders. Highway 8 is a very important highway. It includes this portion from Highway 17 north up to PR 229. There is a bad curve in there, and last winter there were some bad accidents around that curve. Anytime in the winter there is a very dangerous portion of Highway 8 there around the curve because of drifting snow and blowing snow and one thing and another. [Interjection] I am serious. I really want these questions answered. We have legitimate questions for the minister here, and we want them answered.

Number 8 is a very important route because it not only goes to the tourist areas of Lake Winnipeg, such as Winnipeg Beach and Gimli and up to Hecla—as you know, we have made some improvements right around the Gimli access there. There is one thing and another that is not quite completed yet, but that will be completed, I understand, this year because that is part of the contract that has already been let.

There is a very dangerous portion there from north of Highway 17 and up to Highway 229. What are your plans for that section?

Mr. Drledger: Madam Chairperson, as the member is aware and he rightfully states, No. 8 is a very heavily used highway. We have been working on it in stages. Even before my time, certain portions of it were shoulder widened and paved. We have been continuing to do that. We just finished doing a grading job, shoulder widening again and some structures on Highway 8. We are proceeding in stages.

Staff indicates to me that we are looking at doing some adjustment on that portion of the curves on No. 8—

Mr. Steve Ashton (Thompson): Spend, spend, spend.

Mr. Drledger: Hey, I like this. The member for Thompson is yelling spend, spend. In the meantime, in the House he sits here day after day and has brought forward petitions on 391 saying spend, spend, spend. Madam Chairperson, do you know what I did? I spent and spent and spent on 391, and he still brings forward 391 all the time. I just wanted to raise that point.

The importance of our PTH system is illustrated by the fact that we try and—you have to look at it almost like an octopus with the city being in the centre and the arteries going all which way. We try and do that. That is what is happening with No. 8.

As we have with many of our major PTHs around this city—the question was raised before by the member for Selkirk (Mr. Dewar) on Highway 9, which is another one that is slated for upgrading. So we try and do that in stages based on the availability of money and as we make progress with these things.

To the member for Gimli, I want to compliment him on his patience, because the adjustments that we made on No. 8 at Gimli, it was a very trying time between the Department of Natural Resources, where we were talking about the Gimli diversion, if I can call it that, until we finally had agreement between the Department of Natural Resources and ourselves and the people involved. I would hope that project, which has been long in the mix, is going to be finally completed this year.

I just want to assure the member that there will be ongoing work undertaken on Highway 8 as we move north with it, and I feel justified in doing that.

Mr. Helwer: Mr. Minister, I appreciate your comments on Highway 8. Yes, it is true the contractor will be completing the Gimli access and the Gimli flood protection drain which has taken up part of Highway 7 there, and we hope that the weather co-operates with the contractor this year and that hopefully that can be completed.

Just a question on Highway 9 though, the part from I believe it is 519 north up to Gimli, from the Sandy Hook corner north there right up to Gimli, and it takes into consideration all of 9—9 is kind of the Main Street of Gimli there—runs right along the railway track and right out to Distillery Road.

* (2050)

That is an important road, and we realize there are a number of cottagers that could be affected along there, but we feel it is important that this be widened with the same base that has been done from south from 519 into Winnipeg Beach. That seems to have worked out very well. I think now that it is done, there does not seem to be as much controversy over it, but there was a lot of controversy over that. People had to move trees and one thing and another.

Now we have the same thing on the next section from 519 north, Sandy Hook road north into Gimli. Mr. Minister, what are your plans for that portion of Highway 9 and also the Gimli portion right through the town of Gimli?

Mr. Drledger: Madam Chairperson, that portion that the member is referring to on No. 9 from 519 north, south of the Gimli access, survey and design has been completed and a location plan has been prepared actually a number of years ago.

Environmental screening has started. There have been some changes requested. The district is making changes, and then the planning board will decide to proceed with the licence application or not.

There have been concerns from the cottage owners, and that is why the original plan was revised from time to time requiring less right-of-way. An open house is planned to be held this spring at which time cottage owners can view the final new location plan.

If the new plan meets with their approval, then the next step is to apply for the environmental clearance. Once the new location plan is approved, some right-of-way will have to be acquired, and after that, we are ready to do the grade widening and surfacing.

In fact that little portion, that strip there, we are looking at roughly just for grading shoulders is approximately \$1.9 million. So we basically will have the hearings with the public this spring, with the cottage owners, and we hope that we should have addressed their concerns and be able to proceed from there.

Mr. Helwer: Mr. Minister, I am certainly pleased that the department is meeting with the cottagers and going to hold an open house there this summer to explain what is going to be done. I think hopefully this will answer a lot of the questions that have been asked and will satisfy a number of those cottagers.

Also the portion right through the town of Gimli there, there is about actually a mile from the south access right through the town and it takes in—goes right out to Distillery Road—we would like to see that done right out to Distillery Road because there is a lot of traffic through the town, and it is narrow there, very dangerous. It certainly would enhance the looks of the town of Gimli if we could do something with that street.

I know in other towns, in some areas, you have put what you call a curb-and-gutter system in. I think, with the new Gimli protection drain, that should take some pressure off the flooding there. Could we use a curb-and-gutter system there through the town, or what can we use there to improve the looks of that Highway 9?

Mr. Drledger: Madam Chairperson, we have split the project on No. 9 into two projects: the one the member just made reference to before from Sandy Hook up to the town; and the next portion going through town. We are looking at a curb-and-gutter section on the one side of that project. That is the next stage that we are working with.

I want to tell the member that our co-operation with the town of Gimli has been exceptional—at the time we did that main street project in there, together with the town, when they did the upgrading of their street out there. I think it is just a beautiful project that we have done there and managed to work details out with them, and I feel confident that—I think we have done the design or have signed off on the design for that portion going through town, so we will be ready to move forward with that project based on finances and whatever.

I do not know whether further consultation has to take place with the town. [interjection] There will be some more consultation for the final plans before we move on that next step, but that is in the making right now.

Mr. Helwer: Mr. Minister, I appreciate that. I am glad to hear that the department will be consulting with the town there and explaining to them exactly what is being done.

I also want to commend you and congratulate your department on the job you did on Centre Street in Gimli. It certainly is a big improvement. It looks very well now. It is a great asset to the community, that Centre Street, and a big improvement to that community.

I just have one further question here, and that is on Highway 415 west of No. 7 Highway. It is just on the south side of the village of Teulon. We have a large industry that has just moved into the former Promo Wear Plant there. They are just setting up there. I think they have some 22 employees now, but they hope to have some 55 employees there eventually. This runs right along Highway 415 or PR 415.

Mr. Minister, I would hope that maybe you could find it possible to put either some asphalt surface treatment on there, AST on there, or possibly half a mile or a mile of pavement up to the track or just north—or just west of the track to assist this industry because this industry is certainly an added feature for the community. It provides a lot of employment there, and it is just a great thing. So I hope that the

Department of Highways, your department, can maybe do something to help them on that road, on 415.

Mr. Driedger: Madam Chairperson, the member is aware, I am sure, that we did upgrading of that road just a little while ago. We had some drainage problems there, I think, for a period of time, and I believe we got those resolved.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

Basically 415 west of Teulon is in a position where we could start considering the base and AST. I am looking forward to getting further detailed information from the member when he has time to drop it off, to the industry that is taking place and to see whether the type of industry is such that it requires, aside from just the requirement of base and AST, whether heavy loading is involved or stuff of that nature which could all have a bearing on that.

I invite the member to come and dialogue with myself to bring me up to date as to the kind of industry that is there. Certainly, we will try and be as accommodating as possible in terms of trying to have good and proper road access there. The road has been upgraded, and I am prepared to, further down the line, give consideration for the paving or base and AST of that road.

* (2100)

Mr. Helwer: Just one further question, and then I will pass the questioning over to someone else.

On PR 323 which is a road going through Argyle from Highway 7 to No. 6, this is a fairly busy road and it is the only link across between Highways 6 and 7 north of Stonewall there really. That is important there. It is through the town of Argyle, the small community of Argyle. That road is in bad shape. The frost boils are bad there and one thing and another. It is almost impassable for trucks or whatever on that road at this time. Because it is a link between Highways 6 and 7, it is important to people crossing over. There is no other way to go, no other way to cross between Highways 6 and 7 unless you go to Stonewall or back to the Perimeter Highway.

That road is important. I know that last year you were supposed to have a survey or a design on that. I wonder how that has advanced, and where is that in the new program now?

Mr. Driedger: Because the member has brought it to our attention, we have done the survey from No. 7 to 322 which is the one going north. The survey has been completed but the design has not started. The area from 322 to No. 6 has not been targeted or slated yet, so we have done the first stage in terms of starting from the east going west. We will continue on that basis and ultimately do the portion—the survey and design has to be done from 322 to No. 6. We have done the first stage of that and hope to move further with that.

Mr. Helwer: Just one further question, Mr. Minister, and this is on the weight restrictions that are applied to our highways during the spring season. Throughout the year actually we have a maximum weight. I think rather than the 45 and 60 kilograms per square inch of tire that we use or per square centimetre of tire we use, we should change that and go to so many kilograms per axle. At the present time if you have an 11 by 22 tire, you are allowed an increase, eight to carry over, say, at 1,000 by 20. Yet basically they are the same except the 11 by 22s are the new tubeless tire rating.

I think, Mr. Minister, there should be some changes in that regard, in the restrictions. Rather than the complicated procedure of the 45 or 60 kilograms per square centimetre, I would like to see us go on a straight weight per axle. Then, of course, you lower the weight per axle on a restricted road.

But this would be simpler for farmers and for people, small truckers who are not as familiar with the system as the large truckers. I think it will actually be much easier to enforce also, and simpler to enhance. I think that there must be easier ways of doing that, and I would like to see some changes in that regard.

Mr. Driedger: Mr. Acting Chairperson, I will take the recommendation that the member has made and forward it to my staff and see if that is something that could be given consideration and would be applicable. So I thank him for those comments.

Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs): Mr. Acting Chairperson, I would like to thank you first of all very much last year for the attention you gave in listening to the concerns of constituents of mine who were experiencing some difficulty with the Perimeter overpass at Highway No. 1, the Portage Avenue Perimeter overpass.

I am just wondering if you might be able to indicate in terms of a time line. We have the trucks being diverted right now on a detour around that bridge over Portage Avenue in an attempt to give them passage onto the northbound part of the Perimeter. Do you have any sense of the length of time in which that detour may have to be in place?

Mr. Driedger: Mr. Acting Chairperson, maybe I could just give a little bit of background as to what the status is of the bridge on the Perimeter over Portage Avenue west. This bridge has been restricted for quite a period of time to heavy loading. There has been added pressure coming from some of the trucking outfits who, by and large, cannot cross there because of the restriction, and they have been using alternative methods in terms of trying to get around it.

In fact, to the point where they affect some of the properties in the adjacent area by using some of the city roads, some of the private properties. We are talking of the Wright [phonetic] property at the racetrack. I am talking of some of the residential roads actually in the city area, because of the restriction.

I am very pleased to say that under the Strategic Highway Improvement Program that we signed with the federal government—the \$70 million that is shared 35-35 with the province—that this is one of the projects that was identified by the federal government as one of their priorities.

As a result of that we are very pleased that we can proceed on that basis. The first step will be that we will take and set up by-passes on each side of the existing bridge right now with signalizations being set up to cross Portage and then continue on to the north or south, whichever way they come. It will be set up on both sides of the existing bridge, and that work is designated to be undertaken this fall because it is being part of, what we call, the SHIP program. We need to move in relatively fast.

We will take and have the by-pass open by the summer, by mid-August. We anticipate that we should have it constructed by mid-August. I am talking about the by-pass and signalization that is involved, and we should have that open by the end of August. Then we would proceed with the tearing down of the existing structure that is there and then replacing it. So we have to do that in terms of the time frame from the time that we basically have the by-pass completed at the end of August. My staff

indicates that by the 1st of July of next year we should have that structure replaced. So just to give the member an indication.

I realize full well the discomfort that it has created for some of her residents out there. We have been trying to comply by addressing some of the interim measures. We are doing an interim asphalt layover on the portion that is very rough, which creates some noise problems for the people. As well, I think we are doing some tree planting as was suggested by some of the people and the member. So we are trying to address the concerns that have been brought forward, and the time frame that I outlined is basically what we are looking at in terms of having that bridge replaced.

Mrs. McIntosh: Mr. Acting Chairperson, I would certainly like to thank the minister and his staff for the attention they are giving to this issue. It is an inconvenience and I realize it has to be because you cannot do major repairs of that nature without having to experience some inconvenience while they are being done. I appreciate the indication as to the time line and I will pass it on to my constituents for their information.

I particularly appreciate the indication that that little portion of the bridge immediately north of the bridge, where it creates the noise problem, is being looked at. I thank you for that, as well as for the tree plantings.

Just one other question, and I do not know if you are able to give me an answer to this question at the time. The little service road that runs behind the trailer court that seems to be a perennial problem in terms of the dust and speeding traffic through there, do you have any indication as to the kinds of measures that might be put in place this summer while that road is in use in order to (a) keep down dust, and (b) try to control the speed of traffic through there?

Mr. Driedger: Mr. Acting Chairperson, without being able to be too definitive, I believe that by the time we set up our by-passes that the truck traffic certainly should have been coming off there. It is my belief that once we have the project, the bridge, completed that ultimately we will be able to close that portion, just to basically bring some outside traffic along that street. The member has conscientiously brought this forward time and time again on behalf of her constituents. If there is going to be a further problem during the course of the

summer, I think I have given her indication in the past that we are prepared to address some of the problems in terms of dust problems, et cetera.

* (2110)

Mrs. McIntosh: I am sorry, is the minister finished?

Mr. Driedger: I just wanted to add that ultimately we are looking at closing that portion which allows access into that service road, if we can call it that, around the trailer park. So we are going to look at it very carefully. As this project develops out there, if there are further problems, I welcome the minister to come forward. As I have indicated in the past, we will try and be as accommodating as possible with what can be done to alleviate the concerns of our people out there.

Mrs. McIntosh: Mr. Acting Chairperson, this will be my final question/comment. I thank you very much for your attention to this issue. I realize that these things take time and you have major projects and not all the money in the world as we would like to have.

The one request I would make, as you come close to the time when you are deciding action on that service road, I would be very grateful if at that time you and/or your staff could meet again with the residents of the trailer park to discuss that aspect of how that road's designated use would be altered, because I have received indication that accessing off the Perimeter, that is the one way they bring the mobile homes into the trailer park.

While they are concerned about through traffic roaring up and down, they will also maybe need some kind of access to get those mobile homes in. So if it is within your wherewithal when you do approach that period in time, if a meeting could be held with concerned residents of the trailer park, I would be very grateful as their MLA to have that dialogue occur at that time.

Thank you very much in the meantime for answering my repeated questions on this subject. I appreciate it.

Mr. Ashton: Mr. Acting Chairperson, I just want to continue where I left off on Thursday. Now I have had the opportunity to read through the minister's remarks. By the way, I did drive down Highway 6 today, so if the minister wants any update on the condition of Highway 6, I am quite able to provide it.

Actually, the general condition is good, but I want to raise some serious concerns about a couple of

stretches with regard to safety. I have written to the minister in regard to one stretch in particular, just outside Pisew Falls. Just before Christmas, there was a very tragic accident on that stretch of highway.

I have talked to people in Wabowden and in Sasagiu Rapids who have expressed concern about that stretch of highway for quite some time. In this particular case, there was a very tragic combination of ice on the road and a rock outcropping in the ditch that lead to two people from Norway House dying.

I would like to ask the minister—as I have said, I have written to the minister in this regard—if there are any plans to review this particular stretch of highway and, hopefully, improve it in terms of safety.

Mr. Driedger: Mr. Acting Chairperson, it is always deep remorse and regret we feel in the department when somebody gets killed on the highways because there is always that possible feeling that maybe it had something to do with the highway itself, that the quality of the road combined with driver error ultimately has created some of these unfortunate mishaps. This is why safety is one of the big things we take into consideration as we make improvements at intersections, roads, period.

I think the member is probably aware that our acting district engineer before we went to regionalization out of Thompson, Herb Mahood, whom the member probably knows well, who was stationed in Thompson, came up with an innovative program of addressing the sides of the highway where he did improvements in terms of removing brush and doing the slopes properly and burying as many stones as possible. I felt very pleased when I was out there and he showed me what he had done. I am encouraged without major expense to continue that kind of a project in terms of reducing the foliage and brush on the side and the rock outcroppings that are there, so I am encouraging them to continue that project.

The member makes specific reference to the Pisew Fall area, and in spite of some individuals saying that the road conditions are not that bad on No. 6, I know the shortcomings we have on there. Invariably we have heavings, we have continual patching taking place. We have not stated any major upgrade of No. 6 at the present time, other than we have on Highway 39 from Ponton going west. But on No. 6 it is just a matter of continued maintenance and hopefully doing the improvement

on the shoulders as we have started from Thompson going southwest.

Mr. Ashton: Mr. Acting Chairperson, the difficulty with that stretch of highway—and there is another stretch just outside of Wabowden, immediately south of Wabowden, that is often the site of vehicles being in the ditch—is the type of curve and the angle of the curve, and the suggestion has been made for a number of years that the curve be straightened out. As I indicated, the combination of that plus a rock outcropping have very tragic circumstances.

I would like to ask, not only specifically in that regard, but what the procedures are in the case of accidents, both serious and fatal. Does the Department of Highways investigate afterwards? Are recommendations made where changes to the roads are warranted?

I have, for example, written to the minister's department requesting information on fatalities on northern roads and have not received that information yet. I assume it will be forthcoming. The reason I am asking for that is because in many cases where there have been fatalities, one of the concerns has often been the condition of the road, serious accidents as well. I referenced those last week.

So I would like to ask what the procedures are and in particular in this case, the one around Pisew Falls, whether there was any investigation as to the circumstances by the Department of Highways personnel, and whether there are any recommendations either having come out of that or forthcoming in terms of improving the road. Because as I said it is not the surface that is the problem, it is the kind of curve and the rock outcropping and there are other stretches on Highway 6 that are very similar.

I talked to an individual, one of my constituents, Phil Down, who went into the ditch just before Christmas, and he was the sixth car to go in the ditch in the space of about two or three hours. Once again that has been well known to people in Wabowden as being a rather dangerous stretch in a relative sense, and while there may not have been any fatalities in that particular curve recently, once again it has caused a number of accidents. Both in regard to the specific and the general, is there a follow-up to ensure that there are actions put in place to deal with the safety concerns?

Mr. Driedger: Mr. Acting Chairperson, I am told that when a major accident occurs, invariably our staff people go out and do a sort of investigation to see exactly what caused it. Other than that, the only time there would be a full-scale investigation into an accident is where there is a coroner inquest taking place where the RCMP, who then also make reports when there are fatalities involved or accidents involved—that would be the only time when you actually get into the official category as to what created it or caused it.

Regarding the problems the member is raising between Wabowden and Pisew Falls and some of the outcroppings and some of the conditions of the road, invariably there is no way that we can assure, depending on weather conditions, that the highway is safe all the time. One of the biggest problems that we have is during storm conditions which in this lovely province of ours come at any given time. Especially during the long winter months, you have times where you have icy conditions, you have heavy snow conditions.

Invariably we try and have our winter maintenance program, such that if it is icy we go sand and put salt on the roads. If it is snow conditions, we do the plowing. It is an ongoing challenge and race for our staff in terms of trying to provide safer conditions, but generally the people that drive on Manitoba highways understand the role that weather conditions play in terms of what our roads are like and the hazards that go with it. That is why we continually have awareness programs on TV, et cetera, in terms of what condition the road is in so people can be aware of it.

* (2120)

The majority of Manitobans have a pretty good feel and understanding, especially rural ones that travel on these highways, that when you have adverse conditions you are dressed accordingly and drive accordingly. I had occasion to travel in the States—this is quite a number of years ago—when they had an ice storm and those people just do not have an inkling of how to drive vehicles in those conditions.

We have that advantage. That still does not take away from the fact that invariably there are going to be accidents. Not everybody is as conscientious as the member for Thompson who has been driving up and down that road for a long, long time under

various conditions half asleep and, not saying that he has been speeding, but I would expect that on the long, open stretches from Gypsumville going north, that from time to time that could happen.

When I ask him how long it takes him to get into town, I could not do it in that time. But I do not want to leave any wrong impressions here. Obviously, the member is a good driver and knows what I am talking about, so there is no way that I can give him the assurance he would like that we will be able to have all our roads 100 percent safe for the average driving public, because the drivers themselves have to take a good portion of the responsibility.

Mr. Ashton: Mr. Acting Chairperson, I took a considerable amount longer today. My car broke down an hour outside of Winnipeg, so my average is still fairly reasonable, but I made it. Two weeks ago, I got caught in a snowstorm with six inches of snow on the highway, so I know what the minister means in terms of weather conditions.

The point I want to make, though, goes far beyond that. I am talking about stretches of highway where there have been significant numbers of accidents, not necessarily fatal but in some cases fatal. I realize what the minister is saying in terms of weather conditions. Boy, do I know that. When it is icy, when it is raining, you slow down, but even given that, there are stretches in the highway that are more dangerous than others.

What I am concerned about is the reporting mechanism because, in this case, when you had the two fatalities, even if it was a combination of human error and the road conditions, the question that arises in my mind is not as to whether anybody was to blame or whether the highway was necessarily unsafe in the sense that perhaps the minister is thinking, but my point is, if we can make it safer for people, if we can improve the curvature in the highway, because that is a significant factor, it can make a difference.

I have raised my concerns about Highway 391, but as the minister knows there, some of the progress that has been taking place on Highway 391 is the fact that some of the blind hills have been taken out, the blind curves. Those are clearly major safety factors. I want to stress again—and I have written to the minister, and I will write to the minister again on the particular circumstance there. I invite the minister to meet with northern communities, because I can take him into a number of

communities: Wabowden, I mentioned, where he will get direct feedback on a couple of stretches of highway; in Nelson House, on the access road and also on 391; same thing in terms of the people in Split Lake that I represent.

The bottom line is, people know the stretches of highway that are more dangerous, where there have been the accidents. You know, it is perhaps unfortunate, Mr. Acting Chairperson, we do not follow the tradition that some European countries do. In some European countries, when someone dies in an automobile accident, the relatives of the individual put up a memorial alongside the road, and believe you me, when you drive around a corner and there are six or seven memorials, you know it is dangerous.

I would suggest that it might have a similar impact in terms of northern Manitoba, not just for those driving, but also those making decisions because there are stretches of highway that are more dangerous than others. I would once again urge the minister to look at that dimension. I am hoping the information I have requested from the department will be of use. Once again, it is not a political issue. I am not looking to blame anyone. I know the work the Department of Highways does. The question is whether we can make it better.

I just want to finish off, by the way, as well because I raised a number of concerns on Thursday. But one other highway in northern Manitoba that while it is not in my constituency, it is one that I have been on a number of times—in fact, I got stuck on it the first time I ever went on it—is Highway 373. I just want to note, because I noticed the minister had referenced in his comments in response to my comments on Thursday about Highway 373, that road is increasingly in poor condition. I have been in at Cross Lake many times on it. As I said, I got stuck the first time I went in, which is of some amusement to people in the community, being an MLA. Going into that community to visit, I have driven it many times.

There is the ongoing question of bridge access as well. I would just like to ask because the minister did reference this, and I know the member for The Pas (Mr. Lathlin) has been very concerned about the condition of the highway. I think he was suggesting earlier that perhaps we in the North should take some blame. Perhaps we should be asking you to get it twinned—start big, start ambitious. It seems to work in other areas of the province.

I will ask the minister. When is he going to put in a twin highway there with a nice white shoulder, following from the member for Gimli? We can put in a by-pass as well and a flyover, whatever else. I seem to be hearing these phrases kicked around.

But in all seriousness, I think most people in Cross Lake and Norway House, communities of over 2,000—I mean you are looking at a combined population of—what?—over 5,000.

An Honourable Member: Yes, we need the noise barriers.

Mr. Ashton: The noise barriers, too. You are looking at communities of over 5,000. I do not think you will find anywhere else in the province where you have communities of that size in that close proximity to a paved all-weather road where you do not have far better highways, in fact, paved highways. I challenge the minister to find any other communities outside of the North where you have communities of that size that do not have paved highways and do not have bridge access.

I would like to ask the minister what plans, if any, that the department has to improve the condition of Highway 373, including the bridge access question as well?

Mr. Driedger: Mr. Acting Chairperson, first of all, the member asked when we would be twinning 373 and some of the highways up north. I reply, in due course; ultimately, I assume it will happen. The member can take whatever comfort he wants out of that.

Specifically on 373, in fact, I just met last week, Thursday or Friday, with Chief Alan Ross and representatives from the Norway House area in terms of bringing forward the concerns from some of their people who are involved in the timber industry and the concern they have driving their big units down the road.

It is always a jockeying between do I allow a 130,000 tonne load of timber to drive down a road like 373, which really is not built for it, and that kind of a truck, under dust conditions and with the kind of load it has on, creates havoc on the road. At the same time, I do not want to take and deter the individual from making a living because he is employing 14 people, so it is always a problem in that regard.

I want to say we have undertaken constant activity on 373, whether it is doing the portion in Norway House, building the Jack River bridge or

building the road up to the airport which will be completed this year in terms of the undertaking that I gave to the community. We are doing further design work. We are doing ongoing clay capping in some areas too. Because of the structure of the road being such that you have a lot of rocks out there, so we need to have the clay base on there to basically even hold the gravel. We have been doing that on an ongoing basis.

* (2130)

We have a contract that will be let very shortly in terms of the Jenpeg area where the road along the dike is a safety hazard because of the conditions that it is at. We are doing a new alignment there and that project is taking place. So it is certainly not that we are ignoring 373.

The member must realize the long distances that are involved here and costly projects. You know, even with the best intentions, it costs a lot of money, but we certainly have undertaken, in my time at least, ongoing activities on 373 to improve the situation and will continue to do so. That is the commitment I have made when I meet with the communities. I have no hesitation to go and meet these communities.

It was my intention to do a tour of the area last year. It was circumvented for whatever reasons and I am looking at going up north this year and looking first-hand—very similar to the member for St. James. I think his name was—what was his name? The guy with the white Chrysler, a fellow by the name of Mandrake who took all summer one time and toured every road, I guess, for two or three months and then spent 28 hours in Estimates questioning me on every road.

I just want to say that I meet ongoingly with communities from the North in trying to address their concerns as best I can within reason and within fairness. That is an undertaking that I continue to put on the record.

Mr. Marcel Laurendeau (St. Norbert): I would like to get the minister on record on a couple of issues. On one of the issues, as you are aware within St. Norbert we have got what is going to be the only landfill for the city of Winnipeg by the end of this year, and at the corner of Waverley and the Perimeter we have now got a set of lights—thanks to this minister, by the way—a couple of years ago. But the traffic is going to be more than quadrupling over the next six months to a year, and I am wondering

how we are coming with the plans on the overpass at Waverley and the Perimeter.

I understand there is going to be some open houses in my constituency at the end of the month, and I was wondering if I could get the exact dates and possibly how the plans are moving ahead.

Mr. Driedger: The member is making reference to the Waverley intersection at the Perimeter. It was a few years ago when the city—because they are now looking at having their landfill site as being the only one after a period of time, I think they are looking at closing the one on the northwest part of the city and that this is going to be the main landfill site.

They have proposed to undertake a million dollars worth of road improvements from south of the Perimeter into the Brady landfill site. Staff became aware of it and started talking with the City of Winnipeg in terms of saying, we would like to do away ultimately with the signalization on the Perimeter because it is supposed to be a by-pass and you have signals all over the place.

Discussions started taking place with the City of Winnipeg in terms of a proposed overpass to accommodate the anticipated additional traffic that will be generated once the—what is the name of the other landfill site?—it does not matter. Mr. Acting Chairperson, based on the anticipated closing of the other landfill site a tremendous amount of traffic basically that would be generated—and I am talking truck traffic going across the Perimeter. It is for that reason where we initially moved forward with the signalization of that intersection.

Subsequent to that, based on the fact that they were going to spend some money on improvements there, we started discussions in terms of looking at having an overpass. At the present time we have submitted a proposal to the city in terms of cost-sharing because the Perimeter, by and large, is our responsibility, but instead of them having a million dollars of what we consider maybe throw-away money, that we jointly with them develop an overpass to accommodate the kind of traffic that we anticipate will be generated for the Brady landfill site.

Correspondence has taken place back and forth. It is my understanding that the plans are in place, and it is a matter of just getting the finalization in terms of the financial arrangements from the city. We have written to them and actually—you know, I do not want to get into a match with the city, but we

have certainly been moving our proposals forward to them as fast as we can.

They have been relatively slow in responding in some cases. In fact, Mr. Acting Chairperson, I was not going to put it this way, but they have not responded to our last offer for a considerable amount of time, and we have been sort of waiting for that.

We had anticipated—they set up some pretty tight guidelines or time frames for us initially, and then as we work this thing forward, it is the city basically that has been dragging its feet on this proposal, but we are still game to go. Once we have finalized the plans—well, not the plans, the arrangements. The plans are finalized.

To further clarify that, once we have the financial arrangements completed with them, then we would make the application for the environmental impact, so we are looking at least a year down the road before actually the work can be undertaken, when actually they had in their initial proposal suggested that we should have the project done by '95, '94, or something like that. We will be lucky to get started by then, but I want to assure you it was not our department that basically was dragging its feet on this thing. It was the City of Winnipeg.

Mr. Laurendeau: I will take that information forward and go to my city councillor and ask him where the city is at with this project. I understand they are going to be holding an open house at the end of the month, and I understood that your department would be there at this open house. So I will bring the information to them, and we will see what is holding this project up.

The other project I had some concerns with was the reconstruction of Pembina Highway from Trappistes road south to the city limits. I understand that Dillon construction has finally put in their final proposal to the city or brought forward their final draft. Has your department been working on it at all, or is it strictly going to be left to the city at this time?

Mr. Driedger: Mr. Acting Chairperson, we have continuously been working together with the city and the Minister of Urban Affairs (Mr. Ernst) in terms of developing the final proposal on that. It has been sort of a changing ball game from the time we sat down with them.

Maybe just to give a little bit of background, initially, we had talked about doing some cost-sharing before the R.M. of Headingley

separated. There were certain PRs that we had designated to give back to the city, and if they took those over, we would cost-share certain portions of the Highway 75 from Rue Des Trappistes to the south, which is the LaSalle River area.

So we cut one deal, and in the meantime, Headingley held their vote and then proceeded with separation, and that changed the ball game to some degree. Further discussions took place where initially we talked of participating in the capital end of it providing they took over certain roads—[interjection] Nine million. It ultimately ended up, we are talking about over \$11 million, and part of it comes through my department. A good portion of it comes through the Department of Urban Affairs in terms of their priority projects.

It was basically a cost-sharing that was being worked out and has not been completed. We are very close to it. We are trying to get things pinned down on paper in terms of—I am told that we are finalizing cost estimates and then have to go back to Treasury Board between Urban Affairs and myself in terms of who pays what in the total project. Ultimately, the discussions were that we would be paying possibly as much as \$11 million out of a \$17-million project. I am using round figures on that, and the city would actually undertake the work.

The biggest cost portion of the thing, of course, is the crossing of the LaSalle River where we have slippage, addressing the whole area of what kind of—I think we initially looked at box culverts and now we are looking at a bridge structure. But, by and large, the city is responsible for the engineering design, et cetera, and we will be cost-sharing on that.

I, personally, would have liked to see it escalate a lot faster than it has, but we are talking, and I think we can get things resolved and move things forward. It has not delayed the whole project. I believe they are moving ahead with certain of the design and the survey end of it, and the box culvert end of it is part of it as well—oh, the bridge, now.

So I am thankful to the member for St. Norbert who, of course, representing the area, has been on my case as well as the city's case, trying to get things moved forward. I respect that and compliment him for that. It has been a long, slow process when you have two authorities that try and resolve a major project of this nature. But I am confident that we are close to maybe getting this

thing resolved, and that we can take and go to the next stages to move it forward.

* (2140)

Mr. Laurendeau: Mr. Acting Chairperson, possibly you are not aware, but when Dillon came forward with the suggestions for the construction of the section of highway, they actually came into the community. We had a fairly large turnout at this event. We had approximately 150-200 people turn up to give their ideas on the project. They had shown both the box culvert and the bridge concept, both with a twin structure, single structure, and different medium selections.

We came back with 92 percent in favour of the bridge concept. A lot of it was due to concerns on the environment because of the environmental impact that the original box culverts had on the La Salle River. Possibly, you are not aware, in spring when there is runoff, it is raising the water level to the west on the La Salle approximately four and a half feet, five feet higher than the east side. So it is doing some damage on the left, as well as some damage to some of the residential property. So this will improve with the construction of the new bridge.

Also, just to the south, we have one area there that for the past 10 years has only had approximately three feet of shoulder. For this being a major highway coming into the city of Winnipeg, it has been shameful. It has just been appalling to think that governments of the past could allow a highway coming into a major city to dilapidate itself in such a fashion that there is no shoulder on a major road. That is one of the areas where people have been killed by semitrailers in head-on collisions because, with the markers on the shoulder, people were pulling to the centre of the road to give themselves that 15-foot gateway. The cars coming out of the city were going into head-on collisions on whiteout nights.

So it is about time that governments did move ahead, and I do appreciate the minister's help in getting this project ahead. I know it was going nowhere until 1988 or '89 when this government came into power, because for 25 years all they ever did was talk about it and nothing ever got done. I am glad to see that there is finally action that is happening, and it took this government to do that. I applaud you, and my community applauds you for that.

One of the inquiries I have is on a policy matter of your department toward capital projects. Are we looking, in the future, at possibly paving shoulders on Pembina Highway going out to basically St. Adolphe on the east side? What is happening is the bicycle long-distance riders at this time are going down St. Mary's Road to St. Adolphe, coming across St. Adolphe to 75 Highway, down 75 to Turnbull Drive or Red River Drive and then coming down, but there is that one section that is gravel and they are actually riding on the road itself.

There are up to 25 and 30 bikes, and it is making it very unsafe. I am wondering if we are going to have any type of a policy where some of these shoulders may be paved to assist these long-distance riders in their trek. It is becoming a wave of the future and I think it is something that we should be looking at, not only for the protection of the riders on the bikes but I think for the safety of the motorists.

Mr. Driedger: Mr. Acting Chairperson, on the issue of bicycle paths or trails, the thing that has surfaced and is surfacing more extensively every year as more people take up the recreational activity of biking—and more pressure is coming down on the department in terms of providing exactly what the member is referring to, paved shoulders or bicycle trails. At the present time, realizing certain studies have taken place and pressure is mounting, especially in certain areas like the road down 200, I believe, up to St. Mary's Road, basically to St. Adolphe is one of the favourite ones where we did a recapping or repaving of the road. We have not moved on that road in terms of paving the shoulder which was a request, and it is based a lot on the financial availability of funding.

However, we did make a major policy change last year where we are now looking at our major PTHs, the paving of shoulders. The first project that we undertook that way was on Highway 16 Yellowhead North where we had redone the shoulders, shoulder widening, and then subsequently with our paving contract we expanded to include paved shoulders. This is a new policy that we have in place in terms of starting to move in that direction. I can assure the member that in some of the activities that are going to be taking place this summer, that under our major PTHs we are looking at paving the shoulders. That will not necessarily address the total concern in terms of bikers, but I think by moving in that direction

there is an element of safety at least in some areas where we will be doing this.

The other thing of course is that when we expand our program, instead of just repaving it, to do the shoulders as well would mean we will do less miles of total projects. We need the money again, partly, but I just want to assure the member that we are getting more cognizant and aware of the safety end of it for cyclists in the province, especially around the city. We are looking at trying to not necessarily get involved in doing it—once you start on one of those things where you develop a special bicycle path, I mean where does it stop? It is just a matter of not having enough funds to do that.

Anyway, Mr. Acting Chairperson, I certainly do not want to belittle the concern that the member has expressed in terms of safety for cyclists, and we are looking at that very carefully.

Mr. Laurendeau: In closing, Mr. Acting Chairperson, I would like to thank the minister and his staff for the work that they have done in the community of St. Norbert over the past number of years and the work that is coming ahead in the future.

One of the projects that I am looking forward to this summer is the reconstruction of Pembina Highway from the Perimeter Highway to Trappistes Road. I understand the minister is doing this with the assistance of the federal government. I do want to applaud both the minister and the federal government for coming to the assistance of the province, and hopefully they will continue to support us in the future on a lot more of these highway projects.

I think with the minister's help and his staff in lobbying the federal government, possibly we can continue to do these projects, which will be here for a long time to come. Thank you.

Mr. Daryl Reid (Transcona): Mr. Acting Chairperson, I have just a quick comment. The minister may not have this information here. He can maybe provide it at a later date to me.

When the minister's department puts together their priority list of roads and highways that need upgrading through the capital program, is there a preliminary cost that is attached to those projects?

Mr. Driedger: Mr. Acting Chairperson, yes, when we have the first stage, let us say the survey design end of it, staff does an estimate on that. We put aside so-and-so-much money. It is difficult to be

precise in terms of acquisition of right-of-way, but staff, once they have done the survey design, have a pretty good idea of how much material is going to be involved and what is involved. So I, from my figures, see a preliminary estimate in terms of what something would cost.

* (2150)

We do not necessarily want to run around making this information available, because once we do the tendering we are hoping for the best bid to come in. If contractors basically would know what we are looking at, then it would destroy the concept of the tendering system. By not releasing that information, except for ourselves I guess, by and large, I have to say that the bidding in the last number of years, because of a hungry industry out there, has been very, very competitive. In fact, in the grading end of it I think we are probably still bidding on what used to be 1985 prices. So the industry out there is very competitive. They are hurting and are bidding very, very beneficially for the province in terms of getting the most bang for the buck.

Mr. Reid: Would it be possible, when the minister provides a copy of his project sheet, which he in the earlier Estimates indicated he would provide for the critics, if he could, where possible, provide an estimate by his department of the cost that is anticipated to cover those specific projects? The minister indicated it may not be possible at all, because it is only possible after the surveys and design portion has been progressed. If the projects that are on his list have been prioritized and have moved to that point, could he indicate on that list that might come forward?

Mr. Driedger: Mr. Acting Chairperson, I want to be a little cautious so I do not make a commitment of providing that information if it is not within the policy guidelines to do that. I will have a review to see whether that is something that—because information of that nature, if I make that available, it is no reflection on the member, or if I provide it for one critic I have to provide it for both, that this information does not necessarily get out there.

I will have to review exactly whether that would be reasonable to do. I am not trying to be cute with that. That is something that I would want to undertake before I make a commitment of doing that.

The Acting Chairperson (Mr. Sveinson): Item 8. Expenditures Related to Capital (a) Construction

and Upgrading of Provincial Trunk Highways, Provincial Roads and Related Projects \$110,600,000—pass; (b) Aid to Cities, Towns and Villages \$1,300,000—pass; (c) Work in Local Government Districts and Unorganized Territory \$3,760,000—pass; (d) Rural Municipal Bridge Assistance Program \$400,000—pass; (e) Highway Maintenance Equipment \$1,083,800—pass; (f) Other Projects \$1,488,300—pass.

Resolution 15.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$118,632,100 for Highways and Transportation for the fiscal year ending the 31st day of March, 1994—pass.

The last item to be considered for the Estimates of the Department of Highways and Transportation is item 1.(a) Minister's Salary. At this point, we request that the minister's staff leave the table for the consideration of this item.

1.(a) Minister's Salary \$20,600.

Mr. Reid: Twenty thousand, six hundred—a substantial amount for the minister. Some of the questions the minister had indicated earlier that he would answer under other sections, of course, we have had to hold in abeyance until the Minister's Salary because of our inability to move back to the Transportation Policy section.

I had written to the minister's department, Department of Driver and Vehicle Licensing, with respect to Pan Am Freight Systems. The minister's deputy minister had responded to me with some correspondence. Our concern was that there were companies in this province, trucking companies in this province that were acting as such, were impersonating carriers, and it is my understanding did not have operating authorities. I had written to the department requesting that they take some action.

I did ask the minister questions on this in the last Estimates last session. I did come forward, as the minister indicated we need to put forward to his department for consideration bills of lading that were timely, in other words, were within the six-month time expiry limit that had been indicated to me. I did put those forward, and then the department comes back and says they are unable to take any action, that the bills of lading are insufficient to provide any kind of evidence to support the claims that were made that companies were acting without authority to do so. In fact, their names were on bills of lading

showing quite clearly that they were acting as carriers when they did not have the authority to do so. When I brought this forward no action was taken.

Is there a reason why, when evidence is presented showing quite clearly, in the name where it says carrier, that a company acting as a carrier without authority should not be prosecuted? Can the minister explain that, please?

Mr. Driedger: The cases the member brought forward to my department were referred to the Motor Transport Board which basically reviewed what was happening there, investigated, and as a result, imposed fines within the jurisdiction of what they could do. In one particular case, the fines were not paid, and as a result, they lifted the operating licence for that individual.

I have raised this with the chairman of the Motor Transport Board, and as far as they had jurisdiction to operate on, they had moved. That included, first of all, imposing a fine and then by the fine not being paid, they cancelled the authority of the individual company to be able to be a carrier. So these things are out there.

I am not quite sure what the member is making reference to. Maybe he can clarify that.

Mr. Reid: It might help the minister if I used the name of the company, and he might be more familiar with the background then. Pan American Freight Systems Incorporated was the company that was shown as a carrier, and it is my understanding, in checking with the department, that this company does not have authorities to operate as a carrier in this province.

Yet when there was a show-cause hearing, the show-cause recommendations or suggestions that came back from the Motor Transport Board indicated that they had no jurisdiction over this company to pursue any action, and it would be up to, I think it was the Justice department, but it is my understanding that the minister's department first must bring forward complaints to the Justice department from concerns that are raised with his department officials.

We have done that. We have raised the concerns. We have shown the bill of lading in a timely fashion, within that six-month time frame, and yet no action was taken.

Can the minister indicate what other evidence—because there are jobs at risk here, jobs

from legitimate carriers—can the minister suggest that members of the industry would bring forward before the minister's department would take any action? What is it that we can do to help you in this matter?

Mr. Driedger: It is my understanding from the chairman of the Motor Transport Board that the evidence brought forward was investigated and that within the jurisdiction as a quasi-judicial board, they took what action they could.

That does not take away from the opportunity for an individual to take other legal action, but within the purview and responsibilities of the Motor Transport Board, they did what they could in terms of imposing fines and removing potential authority. This is the information I have.

If the member is not satisfied with that, I am prepared to go back to the chairman of the Motor Transport Board and get a more specific written reply from him exactly as to what they can do within the purview of their authority as a quasi-judicial board and how they had viewed—because it was my understanding that the information on the bill of lading was adequate in terms of pursuing whatever they could do within their jurisdiction.

I can undertake to further clarify that. This is the information that I basically received from the chairman of the Motor Transport Board. I will give him a further clarification if he wants.

Mr. Reid: I thank the minister for that. I sense he is sincere that he wants to protect the trucking industry and being that companies that operate without authorities that would be issued by the province and by the minister's department, I would think that the minister's department would take these matters seriously, or at least I am sure he would, and would take whatever actions are necessary.

* (2200)

Like I say, the Motor Transport Board, in a show-cause hearing said they had no jurisdiction over this company. In fact, they were released from further attendance at that show-cause while the other participants had to continue until a decision was rendered.

I would appreciate if the minister could come back with some information that would further explain this because if there is something that we are not doing here, this company from my understanding is still continuing to operate without authorities. They are

still showing their name under the carrier heading on the bills of lading, and it is taking away jobs from legitimate carriers in this province.

Mr. Driedger: I will undertake to get further clarification from how the Highway Transport Board looked at it and viewed it. But in defence of the Highway Transport Board, I want to say that I am honestly convinced and very defensive that whatever actions they take, they do in a very fair and responsive manner to try and be fair and deal with the transportation, the trucking industry, in a consistent and fair manner.

I think if the member takes the opportunity to check with people in the industry that Mr. Norquay as chairman has earned a reputation for being responsible, I might add that he was the chairman at the time when I took over office, took over government, and has been consistent continually in terms of how he wheels and deals with the people in the transportation industry and as a result has gained recognition throughout Canada in terms of being a fair individual and being very knowledgeable in dealing with the issues that are under his responsibility.

Mr. Reid: I thank the minister for that. I look forward to any information he can provide that would shed some light on this, and anything we can do to assist him to straighten this out, we would view that favourably and do what we can to assist the department.

I have another concern here with respect to the minister's department of motor vehicle licensing. I have looked up the legislation under The Highway Traffic Act. It refers to indebtedness to MPIC.

I have a constituent of mine who has been sent a letter by MPIC saying that the individual is allegedly responsible for an incident that happened that involved damage to a motor vehicle. The alleged incident is said to have occurred when my constituent was a pedestrian. MPIC is now seeking reimbursement of any of those costs for that damage that is said to have been committed by the pedestrian.

Is it a policy that MPIC, through The Highway Traffic Act for which the minister is responsible, would seek restitution from a pedestrian? Is it not the intent and the purpose of the MPIC repayment for indebtedness to occur when there are vehicles involved, not pedestrian and vehicles?

Mr. Driedger: Mr. Acting Chairperson, this question would be better addressed to the minister responsible for Autopac. My responsibility through the Registrar, who is now my acting deputy, is basically with the registration end of it.

The information in terms of when people have an infraction, speeding, stop sign, drinking infractions, you know, the system, as the court finds these people guilty, the allocation of demerits, et cetera, for example, in accidents as well, in many cases, it is my understanding—and sometimes I have questioned this as to whether Autopac handles this right in terms of where it is a questionable accident—they automatically allocate 50 percent to each individual. Then when you have two of those, it is already a full charge against you.

Sometimes in spite of individuals that have come and said the police report held them innocent, Autopac still makes that judgment call, that it is a 50-50 thing. It creates a lot of confusion and frustration out there, but these are questions that would probably be better addressed to the honourable minister responsible for Autopac. I cannot really, from this perspective, say how we play a role in that end of it.

Mr. Reid: Maybe to assist the minister in that, it is The Highway Traffic Act, Section 269-2, Indebtedness to MPIC. What the minister's department is indicating is that even though the individual that has alleged to have committed that offence has not gone through the courts yet, the Department of Motor Vehicles has now been requested by MPIC to withhold licensing privileges for the individual even though the individual is said to have committed the offence while a pedestrian.

I do not understand how the two can equate. He has been asked to pay the restitution. He has to appear before the courts, but he is innocent until proven guilty as far as my understanding of the law in this province. In that sense, how can the Department of Motor Vehicles withhold licensing privileges until the individual, if it is going to happen, has been found guilty. Maybe the minister can investigate that and maybe report back when he gets an opportunity.

Mr. Driedger: Mr. Acting Chairperson, I will check with my registrar to see exactly what the process is in terms of how this evolves in terms of responsibility and who the decision-making bodies are. I have just given that undertaking that I will try and get that

information so there is a clarification as to what the process is, what our responsibility is and what MPIC's is in terms of allocating responsibility and, within the regulations, what my registrar can do or cannot do. [interjection] For pedestrians. [interjection] Yes, that is sort of a new wrinkle for me because I do not know exactly how my registrar will deal with pedestrians. It is usually—our activities are related to drivers and to registration. So I will try and get a clarification on that issue.

Mr. Reid: I thank the minister for that and look forward to the response. My constituent is quite concerned because his licensing opportunity is legally expired as of Friday, so now he is unable to drive. If the minister can expedite that, my constituent would appreciate that.

Mr. Driedger: Mr. Acting Chairperson, because the member is referring to a specific case, if he could possibly let some of my assistants maybe know tomorrow the details of it so that we can get that information to the registrar, because I sense an urgency here in terms of what is happening aside from the process that he is questioning. So if he can give us some details on that, I can have the registrar undertake to get the details on the specifics back to the member.

Mr. Reid: I thank the minister for that, and I will undertake to contact his staff tomorrow.

The minister had talked in the beginning of the Estimates process during his opening comments about short-line legislation. There is obviously some legislation in other jurisdictions, other western provinces—there is some in Alberta, there is some in Saskatchewan. Can the minister give me an indication whether or not his legislation that he is bringing forward, when he expects to bring it forward? Will it be modelled after one of the other jurisdictions, or has he some other considerations that he is going to include with that?

Mr. Driedger: Mr. Acting Chairperson, the only province that has short-line rail legislation in place right now is Saskatchewan. But many of the other provinces are moving in that direction. In fact, some provinces like Quebec and Alberta have a fair amount of financial resources that they have put into it with consultants and people that are working on it.

I did not have that fortune of having that kind of funding or staff available to me. So the people that are my policy researchers and advisers have been working on this. We looked very closely at what

Saskatchewan has done, whose legislation has been in place two or three years, who are coming forward with major, quite substantial amendments.

We are addressing already in our legislation some of the concerns that they looked at. We think we have simplified it and have come up with what we think will be used as model legislation across the country. We almost feel, aside from the initial steps that Saskatchewan took in bringing it forward, that we are going to be the leaders where others are going to be looking at it. A lot of time has been spent.

* (2210)

I want to compliment the Legislative Counsel, but more importantly my staff people who have spent a lot of time working out the details in terms of addressing legislation that was going to be as simple as possible, so we did not have a big cloud of bureaucracy involved. That simplified the process but still addressed the safety and regulatory requirements, the environmental requirements that we looking under the legislation.

(Madam Chairperson in the Chair)

So the member asked when. I am hoping that possibly by next week we should have the legislation available. By and large, it has been packaged. It is a matter of making sure that the spreadsheets show exactly what I want them to show. Staff is looking at that. Basically we have it ready to go, so it should be just a very short time until I have it before the members.

Mr. Reid: What is it that indicates a need for short-line legislation at this time that could not wait for some time into the future? Why would we have not looked at this in the past? What is it that is causing the minister to move forward with short-line legislation at this time?

Mr. Driedger: Madam Chairperson, already three, four years ago we had, during the course of abandonment that was taking place, individual companies and groups that were looking at taking over short line, operating a short-line railway.

One of the complications was, because the major railways operate under federal legislation, there was no proper provision for it. There is no hidden reason why we are bringing it forward now other than the pressure was starting to come down where people were making inquiries, and because Saskatchewan did it, and we know that the other provinces are in the same process of doing it. We basically felt that

this is accommodating legislation, so that when the time comes that this will be in place so that we do not have to go through a two-year—and it has taken us two years to develop it to the point where it is at now.

If somebody is going to come forward—and we have had that request come forward from the Lowden Sub. I am trying to recall the name right. Anyway, in my colleague the Minister of Energy and Mines' (Mr. Downey) area, there was a group that has been pushing to see whether they would be able to take over a line that is still in operation right now. It is out in the Waskada area, somewhere in that area. That is what basically triggered us starting to talk about it.

Ultimately, we have moved forward, and we are going to bring and put into place that if there are groups or individuals or companies that want to move in that direction that they do not have to wait two years before it happens. It is important that we have this in place, because we feel with the federal legislation and the arrangements and the responsibilities that they have to CN and CP, we need this to give certain protections and still provide the requirements for safety, which is the big concern. We feel that it is a very appropriate time now.

Mr. Reid: With all of the concern that has been raised about branchline abandonment and the possibility that the bayline itself is at risk considering the decisions that have been made from the Royal Commission on National Passenger Transportation—the NTA studies show it to be at risk as well by the recommendations that have come forward—does the minister see that the bayline itself could become one of the short lines to be operating in this province if a decision comes forward to allow the major carriers, major railways to abandon that line?

Mr. Driedger: Madam Chairperson, I sincerely hope the bayline is not one that we would be looking at in the foreseeable future as being a short line to allow the private sector or somebody else to be involved. I am still optimistic that the Arctic Bridge concept is going to do something hopeful that will ultimately change the perspective of what can happen at Churchill. If that does not develop, then of course this is something that would, I suppose, have to be—if somebody came along and was going start giving indications that they wanted to take over that line, of course, this legislation would accommodate that.

From my perspective, in terms of bringing forward the legislation, I certainly do not view it as something as a backup to the bayline at the present time. I hope it does not come to that. Ultimately, if the whole thing collapses in terms of the port and CN's position with the line, then of course that would be an option that could be considered at that time.

Mr. Reid: Does the minister have an indication from his department staff as to the number of miles of branchline that are proposed for abandonment, where those lines are and whether or not any of those lines are candidates for short line operation?

Mr. Driedger: Madam Chairperson, that is very difficult to answer. There are so many unknown issues up in the air at the present time. The federal government is undertaking a study in terms of establishing a main rail system which potentially could even talk of amalgamating certain lines between CN and CP. That has grave concerns for myself in terms of future implications to the point where I hesitate whether we should participate in any further hearings. But if you do not and they proceed anyway, I would rather be inside knowing what is going on than being outside and knowing nothing.

The potential changing of the method of payment, changing of the Crow, is another thing that is potentially in the mix right now, which creates more concerns for me. If the two come down simultaneously, it could open up the opportunity for the railways to abandon lines that they feel are not profitable. Which ones that would be, you know, I would be speculative to say that at the present time. Should it ever come to that, then there are lines that could be probably looked at with a profit motive for groups, communities, organizations.

Then the legislation at least is going to be in place, and we would want to be very, I think with the information that some of my staff people have, cautious to make sure that we do not give false information to people who are looking and saying, well, hey, we can run this line and make a profit. There has to be a bit of a—some background information and a business plan in place. You might run a profit for two years and then lose everything that you have put into it.

So we have a variety of short lines in the States that are doing well, that are profitable. We think that we have enough information that if somebody wants to get into this we can help them make decisions

that would be beneficial in terms of whether they should get into it or not. This legislation will accommodate for them to get into that system to allow for them, where there is a short-line potential, to tie into the main lines and interchange and things of this nature. So this is all based and set up in such a way that the thing can function, because if the main line carrier, CN or CP, would want to cut off, let us say, the short-line entrepreneur, the whole thing would be a disaster. So that is why we are setting up this kind of a system, and I feel comfortable that we are accomplishing that.

* (2220)

Mr. Reid: It is my understanding, and I could be wrong and the minister can correct me if I am, that the major railways have applied for abandonment or are in the process of applying for abandonment of certain portions of branch lines. Would the minister's department have that information, and, if so, is it possible to get a copy of the lines that have been applied for or they anticipate being applied for abandonment?

Mr. Driedger: Madam Chairperson, under the existing legislation, certain lines are protected till the year 2000. Basically that is the base where we start from. To my view, we being in 1993, there are a lot of things that will trigger an escalation of that process in terms of making provision for them to maybe abandon sooner, based on the information that I just put on the record, the rail study, the method of payment. These things could all have a bearing on it.

I will try and have my Transportation Policy people bring forward the present status, where we are at in terms of which lines are protected and which ones are protected to the year 2000, just to give the member a snapshot in terms of where we are.

Mr. Reid: I thank the minister for that. It will provide us with an opportunity to see which areas are going to be impacted. If there is a possibility amongst my colleagues or other members of the House where we can look at potential for shortline railroads being set up if those lines receive the approval for abandonment during the speed-up process that the federal government seems to be intent on pursuing, then we will have a better opportunity to view the impact of those abandonments upon those regions of the province.

The minister talked about the method of payment and, of course, the impact that it is going to have upon the province, not only in changes to the railway structure itself and to the producers themselves. Has the minister's department undertaken any studies to determine what the cost impact is going to be for his department with a change in the method of payment? We are talking here about maintenance and capital programs for his highway structure.

Mr. Driedger: Madam Chairperson, the position that my department has continually put forward, both my colleague the Minister of Agriculture (Mr. Findlay) as well as through the federal government, is that the rationalization of abandonment—you know, the process itself even before my tenure as Minister of Highways and Transportation, there was a joint position put forward by the four western provinces in terms of the process of abandonment. That position has actually never changed between the four provinces. We have continually put forward the position that as abandonment comes forward that there should be compensation and offset not only for the provincial government but the municipalities and the communities.

When the railway is going to abandon the line, they do it because they say it is not profitable so there must be some savings for them. Our position has always been that there should be some compensation for the players involved because invariably as you abandon the line there is going to be more pressure on the municipal and provincial roads, so it would only seem logical. The federal government and the western grain transportation people have continually not wanted to listen to that. We keep putting it forward time and time again. At certain times I thought that we were making some progress that would be considering that.

I think that debate is going to escalate into a much higher level in terms of the compensation factor as a method of payment becomes more into the debate. I think it is an obvious thing. I mean you abandon a line, where is the traffic going to go? It is going to go on municipal roads and it is going to go on provincial roads. I adamantly have put forward that position that there has to be some payment for that.

Mr. Reid: Has the minister's department undertaken any studies or analysis of the recent announcement by the federal government where they changed the method of payment? Has your

department undertaken to see what the impact is going to be upon the cost of the highways infrastructure in the province? Has he also undertaken any impact studies or analysis of the impact upon employment opportunities in the railway itself in the province?

Mr. Driedger: Madam Chairperson, my transportation policy staff people have been working to try and get as much information as possible. It is very hard to quantify the exact impact of what would happen if you change, for example, the method of payment, how much of a shift is it going to be first of all from straight rail industry when you have the option of going with trucking or the rail industry. That is only one element. The other element is the abandonment potential on top of that. It is so hard to quantify that. We have some basic information. I will have to go back and just find out exactly how specific our information is. A lot of it is basically speculative, in my mind, at least. I will try and see whether I can find some more specific information to address that.

Mr. Reid: Well, the best-case scenario would be that we would not lose any jobs. If there is a worst-case scenario, it would be interesting to know what impact it is going to have upon us in this province, not only for my own community which has historically been a railway repair centre, but for many other communities not only in and about the city of Winnipeg, but other communities in the province would like to know as well, I am sure, what the impact upon rail employment is going to be.

So if the minister can provide some information or some analysis on that, we would appreciate that. I am sure the people who are employed in those jobs would like to know as well.

Mr. Driedger: Madam Chairperson, why I say it is hard to quantify that is because the member is well aware that CN, for example, has a three-year plan in place to reduce their employment by 10,000 to 11,000 people across Canada over the next three years. If you would throw this mix in there yet, it would be terribly confusing to find out which is related to their anticipated rationalization and cutback of employment that they are looking at or which would be related to this. The impact is going to be dramatic no matter which way you cut the cake in terms of the employment factor with both rail industries based on what their future activities are taking place.

Mr. Reid: Well, whatever information the minister can provide as his staff does their studies, I would appreciate to be kept informed of what the impact would be.

The minister mentioned, too, that the railways—CN in particular—were going to eliminate some 11,000 jobs. Manitoba, of course, is being hit fairly hard with that this year in the sense that we are losing upwards of 700-plus jobs this current year.

Has the minister had any discussions with CN or does he anticipate having any discussions in the near future with respect to the impact of his government's budget decisions on the employment prospects for CN in this province during the coming year?

Mr. Driedger: Madam Chairperson, yes, both with CP and CN, there has been ongoing dialogue, verbally and written correspondence, that we have undertaken based on the arguments that the rail lines put forward to us that we were putting them into an unfair tax position by the locomotive diesel fuel tax, other taxes. This dialogue has been going on now for four or five years. I was addressing some of the concerns, in fact quite substantially, in this last budget. This dialogue is escalating at the present time. In fact, the Premier (Mr. Filmon) is playing a role in this as well in terms of making sure that we get some advantage potentially out of this.

In CP's case, they have announced their communications centre out of here which potentially could be as high as 210 jobs, 165, potentially over 200 they say, but whatever. Any job already in the right direction is better than one going the other way. So we are in communication with CN as well, stressing the fact that we have taken to be responsible in terms of anything that affects jobs investment from their perspective in Manitoba.

That is, like I say, not only from myself directly to the president and to the chairman of the board, and I want to assure the member, without going too much further than that, there is a considerable amount of action in process right now.

Mr. Reid: Well, both CN and CP, I hope, are going to give the minister some assurances that, because the government has moved in a direction of reducing the motive fuel tax, Manitoba would see some benefit out of that by way of job security or job protection.

* (2230)

Does the minister know whether or not the recent budget reductions for the motive fuel tax have met the needs of equalizing or levelling the playing field between the trucking and the rail industry, or does he anticipate that further cuts in the motive fuel tax will be necessary to level that playing field, as the railways have requested for quite a number of years now?

Mr. Driedger: Unfortunately, there has been that ongoing controversy—I should not say controversy, but differential in opinion between the trucking industry and the rail industry, the rail industry feeling that the trucking industry is being subsidized by governments building highways, whereas they have to look after their rail system themselves, then, of course, the tax impositions of the locomotive fuel tax.

The fact that we have addressed the 1 cent last year and the 3.15 cents a litre this year, which is another \$6-million shot in the arm for the industry, brings us in line basically with the other western provinces. Some of the eastern provinces are still lower than that at the present time. However, Saskatchewan is having a really difficult time because they are way out ahead of the pack.

Sometimes, when you tax too high related to other provinces, you are a loser instead of a gainer to even the tax that is coming in. For example, the reduction of the aviation fuel tax from 5 cents a litre to 4.2 cents is drawing rave reviews by the air industry in terms of wanting now to stop here and fill up. By doing that, we actually probably gain more than what we did with the 5 cents. That is the kind of thing that is evolving out there.

Whether the rail industry is totally happy with what has happened—my gosh, after all these years of our having collected the tax that we did, by moving in this direction, it must give them a comfort level, and certainly they are prepared to talk with us, and we are trying to see whether we can get the maximum advantage out of it.

Mr. Reid: The debate could continue for hours on the one topic alone. The residents of my community, and I am sure of other communities in the province where there are a significant number of railway employees living, are quite concerned, if they, themselves, as taxpayers, are going to be asked to make up the difference in the revenue that the province needs to operate programs, and if we give concessions by way of reduction of motive fuel

taxes, that we recover or we reach something out of it, quid pro quo in the sense, in the sense that we get something back for what we are giving up by way of concessions.

I hope that the minister will seriously press the railways to give some assurances for employment levels in this province so that we do not just give up that tax revenue which I know the railways have been pressing for a long period of time, but we get something back in return for it. Otherwise, we would have given up much more than what we would gain in net effect of this. I hope the minister has taken that into consideration, and I hope that was the goal.

Mr. Driedger: Madam Chairperson, that is part of the heavy-duty discussions that are taking place between the Minister of Finance (Mr. Manness), the Premier (Mr. Filmon), and myself with the key people from both railways.

I just have a question. Does the member want to have a break for a little bit, or how much longer is he planning to go? Take about five minutes?

Madam Chairperson: Is that the will of the committee, a five minute recess? [agreed]

This committee will reconvene at 10:40 p.m.

* * *

The committee took recess at 10:35 p.m.

After Recess

The committee resumed at 10:40 p.m.

Mr. Reid: There was a report that was released by the NTA. It was my understanding that Manitoba was the only jurisdiction in Canada when the deregulation of the transportation industry was being discussed. One of the agreements that we got as a province for us to become a signatory to that agreement was that there would be a review after a fixed period of time, after a number of years, on the effects of deregulation on the transportation industry in this province.

The recommendations, of course, in the report that was released just a short time ago appear to have some serious consequences for the province. Can the minister give an indication on what his thoughts were to the 55 recommendations that came forward? What impact does he see this report having on the province?

Mr. Driedger: Madam Chairperson, let me first of all agree with the fact that at the time when the

deregulation under the trucking industry took place Manitoba was the one that insisted on a five-year process and that a review should take place after that. It was an optional thing that basically the federal government had allowed—well, no. They did the review. We worked very closely with the MTA, the Manitoba Trucking Association, who, in conjunction with us put forward the position that there should be a continuation of the process. The federal government did not agree and the other provinces did not agree. We were sort of by ourselves again on this. As a result, that process has not continued. We are now deregulated in terms of extra provincial trucking industry.

In terms of the recommendations that came forward in the study, we made an extensive presentation at that time to the Standing Committee on the National Transportation Act. I think I gave copies to the member as well in terms of what we presented. The member probably knows the process at the present time. The commission that did this study, which is now disbanded, made their submissions public, an extended version of it as well as a condensed version of it. I am going through this, and I do not have the final assessment done in terms of all the recommendations. Staff are still working on that. We are not rejecting the whole recommendations carte blanche. There are certain areas in there where they have addressed some of the concerns we had; others are recommendations that we can certainly not support at all.

The study has been now referred to a standing committee on transportation which is now taking submissions. We are preparing our submission to them again. Where they have done the things that we recommended we want to give them credit, but we want to raise very strong objections to some of the other ones that are, in my mind, almost off the wall, some of the recommendations that are there. Staff are developing that process right now.

Once we are ready to make our submission to the standing committee that is dealing with it now, we will probably have a document that is going to be available to members of the Legislature as well. Certainly, it is not going to be a confidential document that we are going to be submitting to them. It is going to be consistent with the position that we put forward under our first recommendations to the commission and, based on our views on that, we will be addressing and putting our views forward to the standing committee.

Mr. Reid: I agree with the minister's assessment. Some of the recommendations were off the wall. We on this side have some very serious concerns that the individual who was chairing the committee hearings has now gone on to become the chair of the NTA, the same body from my understanding that is then going to be responsible probably for implementing these recommendations. It will be very difficult for the individual to say, no, the recommendations are no good after you were the person who chaired the committee that came forward with them in the first place. I am not sure exactly what it is that the minister is going to be up against with for the recommendations that are going to be detrimental to Manitoba.

Can the minister indicate what areas that he feels uncomfortable with, because there are several here that refer to rail lines themselves with respect to abandonment, discontinuance of rail operations, possibly the bayline itself, feasibility of separating railway operations from the ownership, maintenance of the plant, separating the track from the company, the airline question as well, the impact it is going to have? What areas can the minister just indicate offhand that he recalls that he senses would be detrimental to Manitoba?

Mr. Driedger: Madam Chairperson, in an issue of this nature, I think the member when looking through those things—and I have just had a very cursory view of that, but my staff, like I say, Dennis Schaefer who has been a very key figure for me, has been working on this thing. I am very confident that our views are no different than the opposition members' in terms of what is best for Manitoba. In some of the national transportation issues, it has not been a political thing between members of this House here, just like it is not with Churchill, for example.

So the things that negatively affect Manitoba, which is the service to our northern communities, whether it is through VIA Rail, whether it is through the freight industry—if the member wanted to go through them one by one, we could do that. I do not have all the replies and that, but I think he should have a comfort level that we are not off on a different tangent from what their views would be as to what would be the best for Manitoba, that we basically are on the same course. When he looks through that, he has maybe had more time to go through that than possibly even I have at this stage of the game.

I just want to assure him again that as staff brings forward my cursory review of it, we developed a

position that we are going to put forward to the standing committee that that ultimately will be public information. I feel confident in my mind that the member could feel a comfort level which I am sure he must have felt when he read the report that we put before the National Transportation Commission with the odd little variance maybe, but other than that I think it was consistent with what would be a Manitoba position that everybody could feel comfortable with.

I can assure him that is going to be the same position that we take, very critically in some areas and other areas where they seem to have listened to what we said, whether it was just us or other provinces, but we went to great pains to make that submission. I think some of the things were heard. Others, I do not know where they get them from. So those are the ones where we feel that are totally out of line and totally nonbeneficial to Manitoba. Those are the ones that we are going to take great exception to and raise that with the standing committee.

Mr. Reid: Being that the prairie provinces have a fair amount in common, is there any likelihood or possibility that Manitoba, Saskatchewan and possibly Alberta could put forward a joint proposal or recommendations that might carry more weight than a single province itself?

Mr. Driedger: Madam Chairperson, in my first actual visitation with the Minister of Transport for Saskatchewan, Mr. Koskie, just a little over a week ago when I was at the Westac meeting with him and the British Columbia Minister of Highways and Transportation, as well as a representative from Alberta, I would like to think that there would probably be more of a comfort level between Manitoba and Saskatchewan in terms of joint views that we have because we are the two basic provinces that are affected, more so even than Alberta and certainly much more than B.C.

The B.C. position in terms of abandonment and the recommendations probably does not have that much effect on them as it does on Manitoba and Saskatchewan. In my conversation with Mr. Koskie which involved many aspects of joint concerns, we have decided that we will be getting together discussing some of these mutual concerns as to how we present them, whether it is a Churchill issue, whether it is transportation issues, whether it is the National Highways Program.

So the provincial ministers together with the federal minister are tentatively meeting on the 14th of May to deal with basically the National Highways Program, but it will give me an occasion to meet with Mr. Koskie again and set up a series of discussions further on this matter. So I feel a comfort level as I did with the minister before him, Bernie Wiens, that irrespective of our political philosophical differences, we have the same views in mind as to what benefits the prairie provinces. So I can assure the member that there is a possibility of doing that jointly. I am prepared to consider that or whether we do it individually stressing the same points of concern that we have. We have not worked out the details, but I am certainly prepared to consider that.

* (2250)

Mr. Reid: I think that might carry more weight with the National Transportation Agency or the Standing Committee on Transport that would ultimately have to put forward recommendations to Parliament on this. I think it is serious enough that its impacts are going to be serious enough in their consequences for the Prairies. I just say that it might be in our best interest to look at a common position put forward on that.

There were also recommendations that came out from the Royal Commission on National Passenger Transportation. I could not believe the serious impact that it is going to have on this province if those recommendations are going to be implemented, much the same way that the NTA commission reports were going to impact. Does the minister have any position on the recommendations by the royal commission with respect to passenger transportation in this province?

Mr. Driedger: Madam Chairperson, on a general basis, mostly negative, because the recommendations on the passenger transportation—there is not very much that sounds positive for Manitoba at all, certainly the services to isolated communities and northern communities, and I have dire concern about it. Knowing the position that VIA Rail is facing with further reductions in their subsidy which include \$50 million a year for a period of a number of years, and I do not have the exact figures in front of me, but I have the information as to how much it reduces each year and what that basically does to the subsidy that is in there.

Ultimately on that course, despite the optimism that the people from VIA were trying to give me that

certain lines were doing very favourably and that there was an increased usage and that people were lauding the kind of service that they were providing compared to what they did at one time, I have grave concerns as to what the further implications would be to providing service for northern communities.

Mr. Reid: Has the minister met with or communicated with the headquarters of VIA Rail to find out what their anticipated plans are now that they are aware of the reduction in the level of support that they receive from the federal government? Has VIA Rail indicated to the minister any changes in their operations in this province?

Mr. Driedger: Madam Chairperson, my discussions with the officials from VIA were prior to the budget coming down. We have not had any correspondence, verbally or by written correspondence with them, to date. We are looking at this. We hope to, once I have a little bit more room and time to take and find out exactly, aside from what we perceive the impact is going to be, I would like to have directly from VIA what they perceive the impact is going to be and the kind of service that they will be providing here. I think that is very important for Manitobans.

Mr. Reid: I thank the minister for that. I am sure the people that are serviced by the VIA lines as well as the employees would be interested. So if the minister can provide some information on that once he determines what it is, we would appreciate knowing that.

One last question in this area, in the annual report it referred to the Saskatchewan road-rail vehicle project that was being examined for its applicability for Manitoba. Can the minister give me a status on that type of project, feasibility study I suppose it is?

Mr. Driedger: Madam Chairperson, I believe the member is referring to the road railer, which Saskatchewan built a prototype that they used as a model. Ironically, the minister then responsible, Mr. Sherwin Petersen, at the time when they did the demonstration managed to hang the unit up somewhere along the line as they were demonstrating it so there were red faces while it was happening.

We have been gathering information from Saskatchewan on the operations of the road railer. We are just acquainting ourselves with information, but we have no move afoot at the present time to take and develop something along those lines.

Mr. Reid: So then it is still under review and pending further developments.

There was some correspondence with respect to rural carriers, and it was addressed to the Premier (Mr. Filmon). The rural carriers are quite concerned about the potential for reduced employment in the rural areas with respect to extra provincial deregulation and the impact that it is going to have upon them.

Has the minister provided some kind of assurance for the rural carriers that there is going to be something in place to protect them from any type of predatory practices that may occur should some of the larger carriers want to take over that portion of the business? Have we provided some assurances or some opportunity to provide that protection for these smaller rural carriers?

Mr. Driedger: Madam Chairperson, this is a very sensitive issue. Certainly I regard it as a very sensitive issue for rural carriers based on the deregulation that is taking place for extra provincial activities. The interprovincial one is a lot more sensitive in my view, because of certain pressures that lobby groups have put forward saying, well, we should deregulate interprovincially.

I, coming from the rural area, feel very, very sensitive about it. What we have done, from the department's perspective, is had a study undertaken by UMTI, who were supposed to bring forward certain recommendations. I have not seen the report yet. It is in the process of coming down the stream somewhere along the line within the next period of time. I can just assure the member that having met with the interprovincial carriers and knowing the concerns they have that I am going to be very, very cautious and look very, very critically at the recommendations. This is probably going to be an area where I will be very loath and very slow to move if there is any controversial recommendations that come forward.

Even in my home community, I have carriers that are affected and I know they are having major difficulty. You know, you have the larger carriers that ultimately can possibly just swallow up the rural carriers, the smaller ones, that provide a service for the rural communities.

There has been a massive reduction already in terms of the carriers that are operating in Manitoba. If I recall correctly, I think we are down to 42 interprovincial carriers, with a good portion of the

business being done by a couple of major carriers, Gardewine being one of them. So there is a real sensitivity in terms of whether we would allow or take a position to allow further deregulation intraprovincially, which would ultimately be the demise of the rural carriers in Manitoba. I am going to be very cautious in terms of how I move on that one.

Mr. Reid: The Manitoba Association of Rural Carriers which comprised 37 rural carriers—so they have indicated in their letter—expressed some very serious concerns. I suppose the rural communities themselves should be worried about this, if the rural carriers disappear, because their business would be siphoned off to some of the larger carriers for intraprovincial operations. Then, of course, if the larger carriers decided to abandon any type of services to those communities in the future, after they have taken over that business, then the communities themselves will suffer. Any business opportunities that they have, or any ventures they have in the communities that require transportation services through trucking would then be put at risk.

So I hope the minister does take the appropriate steps to protect the rural carriers not only for the jobs they provide but also for the economic well-being of those communities that rely on those types of services.

There has been a fair amount of lobbying taking place over the course of the last five months, I guess, with respect to used vehicle inspection legislation. Can the minister provide some status or update on whether he anticipates bringing forward that type of legislation during this current session?

Mr. Driedger: Madam Chairperson, I do not know whether I understood the member correctly, whether he was talking of vehicle inspections, or is he talking of the graduated youth licences? I am not sure. I wonder if the member could just clarify exactly what he was talking about.

* (2300)

Mr. Reid: I thank the minister for raising the second issue. They are both important, and I will ask both questions but separately.

The car dealers in the province have been lobbying MLAs, at least on this side and I am sure on the minister's side as well, with respect to used vehicle inspections. This is not the first time that this legislation has been presented to this House or anticipated to be presented. Does the minister

anticipate that his department will implement or bring forward such legislation during the current session?

Mr. Driedger: Madam Chairperson, I could take, I suppose, about half an hour to go through the whole background and history of the long, convoluted process with vehicle inspections in this province. I think three or four times that legislation was passed and never proclaimed—and a private member's bill last year. I can tell the member that we are in the very active process of bringing forward legislation to deal with vehicle inspection in the province. If the member has patience for another week or ten days, then he will find out whether I have been able to package it or not.

Mr. Reid: We look forward to the legislation that the minister brings forward to see whether or not it represents the interests of residents in the rural area with respect to used vehicle inspections.

The minister talked about graduated licences, and there were some reports that there were going to be some changes in the licensing of individuals for those that are new drivers for our province. Does the minister anticipate there will be some changes as were reported in the media over the course of the last month?

Mr. Driedger: Madam Chairperson, this issue has been surfacing more and more for the last short period of time. In fact, they ended up watching a program last night which was sponsored by, I think on a national scale, a group—I forget the name of it.

It was a very interesting scenario that they presented in terms of the graduated drivers licence and also made reference to what various provinces were in the process of considering. They actually did a poll. I do not know whether I have the results of that poll because at the end of the program they said, these are the numbers and the options that you can phone, and then they would relay that message on to each provincial Minister of Highways and Transportation. I do not know whether one arrived at my desk. I have not had enough time to look today yet but here we are looking at it.

There has been discussion. My staff and DDVL have been making some public statements that we are looking actively at. I do not intend to implement any changes for this coming year at the present time. I am not saying that there is not merit in there but at the present time it is under consideration. I

do not anticipate any action being taken within the next year.

Mr. Reid: I thank the minister for that. The NTA, when they did their study of the effects of deregulation on the transportation industry, there was a committee or members of the committee that came back to Winnipeg here and reported on the recommendations. They indicated that they did not study the effects of privatization on jobs in this province.

Does the minister anticipate that he is going to raise that as one of his concerns when he goes to make his presentation to the standing committee?

Mr. Driedger: Madam Chairperson, rather than talk with vagueness, I will just give an undertaking that once we have developed positions on this thing that I am prepared to share that with members opposite.

He is now going on to specifics in some of the recommendations. Again, I would rather address it on a larger scale once I have had a better chance to really zero in on that. If the member wants to put his position forward that he feels his view on the matter, in terms of whether we should or should not, I would like to accept that and use that as part of the consideration when I am developing the scenario. I would just as soon really wait until I can take and present the outline of where we could support it, where we feel very negative, and then if he feels he wants to either criticize or have input into that matter I am prepared to accept that at that time.

Mr. Reid: Possibly the minister then, because we are talking a bit about specifics here with respect to the presentation, can also take forward our concerns that the United States, I believe, is investing many billions of dollars into the transportation infrastructure in that country.

There is every likelihood that could have serious repercussions or put Canada's transportation infrastructure at greater risk through the competitive forces that would be in place if the U.S. government invests as heavily as they say they are going to in their infrastructure, and possibly draw to the federal Minister of Transport's attention and to the federal government's attention the need for us to have a transportation infrastructure investment program in this country, as well, so that provinces like Manitoba that cannot undertake, through their own resources, to invest in that type of program can possibly take

part in, or take advantage of, a national program or scheme to support transportation.

Mr. Driedger: Madam Chairperson, this issue, I have been promoting from the day that I came into this office and will continue to promote and hopefully address on the 14th of May when I deal with my colleagues from across the country as well as the federal minister. So I am totally on track with that.

I think there is a general acceptance with premiers across the country, as well as many of the key players across this country. I am not talking just with those that are involved in transportation; I am talking of the banking institutions, big corporations, that all feel the necessity of being able to be in a competitive position with their investment and infrastructure.

This has been one of my really pet projects all ready for a long, long time and I intend, as the dean of the Transportation ministers, to very, very actively support this and push for it.

Mr. Reid: I am sure there are areas that we have disagreed on in the transportation policy, but I am sure there are areas where we have agreed on things that would be to Manitoba's advantage.

I thank the minister for the comments he has made on the issues and the questions. It has been a longer than usual process that we have gone through here. We have been able to have a better understanding of the position of the minister and his department on several of the issues, and I thank him for that information and co-operation on those issues.

I believe that concludes any comments or any questions, and I look forward to any information that the minister has indicated he is willing to bring forward.

Mr. Neil Gaudry (St. Boniface): I also would like to join the critic from the official opposition to say thank you to the minister and his staff. I think the staff did a great job and so did the minister, and I would like to thank him for the co-operation he has given us here. We will await some of his reports that he is going to supply us in the very near future, in the next couple of days, I understand. Again, thank you very much, Mr. Minister.

* (2310)

Madam Chairperson: Item 1. Administration and Finance (a) Minister's Salary \$20,600--pass.

Resolution 15.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,902,500 for Highways and Transportation, Administration and Finance, for the fiscal year ending the 31st day of March, 1994—pass.

This concludes the Estimates for the Department of Highways and Transportation. Committee rise.

Call in the Speaker.

IN SESSION

Madam Deputy Speaker (Louise Dacquay): The hour being after 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 3, 1993

CONTENTS

ORDERS OF THE DAY

Committee of Supply

Family Services	2422
Highways and Transportation	2455