



Second Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



Vol. XLVI No. 46C - 9 a.m., Thursday, June 6, 1996

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 6, 1996

The House met at 9 a.m.

ORDERS OF THE DAY

(Continued)

COMMITTEE OF SUPPLY

(Concurrent Sections)

CULTURE, HERITAGE AND CITIZENSHIP

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order.

This section of Committee of Supply, meeting in Room 254, will resume consideration of the Estimates of the Department of Culture, Heritage and Citizenship. When the committee last considered the department's Estimates, we were on line 5.(b) Multicultural Grants Advisory Council \$284,500, on page 32 of the main Estimates book. Shall this item pass?

Ms. Diane McGifford (Osborne): My colleague for Point Douglas (Mr. Hickes) was hoping to be here, but he felt he may not be able to be present, so he has asked me to pass the line.

Mr. Chairperson: The item is accordingly passed.

Resolution 14.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$438,600 for Multiculturalism for the fiscal year ending the 31st day of March, 1997.

Item 14.6 Expenditures Related to Capital - Grant Assistance (a) Cultural Organizations \$3,263,000—pass.

14.6.(b) Heritage Buildings \$360,000.

Ms. McGifford: I did have a question about the Heritage Buildings and what I wanted to ask the minister is this particular line then grants monies for the restoration of heritage buildings?

Hon. Harold Gillehammer (Minister of Culture, Heritage and Citizenship): We do have some funds where we do make grants to heritage buildings across the province. There is an application process whereby

owners of heritage buildings can make application and have it reviewed by the staff. They will make recommendations of the ones that meet the criteria and the ones that we are able to fund. We are not able to see to all of the requests that are out there. The department worked very closely with the heritage building folks out in the community to evaluate, first of all, the building to see if it meets the criteria and to work with the proponents to see that what they want to do is in line with our programs. So I think our ability is usually such that we can deal with perhaps half to three-quarters of the requests that come forward each year.

Ms. McGifford: Is there a list of heritage buildings and the communities in which the buildings are located, which in the past year received grants? If there is such a list, I would like to have a copy of it. I am also interested in the criteria for qualification.

Mr. Gillehammer: Probably two sources of information that would be good is the application form that is used by those people entrusted and also the regulations which are part of the act which govern us that lay out the criteria. We can certainly provide the member with the ones that were accepted last year, and we are just in the process of looking at those applications now for '96-97.

I might say that some of the needs are also addressed through the Heritage Grants committee as well who also can provide some funding. I am told that the ones that we fund are listed in the regulations. So that information is publicly available.

Mr. Chairperson: Item 14.6.(b) Heritage Buildings \$360,000—pass; (c) Community Places Program \$2,600,000.

Ms. McGifford: Mr. Chair, I see that there has been quite a dramatic decrease in the Community Places Program. It looks like \$900,000. My understanding is that Community Places money is used to fund projects like community centres or something within a community centre. Is that correct, and has that money also been used to do work within child care centres?

Mr. Gillehammer: Yes.

Ms. McGifford: So what does the minister think the decrease of nearly a million dollars, what difference is that going to make to the program? I think I am correct in my understanding that it has been as high as \$10 million.

Mr. Gilleshammer: When the program was first introduced by the government of the day in the late '80s, I think it was '86 or '87, there was I believe \$10 million in the program. This program certainly has been reduced over the years on the basis that many of the needs out in the community have been satisfied, certainly not all of them. We have just recently closed off the applications for '96-97, and I think there were upwards of 400 applications, and the staff is currently out in the community reviewing those at the present time. But the program is almost 10 years old now, and, as I indicate, many of the needs out there have been satisfied.

There are also other programs that have come into being over the last number of years that address some of the other issues and areas that are out there. I know there is a sports facility program that the Minister of Sport (Mr. Ernst) has been responsible for that deals with some of the needs. There is also some federal programming, but the member is correct that the amount of money in this line was around \$10 million, I believe, in 1986-87 and it is somewhat less now.

Ms. McGifford: Is there an attempt to spread the money throughout the province, the grant money?

Mr. Gilleshammer: Yes, the folks that work in this area work with our regional offices throughout, I think it is, the seven regions of the province to evaluate and look at the needs in all areas.

Ms. McGifford: Is a portion then of the money assigned to the regions of the province or is it decided on the basis of application? Could I have some details, please, as to how it works?

Mr. Gilleshammer: Yes, the staff in the Community Places offices go out and evaluate each and every application that comes in using the regional staff. They like to look at all the projects and see what community funding is available and whether the project meets the criteria. They look at whether the proponents funding is in place. Sometimes there are projects that come forward

and they are in the very early stages, and if it is a major project the proponent probably needs some time to raise their portion of the money. It is a matching program whereby the community is expected to match either with dollars or services in kind what the grant from the Community Places Program is. So that round of activity is just starting. The Community Places central office people are around the province now meeting with regional people in the various areas to look at programs and to bring forward some recommendations.

Just one other thing, historically there has always been more demand than government has been able to satisfy in terms of what people want out there. Sometimes there are also projects that are not eligible and they have to be screened out.

* (0910)

I might add that one of the staff people attached to Community Places is sort of a quasi-engineer architect who has been of great assistance to communities in deciding whether what they want to do is appropriate and whether there is a better way to do it, so there is a lot of dialogue that goes on.

Ms. McGifford: It seems to me that the matching grants policy might be easier for some communities than it would be for others. It also disturbs me to see the decrease in funds because I fear that child care centres will suffer, and I think that under this government's policies child care centres are already suffering enough.

I wanted to ask the minister if Community Places money is ever used by schools to, let us say, create play structures or structures on the property that are not directly related to the school building.

Mr. Gilleshammer: I just want to take some issue with the member's comments about child care centres, because I did have a little bit of experience working with the child care community in the earlier portion of my career. I know that when we came to government in 1988 the daycare line I believe was \$25 million, and I know some three or four years later that daycare line was around \$50 million.

My figures are a little rough, but that is pretty much a 100 percent increase in the funding to the daycares of

Manitoba. We sometimes like to compare ourselves with other provinces. Our sister province of Saskatchewan, which has many similarities to Manitoba in both the rural and urban base, similar in population, and I know at that time, and it maybe has changed either upward or downward, the daycare line there was \$13 million. So I think Manitobans who either work in that industry or depend on that service have been reasonably well served by this government.

So I do take exception to the member's comments about daycare. I think also historically, both in the Community Places Program and the Community Services Council program, daycares have been major, major benefactors of the grant funding that comes out of those two programs.

I would urge the member to perhaps do a little bit more research on that and take a look at the historical numbers in terms of daycares and might also look at the number of spaces that have been created over the last number of years. I think we went through a period there of the earlier '90s where there was an additional 3,000 spaces created. Given the resources that have been put into the program by the government and through the grants program of Community Services Council and through the Community Places, that particular segment of our society has been pretty much served.

I think the member's question was about whether schools access funding. Directly, the answer is no. They depend on the Public Schools Finance Board for capital construction.

However, having said that, there are times when community groups have come forward and, because some schoolyards are more than simply a nine-to-five schoolyard or nine-to-four or whatever, community groups have come forward and said, we would like to sponsor things like playgrounds and play structures and sportsgrounds. Groups like Home and School and parent councils have partnered with perhaps service clubs and the Community Places Program to proceed to create these play structures and playgrounds on school property.

So the answer is, we do not do capital construction on buildings that are the responsibility of the Public Schools Finance Board, but we have partnered with community groups to use school property to do such things as playgrounds.

Ms. McGifford: I am sure we could debate child care all day and this probably is not the right department to talk about it. I know that under the NDP the best child care program in Canada was developed in Manitoba, and I was involved in developing the standards at that time.

However, the real point that I wanted to make in my questions about Community Places with regard to child care centres was that it does not auger well for the creation of new child care centres or augmenting the facilities in child care centres that already exist.

I wonder if it is possible for me to have a list of Community Places grants made in 1995-1996, and I wonder if the minister is satisfied that there has been as equitable a distribution of those funds across the province as is possible, that he feels content with it.

Mr. Gilleshammer: Well, I agree that there is probably a better place to debate the daycare situation than this department, and I do acknowledge that legislation that was put into effect by the NDP government highly regulated daycares and that set certain standards, and I am pleased that that program has been enhanced with tremendous additional funding resources since the NDP government was thrown out of office in 1988.

The listing of the grants for Community Places in 1995-96, we have sent a copy of that to the NDP caucus on one occasion. We have sent it to the previous member for Dauphin, Mr. Plohman, and if it is not available at the NDP caucus we could provide another copy of that for the member.

The last part of the question, the staff work very hard to see that the appropriate decisions are made regarding projects. As I have indicated, there is always much, much more demand than we have resources for, and every attempt has been made to work with community groups to provide whatever assistance is possible through this program to help people develop their communities.

Ms. McGifford: Actually, the minister raises another question in my mind, and that is, if Mr. Plohman had a list for 1995-96 and yet he left government in 1995 and was not here after April 25, does that mean that all the money for '95-96 had been allocated right at the beginning of 1995?

Mr. Gilleshammer: No, it means when people ask for that information we provide it, and I indicated we would provide the information for the member if it was not available at her caucus room. We can certainly provide that because I know we prepared something for them.

Ms. McGifford: But the question that comes from that for me is, is the money then allocated at several times throughout the year or are there competitions or is it ad hoc, as an application comes in and until all the money is gone, or what is the process? I am interested in that.

* (0920)

Mr. Gilleshammer: Over the last number of years we have followed two processes. There was a time when we had a spring and fall intake and award. The last two or three years we have indicated on our application that there would be one deadline and, because the program is smaller now, we have attempted to make those decisions for what we call the construction season. We are well aware that many of these projects, it is desirable if they go forward during what is called construction season. So I think last year we made one award towards the end of June, early July, and we are going to attempt to do that again this year.

Ms. McGifford: When the minister says one award, I understand him to mean a batch of awards to several different—

Mr. Gilleshammer: On the application for Community Places we indicate there is a deadline for applications, and that deadline has now passed. I do not see it, but I think it was sometime in May—May 17—and as soon as the staff are able to get out and work with the groups and look at the projects they will be coming forward with recommendations, and I would hope that we would make those decisions sometime this month so that we can hit construction season.

Ms. McGifford: So then, I understand the minister to have said that awards are granted twice yearly, in June and—I am interested then, when would the other set of grants be made, and is there a different deadline? I am asking this actually from a constituency point of view.

Mr. Gilleshammer: Let me clarify. There was a time in previous years where we had two intakes and two

awards, a spring and a fall. This year we are going to have one intake and one award period, so that we have indicated that the deadline was May 17 for the application deadlines, and we will be making our decisions hopefully before the end of June and communicating with all the applicants whether they are successful or unsuccessful.

Ms. McGifford: I wanted to ask the minister, and he may not want to or be in a position to answer this question, if he feels there is a commitment on the part of his government to continuing the Community Places Program.

Mr. Gilleshammer: Well, we have a commitment to it, and we did continue it. Budgets tend to be struck on a year-to-year basis, and if the member is asking me whether we are going to be sitting here governing this province in the year 2010, whether there will still be a Community Places Program, I do not know, but in my meetings with groups like the Union of Manitoba Municipalities and the MAUM group, recreational groups, and it really comes up a lot at our recreation conference, it has been a popular program to do playgrounds, hockey rinks, baseball fields, play structures across the province.

I guess, as we look at the priorities of government, we will do our very best to continue the program, but, as the member is well aware, the federal government is reducing the amount of transfer payments to Manitoba by \$220 million. We have always said our priorities in government are health and family services, education services to people. Having said that, we have been very pleased to be able to maintain a very, very strong program within Culture, Heritage and Citizenship on so many fronts.

I read articles in the newspaper and talk to individuals who have been at national meetings where other levels of government, other provincial governments are very much devastating culture, heritage programs, and I think that Manitobans have been pleased that while we certainly are spending less money in this department than a few years ago, we have been able to basically maintain our programming.

I know that the member indicated to me in Question Period that she had read this wonderful article from The

Globe and Mail about maintaining programs. I also saw an article in a very recent edition of Maclean's magazine, which talked about, I think I have it here with me, and I might be able to share it with the member later, the decrease in funding for the arts in many areas of Canada. Basically, we have a pretty happy client group out there in that we have shown, I think, a pretty balanced approach in terms of the amount of funding that we provide.

I might just say that our intention as a department is certainly to go ahead with the request to continue the Community Places Program on into the future. Given the support that we have had from other levels of government, it continues to be a program where we can partner with municipalities and community groups to do some good work out there.

Ms. McGifford: I am pleased to hear that there is at least a short-term commitment to the Community Places Program, and I am very proud of my party for having initiated the Community Places Program. I think it makes clearly valuable contributions to Manitoba and recognizes the holistic model that providing facilities for people to play hockey or curling as well as daycares, play structures. It is really a part of the whole community. I have no more questions on this line.

Mr. Chairperson: Item 14.6. Expenditures Related to Capital - Grant Assistance (c) Community Places Program \$2,600,000—pass.

Resolution 14.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,223,000 for Culture, Heritage and Citizenship, Expenditures Related to Capital - Grant Assistance, for the fiscal year ending the 31st day of March, 1997.

What is the will of the committee? We have items 14.1, 14.2 and 14.3 that have yet to be completed. What is the will of the committee? Do you have any particular section that you wish to deal with?

Ms. McGifford: I would like to start with 14.1 if that agrees with the minister but, before that, I wonder if I could ask a couple of questions about one of the acts for which the minister is responsible?

Mr. Gilleshammer: Yes.

Ms. McGifford: I wanted to ask the minister about The Freedom of Information Act. I would like to ask him when it was last reviewed and how often it is reviewed.

Mr. Gilleshammer: Well, it is being reviewed right now, and we have indicated to the public of Manitoba by a press conference I did a few weeks ago that we are entering into a consultation period to replace The Freedom of Information Act with a unitary act that deals both with freedom of information and privacy. In fact, I spent a good part of the previous hour from eight o'clock to nine o'clock this morning signing letters going out to community groups indicating our consultation process and urging them to become involved.

The reason we are doing this is that there are areas of the current legislation that was passed in 1985 that the department feels we need to change. There was some consultation in 1993-94 where I think four or five individuals from the community presented. We have indicated, I think, during the month of May that we will be bringing in legislation next spring for a unitary act dealing both with freedom of information and privacy. We are looking at acts that have been proclaimed in Alberta and British Columbia in 1995, which, I guess, are the state of the art in terms of what governments are doing in Canada.

* (0930)

The province, of course, at the present time does not have that privacy legislation, and we feel these two issues, these two areas, can be combined in a unitary act. I would think that, while our consultation period has started now and will continue into the fall, we have every expectation that in about 10 or 11 months we will be able to introduce for first reading a new act within the Legislature of Manitoba.

Mr. Chairperson: Before I recognize the honourable member for Osborne, I just want to verify for the committee we are on 14.1(b) Executive Support (1) Salaries and Employee Benefits \$420,700.

Ms. McGifford: Mr. Chair, I want to thank the minister for bringing up the discussion paper Access to Information and Privacy Protection because I did want to ask a couple of questions about that. The questions I did want to ask first were about The Freedom of Information

Act, and I do understand having read the discussion paper what the plans are.

I want to quote from a letter that was copied to me and sent to the minister from a gentleman named Rod Lauder, in which he says: I was one of a number of witnesses at the last meeting of the committee on June 22, 1993, that being the standing committee. I recall being frustrated at that time that Section 56 of the act had essentially been ignored. That section states: "Within 3 years after the coming into force of this section, such committee of the assembly as the assembly may designate or establish for the purpose shall undertake a comprehensive review of the operation of this Act and shall, within 1 year after the review is undertaken or within such further time as the assembly may allow, submit to the assembly a report on the operation of this Act, including any amendments to the Act which the committee recommends."

The act was assented to July 11, 1985, and came into force September 30, 1988. One might argue that the letter of the clause has not been broken, but the intent or spirit certainly has. He goes on to say: Encouraged that the act was receiving the attention it deserved, I trusted that the process outlined by Mrs. Mitchelson, the minister responsible in 1993, would be followed. According to Mrs. Mitchelson, the staff responsible for the act were to write a report as a result of the committee hearings by December 30, 1993. The committee was to reconvene, consider the report, and, if desired, recommend amendments to the legislation. The staff in public archives who were responsible for the act submitted their report before December 30, 1993. Sadly, here we are two years later and the committee has yet to reconvene.

I am understanding the minister to say that the committee has reconvened, but I am interested in the report. Was a report written and did the committee receive the report? Did it consider any amendments? Is the whole thing now going to be abandoned now that the minister is proposing a new way of dealing with these issues?

Mr. Gilleshammer: I recall the letter from Mr. Lauder, and I have met with him within the last number of months to discuss the direction we are going. What has happened, I think, is that events have overtaken the process that was embarked upon at that time with the more pressing need to have privacy legislation. We have

had considerable discussion within the department with senior staff and others about the act, whether you take an act that was passed in 1985 and try and update it and amend it or whether you come in with a new act because the circumstances have changed dramatically. I think The FOI Act has served us reasonably well as the first step towards granting access, but, as I say, the events that have overtaken us is the tremendous importance of the privacy issues.

As we looked at our own act and discussed whether to try and amend it and make it more current was the best way to go or whether we come in with a completely new act, the decision and the advice from staff was certainly to go the other direction and to bring in a brand new piece of legislation that would certainly update what governments want to do in terms of freedom of information and, at the same time, address a much more pressing need to have that privacy legislation.

So we have indicated to Manitobans and anyone interested that we are entering into a new process whereby we will go through hearings and enter into dialogue with any Manitobans. We are sort of targeting our paper to groups we think will be interested in making a presentation on the issue and sharing with them all the work that has been done. It is encompassed in the document which we have given to the public and to groups.

We think we are embarking on a process which is much better than amending and tinkering an act that no longer serves our needs, but bringing in a new statute that will cover both sides of the coin in terms of freedom of information and privacy. We are prepared to hear from any group or individual within the province who may want to have some input into that process.

Ms. McGifford: I am certainly not cheering for the 1985 act, and I certainly respect the judgment of staff who would be much more familiar with its workings than I would be and with its shortcomings, obviously, too.

My concern is with the situation that Mr. Lauder outlined, and that is that a process that was agreed to apparently was not followed. That is my concern here. Having said that, I wonder if I could ask the minister a couple of questions about the access to information and privacy protection and the process for public

consultation. I read that we wish to receive your views, proposals and ideas. If you wish to meet with us directly, please write or call us to set up a time, blah, blah, blah, and then it goes on to say, written comments may be submitted up to October 15, 1996.

I am interested in whether there will be public hearings throughout the province. Will people be going to various parts of Manitoba in order to give a variety of Manitobans, northern, rural, the opportunity to appear publicly and make public presentation?

* (0940)

Mr. Gilleshammer: We are attempting to, at this stage, get that information distributed as widely as possible. If there are requests for meetings, we are going to respond to that. I think the member will recognize that this perhaps is not going to draw as widespread attention as some of the other hearings that we have. I know that I participated in the rural development and agricultural hearings across the province that went to 27 different communities. We want to, at this point in time, make the information available to anybody and everybody and, if we have a tremendous amount of interest coming from one region of the province, we will send staff out there to respond in whatever way is appropriate to be sure that those people are heard.

Of course, what we are also going to do, and it is indicated, is, after we have gathered this information from all of these people, we are going to put out another document called: What You Have Told Us, and again allow people to respond to the information that is compiled in that document, which we hope will be ready in the late fall, early winter, and then, from there, draft the legislation.

Of course, in Manitoba, there always will be public hearings on the legislation after second reading. We are going into what we called a targeted consultation process, and we have tried to identify as many groups as we possibly can. We are sending the information out to a number of education-related organizations, other levels of government, professional groups, service organizations, rights organizations, information management groups, the media, and we are trying to blitz as many of these groups as possible with the basic information so that there is an understanding of what it is we are trying to do here.

Then, when we have compiled this from our targeted consultations either, through meetings or through written submissions, as I indicated earlier, we are going to come up with a document called, What You Have Told Us, and again enter into discussions with any of these groups based on that and, hopefully, be able to share draft legislation with them in the spring before it is tabled in the Legislature, and then debate it here. So we are trying to make our process as inclusive as possible so that Manitobans will have an opportunity to give us their thoughts and information on what we think is going to be, ultimately, a good piece of legislation.

As I have indicated, we have looked at legislation from other jurisdictions. Not all jurisdictions have moved in the area of privacy at this time, but the two most recent ones that are somewhat similar are in British Columbia and Alberta. I think we want to make the principles of that legislation available as well so people will understand what direction we are going and what, ultimately, is going to be the outcome of this consultation process.

Ms. McGifford: I certainly appreciate the complexity of the matter as far as public input and understand that it is not necessarily everybody who would be interested in making presentation, or everybody who would have the understanding that would be necessary to make a presentation. I am sure, too, there is a need for the legislation, and I respect that the minister has cited several other provinces who have recognized this need and gone ahead and drafted the legislation.

But it seems to me the minister is saying two different things, that there is dichotomy here, because on the one hand he said he wanted to make the information available to everyone and everybody and then talked about targeted groups. So there is a difference between everybody and targeted groups. So I am just pointing that out.

I have no more questions.

Mr. Chairperson: Item 14.1.(b)(1) Salaries and Employee Benefits \$420,700—pass; (2) Other Expenditures \$74,200—pass.

14.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,231,300—pass; (2) Other Expenditures \$275,400—pass.

14.1.(d) Manitoba Film Classification Board (1) Salaries and Employee Benefits \$108,000.

Ms. McGifford: In reviewing last year's Estimates book and comparing it to this year's Estimates book, I notice that last year's subappropriation 14.1.(d) was Human Resources Services and its objectives were, quote, to enhance the department's overall ability to deliver programs through effective utilization of its human resources to ensure administration of Civil Service policy regarding employee benefits, documentation and payroll. I wanted to ask the minister what has happened to Human Resources Services.

Mr. Gilleshammer: Just to clarify, we are not talking about the Manitoba Film Classification Board. I thought, Mr. Chairman, that was what you were referring to there.

Mr. Chairperson: Manitoba Film Classification Board (1) Salaries and Employee Benefits \$108,000.

Mr. Gilleshammer: That is not what you are asking about.

Ms. McGifford: What I was saying is in last year, Mr. Chairman, this subappropriation was not the Manitoba Film Classification Board but was Human Resources Services, and I did not see Human Resources Services anywhere else. I wonder what is—have we abandoned it, or what has happened?

Mr. Gilleshammer: I thank you for that clarification. What has happened within government is a number of departments have moved towards sharing Human Resources personnel, and in our particular case we share Human Resources staff with the Department of Justice, so that the Human Resources staff is contained within the Estimates of the Department of Justice. Some of the costs that reflect back to our department are contained in the appropriation 1.(c) Financial and Administrative Services. I might say that, again, this is an attempt by government to use scarce resources as prudently as possible and, at the present time, we are adjusting to sharing even resources staff with another line department.

Ms. McGifford: I thank the minister for that clarification. I remember last year, when we were discussing this line, the minister told me that 67 percent of Culture, Heritage and Citizenship, 60 percent of the

employees were women and that 6 percent were visible minorities, but the department had a target, I believe, of 10 percent as far as aboriginal employees, and I wondered how the target was coming along.

Mr. Gilleshammer: I guess I would point out that the affirmative action targets are government-wide targets and not specific to one department. They are government-wide targets. We continue to work towards that target and as the member recalls, in some areas we exceed the target and in other areas, we have, you know, more work to do.

I know that the member will appreciate that these are targets and you have to take into consideration all of the variables in terms of staffing. I know that there are many, many very competent individuals who hold those positions at the present time, and we are able to work towards those targets as we have people who retire, people who move on to other occupations, people who transfer to other departments.

We are pleased with our ability to move towards those targets in a very proactive way.

Ms. McGifford: I do appreciate the difficulties of filling targets. I know it is not always that simple, but I would like to ask how many aboriginal people work in Culture, Heritage and Citizenship.

Mr. Gilleshammer: I am told there are six individuals.

Ms. McGifford: What percentage would that be of employees?

Mr. Gilleshammer: Well, we have just over 300 employees.

Ms. McGifford: I was just going to say thank you.

Mr. Gilleshammer: You are welcome.

Ms. McGifford: I would like to ask some questions on the Film Classification Board. I am under the impression that the Film Classification Board is exactly in the situation that it was in last year. At least, that is how it appears in the Estimates book. That is as far as budget and staff years are concerned, and that is not an complaint. That is merely an observation. The minister

might remember that last year we did discuss the Film Classification Board quite intensively and I certainly appreciated his willingness to explore the matter.

* (0950)

I noticed that there are 900 video retail outlets licensed. Is that every video outlet in Manitoba?

Mr. Gilleshammer: By law, they are required to be licensed.

Ms. McGifford: It strikes me as strange. I am wondering if it is a rounded-off figure and, again, that would not be a complaint because last year there were 900 video retail outlets, and it is hard to believe that it is exactly the same number so I wonder if it is a rounded number.

Mr. Gilleshammer: I am informed the actual figure on this particular date is 907.

Ms. McGifford: Does the Film Classification Board prepare any monthly reports or other documents in regard to its work?

Mr. Gilleshammer: They have a reporting structure which enables them to indicate their activities up to senior staff within the department.

Ms. McGifford: I wanted to make a comment, and that is that I have had a number of conversations with people from the Film Classification Board, both in regard to videos and films, because from time to time I get people phoning me complaining about videos that their children have brought home and that sort of thing.

I wanted to comment that I have always found my dealings to be very satisfactory, so I wanted to pass that along to the minister.

Mr. Gilleshammer: Well, we get so many compliments in this department for the good work that staff do but we are always prepared to accept another one, and I am sure that staff here at the table will be sure that your remarks will be passed on to not only the appointed members of the Film Classification Board but the three staff who work there.

I know so many in the department like to read Hansard to have an understanding of what the issues are that are raised at Estimates, and I am sure that if they do not see it there, we will have staff pass it on to them.

Mr. Chairperson: Item 14.1. Administration and Finance (d) Manitoba Film Classification Board (1) Salaries and Employee Benefits \$108,000—pass; (2) Other Expenditures \$188,300—pass.

14.2. Culture, Heritage and Recreation Programs (a) Executive Administration (1) Salaries and Employee Benefits \$267,100.

Ms. McGifford: Actually, I wanted to make a comment on 14.2. I note that there are considerable changes in Culture, Heritage and Recreation here in that there is an addition of three lines, Grants to Cultural Organizations, Manitoba Arts Council, and Heritage Grants Advisory Council. Is this because these departments were formerly funded directly by Lotteries and now the money is funnelled through Culture, Heritage and Citizenship?

Mr. Gilleshammer: Our Estimates book in the past was a little bit convoluted in that we attempted to show funding that came from Lotteries and funding that came from general revenues. I know that for years it completely baffled me but the staff understood it. We have now streamlined it, simply to show all of our expenditures without identifying the source of those funds.

Mr. Chairperson: Item 14.2. Culture, Heritage and Recreation Programs (a) Executive Administration (1) Salaries and Employee Benefits \$267,100—pass; (2) Other Expenditures \$71,100—pass.

14.2.(b) Grants to Cultural Organizations.

Ms. McGifford: The questions that I want to ask are grants related to cultural organizations—[interjection] Actually, I am having a hard time hearing myself thinking.

Mr. Chairperson: Order, please. I would like to advise members outside the committee that we would like to maintain some decorum in Room 254 so that the committee can carry out their work.

Ms. McGifford: Thank you, Mr. Chair. I wanted to ask a couple of questions about the major agencies operating grants, and I wonder who the major agencies are.

Mr. Gilleshammer: The agencies that we provide operating grants for under this line are ones which would include the Western Manitoba Centennial Auditorium, The Manitoba Centennial Centre Corporation, the Manitoba Museum of Man and Nature, the CCFM and the Winnipeg Art Gallery.

Ms. McGifford: I want to ask if the minister has the right to appoint members to the boards of those agencies.

Mr. Gilleshammer: To some extent, yes.

Ms. McGifford: Do the number of appointees differ from board to board?

Mr. Gilleshammer: Yes.

Ms. McGifford: I want to ask the minister if it is possible for me to have—actually, I am going to retract that question. I want to ask the minister—

Mr. Gilleshammer: Just for clarification, which question were you retracting?

Ms. McGifford: The one I did not get—

Mr. Gilleshammer: That is what I thought.

Ms. McGifford: The one I did not ask—because I started to ask it. I would like to ask the minister if it is possible for me to get a list of how much money is given from Culture and Heritage to each of these major agencies.

Mr. Gilleshammer: Yes, I can indicate that to the member. The current year figures, the Western Manitoba Centennial Auditorium, it is—can I just round them off—\$60,000; to the Manitoba Centennial Centre Corporation, \$2.1 million; to the Manitoba Museum of Man and Nature, is \$2.4; to CCFM, \$297,000; and the Winnipeg Art Gallery, \$1.9 million.

Ms. McGifford: I wanted to also ask about deficit reduction. Is deficit reduction money set aside to bail out agencies in trouble?

Mr. Gilleshammer: We do have a deficit reduction line which enables us to work in partnership with some of the groups that are referenced in this area and also with community groups who come forward to be of assistance. So we do have a deficit reduction line that gives them that sort of assistance.

Ms. McGifford: Can I ask who was helped last year, 1995-96?

* (1000)

Mr. Gilleshammer: Yes, you can ask that. The Manitoba Association of Community Arts Councils Inc., the Royal Winnipeg Ballet and the West End Cultural Centre. Those three groups participated in the programs that are referenced in that line.

Ms. McGifford: Hospitality Grants, I am not sure what they are.

Mr. Gilleshammer: Hospitality Grants are sums of money that are requested by groups from around the province that often are sponsoring major conferences, as part of their conference would have some form of hospitality that they asked for some assistance on.

Ms. McGifford: Would the minister please give me some examples of groups that have requested and received these grants?

Mr. Gilleshammer: Yes, I can indicate that there were five groups last year that accessed some funds from that line. The Association of Manitoba Museums, Brandon University, the Canadian Ethnic Studies Association, St. Boniface College and the Conseil jeunesse provincial incorporated.

Ms. McGifford: I have basically the same questions of Community Initiatives. What are they intended to do, and who has received monies through this line?

Mr. Gilleshammer: Yes, there is a line there that allows us to deal with community initiatives. Basically, they are initiatives that come up within the budget year. Some of the groups last year that accessed some funding were the Canadian Native Arts Foundation, the Folk Arts Council of Winnipeg, the Manitoba Agricultural

Museum, the Westman Sun Fun Program run by the Brandon Sun and the Winnipeg Symphony Orchestra.

Ms. McGifford: Are there criteria for awarding these monies, or what is the process for obtaining?

Mr. Gilleshammer: The criteria are such that the staff within the department usually bring forward an initiative that has not been budgeted for that we think has some merit, that we would like to assist with.

I will give you an example. In Winnipeg here, historically we have funded a summer camping experience that is sponsored by a group, and I think historically we have given something like \$30,000 or \$35,000.

There is a very similar group that is in Westman that is headed by Brian Marshall, the editor of the Brandon Sun, which is called the Sun Fund, and one year when we did a press release, he phoned and said, listen, you do \$35,000 for Winnipeg kids, disadvantaged kids to send them to camp. We have this fund; we have never had any assistance. We have a number of kids who want to go this year, and because our donations are a little slower, is there any way you can help us? So we were able to get \$5,000 out of this fund and donate to that very worthy cause.

So the parameters are, I guess, reasonably broad. They are initiatives that come forward from individuals or groups and are vetted through the department, and if any of the managers within the department say, this is something that we would like to get involved with, here is an opportunity to perhaps work through the Community Initiatives to try and fund this.

There is often a number of layers that it goes through before it reaches me, and people attempt to present a case, say this is a good activity. I am just trying to remember what the Canadian Native Arts Foundation was, but I believe it was a group that had contracted to have some native art commissioned in conjunction with another project and then found out they were not able to cover the costs of these Manitoba artists and approached the department to say, we have an outstanding bill here to some young native Manitoba artists who were commissioned, and because they did not have a contract, did not understand what the costs were going to be, and we were able to cover it out of that particular fund.

Ms. McGifford: I appreciate that the initiative comes from the community and that a staff member will create a relationship with the initiative or with the group, or whatever, and then bring it forward.

How does someone in the community know where to take their idea? Is there anything public? It is a question of accessibility.

Mr. Gilleshammer: It is not a formalized process because, by far, the activities of the department are well known, but there are occasionally groups, whether in recreation or whether on the art side or a heritage group, that come forward with a good project. Rather than saying no to some that obviously have merit, we are able, within the department, to address some of those sort of in-year issues that come up. It is, again, something that has been part of this department, I guess, for as long as any of these fine staff here can remember, you know, through the '80s and '90s to address in-year issues without saying, I am sorry, you will have to wait or go somewhere else. So it does give a little bit of flexibility within all of the divisions to address some of these needs.

Ms. McGifford: So then the community initiatives program, if I call it a program, is money that is built in order to respond to initiatives that come up, where applications have not been in at certain times or the project has just been a sudden idea and that sort of thing.

Mr. Gilleshammer: Well, most of the hundreds and hundreds of groups that we deal with fall under one part of the department or another. There are always new issues and new ideas that come forward, and it allows us a little bit of flexibility to address some of those needs. Again, sometimes all of that money is not spent, but it is there to allow us some flexibility to deal with emerging issues.

Ms. McGifford: Obviously, flexibility is important, but it is also, I suppose, money that could be—since the process is so informal, it is really important to keep a keen eye on it.

Mr. Gilleshammer: You can rest assured that we will do that.

Mr. Chairperson: Item 14.2.(b) Grants to Cultural Organizations \$7,316,900—pass.

14.2.(c) Manitoba Arts Council \$6,767,300.

Ms. McGifford: I do not have a question. I do have comments. I had the pleasure of visiting with the Manitoba Arts Council, visiting the facility and meeting with the chair and with the director, and I was extremely impressed by the work they are doing. The facility is absolutely stunning, of course. I thoroughly enjoyed visiting with them. I am very happy with the publication they send out, and I just want to take this opportunity to congratulate them on their work.

Mr. Gilleshammer: Again, you can be sure that your kind words will be passed on to Ms. Christianson and the director and the staff at the Arts Council because we, too, are very pleased and proud of the work that they do for Manitoba.

Mr. Chairperson: Item 14.2.(c) Manitoba Arts Council \$6,767,300—pass; (d) Heritage Grants Advisory Council \$578,200.

* (1010)

Ms. McGifford: I understand that the Heritage Grants Advisory Council is an arm's-length funding agency, and I am wondering what the working definition of the term "heritage" is.

Mr. Gilleshammer: We tend to use the traditional definition of "heritage," which encompasses things such as the awareness of heritage activities and events that are part of our province. We include very much community-based groups that come forward representing the museum community or historical societies in groups. This particular group always seeks to identify initiatives which will preserve and enhance and educate at the same time.

Ms. McGifford: So the key words are preserve, enhance and educate?

Mr. Gilleshammer: Those were the key words that came to mind a few minutes ago.

Ms. McGifford: I would like to ask some questions about the council, and I am wondering how appointments are made to the council.

Mr. Gilleshammer: The heritage community makes recommendations to government of the people that have an interest in the history and heritage of our province, and then the minister responsible takes those names forward for government approval.

Ms. McGifford: Does the current council reflect the cultural diversity and geographical areas of the province?

Mr. Gilleshammer: I just maybe should clarify which group we are talking about. We have the Manitoba Heritage Council and we also have what we call the Heritage Grants Advisory Council, and in both cases, the answer I indicated to you applies.

Ms. McGifford: I was talking about the Heritage Grants Advisory Council. I am interested in the number of grants requested as opposed to the number of grants received and, also, is there room for appeals?

Mr. Gilleshammer: Yes, there is an appeal process. The appeal process is external to the council, so it is not the same people that are hearing the appeal that made the original decision. For 1995-96, there were 125 applications and 64 of those were approved.

Ms. McGifford: Can I ask, please, how many appeals there were?

Mr. Gilleshammer: We do not have that information here but I know we can get it. I know that there were a couple because we had to set up an appeal board to hear them. I think there were many two, I am told maybe two or three.

Ms. McGifford: I am interested not only in the number of appeals but whether the appeals were successful, so perhaps I could get both those pieces of information at the same time.

Mr. Gilleshammer: Well, I would indicate that the number of appeals are not many, two or three. I know of one of those that was successful and I am not sure of the others, but we can get you more information on that.

Ms. McGifford: Do applicants understand that they have the right to appeal? Is that apparent in the application?

Mr. Gilleshammer: It is contained both in the application and in the correspondence which announces the decision.

Ms. McGifford: I am wondering if there is any kind of pattern in grant applications. Is it usually for the restoration of buildings or museums or what—I wonder if the minister could provide some information about what money is generally applied to do. That does not make—

Mr. Gilleshammer: Well, certainly a lot of it is for heritage buildings. Some of them are public buildings, some are privately owned, and the Heritage Grants people spend a lot of time in evaluating the type of project that is being applied for.

Just some more detailed information about the 1995 grants application. I am told that there were 55 that were requested for conservation issues. Of those 55, 35 of them were approved. In the category of exhibitions, programming and equipment, there were 72 that were requested and 29 that were approved. In the area of publications, research and collections management, there were 77 requested and 33 that were approved.

So it spans a gamut from museums—and I know the Museum of Man and Nature and the university community often have applications in. There are also in rural Manitoba various councils and museums that make application for any of those particular categories.

Ms. McGifford: I notice that the Grant Assistance line is also down by \$100,000, and surely that will have an impact on the community. It is roughly a 16 percent decrease in heritage grants and it seems to me that this does not augur well for the heritage community, but then again, that is a comment rather than a question, but perhaps the minister would like to respond.

Mr. Gilleshammer: Yes, I would respond in that there was \$100,000 cash taken out that shows up there, but we added the ability to recoup that through the Lotteries distribution by having community-based groups do bingos to secure their funding. So in terms of the amount of dollars available, it is a similar amount.

Ms. McGifford: Actually, I think the member for Flin Flon wants to ask the minister a few questions, if that is agreeable.

Mr. Gilleshammer: Absolutely.

Mr. Gerard Jennissen (Flin Flon): I do not have a great number of questions to ask but a lot of this is—

Mr. Chairperson: The honourable member for Flin Flon, please bring your mike forward there so that we can pick up. Thank you.

* (1020)

Mr. Jennissen: I have a letter from Greenstone Community Futures Development Corporation dated October 11, 1995, and I am sure that some of the questions that are being asked in this letter may well have been addressed or answered since then, but I will just quote a few things from it:

On October 10, 1995, I received this year's list of successful grant applicants that were submitted to the HGAC. Interestingly, North of 53 received only three grants out of 92 grants. Even more interesting is the fact that not one northerner sits on this council.

I would like the minister to comment on that. I think things may have improved since then, but I am not sure.

Mr. Gilleshammer: I can indicate to you who sits on the Heritage Grants Advisory Council. The chair is Philip Mailhot, Elaine Elliott, Jodie Eskritt, Donna Gurr, Zenon Hluszok, Brian McKillop, Sam Andrew, Mary Bole, Jodi Cassidy, Joyce Coulson, Alex Krawec and Peter Priess. What we have done with appointing members to this particular committee is basically ask the community to bring us names of people who would represent, and, in fact, some of it may be in legislation, but we do have representation from the museum community, we do have representation from heritage groups and from the universities.

I will tell you, this is always a struggle, and, if the member has names of people whom he would like to put forward as potential candidates for the Heritage Grants Advisory Council, I would be very pleased to receive them because I know in so many of our groups where there is not any remuneration and where the community is very, very small in terms of the pool of people who want to serve, we are always looking for individuals who would be interested in serving on them.

As far as the HGAC funding by region, there again we have regional offices representing Eastman, Interlake, Central, Parkland, Norman and Westman, as well as Winnipeg. I would say the majority of our funding is done in Winnipeg because of the major museums here and some of the work that is done but in a way that is misleading too because I know some of the funding goes to university-based people who do their research either at Churchill or some of the projects that are in the North. So without going through each and every project it is difficult to say, and because some of these people are specialists in terms of archaeologists who tend to be related to the university, their work can be done anywhere within the province.

But again, if there are particular projects the member wants to ask about I can certainly pass them on to the department, and if there are members who are interested in heritage issues, we are always looking for additional people to help with these activities.

Mr. Jennissen: I will look forward to suggesting some names then.

Another concern that has arisen, and again it comes from Greenstone, was that Dr. Philip Mailhot did send a letter to various people in the heritage community, and he wanted to update or improve the current guidelines I presume for how these grants are dispersed. But the letter from Dr. Mailhot is dated October 1995, with no precise date, so I do not know when our people got this in Flin Flon or in other places, and Dr. Mailhot suggests, can you please provide us with your comments on the attached form and return to us by October 31, 1995. We felt that is not leaving us very much time to get our people organized and do something meaningful. By the time we get organized, it is much past this date.

I know it is no reflection on the minister or his staff but just a comment to give us a little more lead time up north?

Mr. Gilleshammer: I know I have met Dr. Mailhot who is with the St. Boniface Museum and formerly the chair of the Association of Manitoba Museums, and I know that he is very interested in getting feedback at any time, so if there is information on that form, or any other, I am sure that he would be happy to receive it. If you want to leave it with myself or staff we will be sure that any

information is brought to his attention. Again, I emphasize the gratitude I think government has towards people who assist in this area because it is a small pool, and they have their own institutions, their own interests and their own work to do and volunteer to assist with the heritage community.

They are very receptive to new ideas and any information that you have that you would like passed on, we will be sure that Dr. Mailhot gets it.

Mr. Jennissen: With regard to the members appointed to the board in July 1995, once again, I do not want to belabour the point about not reflecting regions, but I do notice that there are three Winnipeg members and a Selkirk member, so the capital region is well represented. The one in Brandon, that is another fairly large town or city in Manitoba and Selkirk, but that group of people plus the other ones mentioned do not reflect central or northern Manitoba. I think that is a serious omission, and I believe that we have to do something to address that soon.

Mr. Gilleshammer: Well, as I have indicated, if the member wants to submit some names, we would be pleased to have them participate. I know that I have attended the museum at Churchill and the one at The Pas, which was closed for a number of years but is now operating, and I know that we have used some of the expertise that is made available to us through those institutions to help us formulate policy within the department. By all means, if there are people who would like to be considered for any of these heritage boards, I would be pleased to receive them.

Mr. Jennissen: As well, Mr. Minister, we would hope that grants, as much as possible, the amounts of the grants, reflect the population of the regions because of the 92 grants of which I have information, I believe that was 1995-96, for a total of approximately \$600,000. Only three grants did go north of 53 for, I think, under \$40,000.

We look at Steinbach receiving four grants, Dugald receiving five grants, and it gets our people somewhat upset because there seems to be a heavy bias in favour of the south, perhaps not a deliberate bias. I notice that when \$17,000 goes to northern Manitoba, that is approximately around 2.5 percent of the total.

Mr. Gilleshammer: Well, as your honourable colleague indicated at the outset, this is an arm's-length group who volunteer their time to assist government and assist the province to make these decisions. We will pass your comments on to them and be sure that they are aware of your concerns.

Mr. Jennissen: I thank the minister, and back to my honourable colleague from Osborne.

Mr. Chairperson: Item 14.2. Culture, Heritage and Recreation Programs (d) Heritage Grants Advisory Council \$578,200—pass.

14.2.(e) Arts Branch (1) Salaries and Employee Benefits \$471,700—pass; (2) Other Expenditures \$131,200—pass; (3) Grant Assistance \$4,063,600.

Ms. McGifford: I have sort of lost track. So we have moved on to Arts?

Mr. Chairperson: Number 14.2.(e) Arts Branch (1) Salaries and Employee Benefits; (2) Other Expenditures; (3) Grant Assistance \$4,063,600. That is the line that we are on presently.

Ms. McGifford: Yes, I have some questions.

Last year, when we were discussing the Arts Branch, I spent most of my time talking about publishing. So I want to ask some different questions.

First of all, I wanted to make reference to the DeFehr Report, which we also talked about last year. As the minister knows, this is a Report of the Arts and Policy Review Committee of 1990. Last year, I asked about the DeFehr report's recommendation that an art act be legislated, and the art act would recognize the complexity and maturity of the relationship between government and the arts community.

There would be two basic aspects and purposes to the recommended act: (a) The minister responsible for the act would be in a position to be an advocate on behalf of arts among other government departments and agencies, and, as well, it would provide the minister with an opportunity to present an annual report on the arts in Manitoba, which would seem to me to be of great benefit

both within the Manitoba community and outside of the community.

* (1030)

Art is important, I think, to several government departments. Many departments are helped and influenced by art. I am thinking of Education. Art and culture, of course, would be very important for Industry, Trade and Tourism, economic development. An art act would give the minister a golden opportunity to advocate for art and see that art fulfills its role in the province.

He would also give artists the recognition and respect that they deserve, but some feel that they are being denied. Clearly, artists in our province are earning their keep. I know that the minister agrees with me that art is very important to the economics of our province because he told me so last year—[interjection] Well, we are in agreement.

I want to ask the minister again. I know that he told me last year that 30 out of 40 of the DeFehr recommendations had been filled, but I want to ask him whether he does plan to introduce an art act. Of course, the reason I am bringing it up is because I think it would be very important, it would cost no money to do so. It would only add to artistic endeavour in the province and perhaps economic development. Certainly, as I was saying a couple of minutes ago, to the way artists may perceive themselves to be appreciated or nonappreciated by the community.

Mr. Gilleshammer: Well, I again want to thank my honourable friend for her comments. Certainly, I have never felt that I needed to wait for an act to advocate for the arts. I think the relationship between our government, our department and the arts community is an extremely positive one, recognize many of the comments the member made about the economic activity that occurs through the arts and through the work done by our department.

We continue to work on initiatives that were part of the DeFehr report, and I am very pleased that we have been able to achieve as many of the recommendations as we have to date. I am very proud that we have been able to maintain our funding, not only for artists and publishers

but many of the performing arts within the province. We will continue to build on that positive relationship.

I think the spirit of the review that was done is being matched and implemented, and we will continue to work towards as many of the recommendations as are achievable.

Ms. McGifford: I am sure the minister does advocate for art and that he does not need an act to do so because I also advocate for art and I do not have an act either. The point with the act is that it would be a public and official acknowledgement of art and the artist.

I think it is something that, from my calls in the community, from what I have heard, artists would value. It would help them to feel appreciated and respected. I am sure the minister knows, as I do, that many artists struggle from day to day and give up many of the luxuries in life in pursuit of their art, and this would be small compensation so it would seem to me.

Mr. Gilleshammer: I am pleased that the member is such a supporter of the arts. I know within my caucus, both the previous minister and I have done our missionary work, and we have so many colleagues who attend events now, many of them looking forward to the jazz festival, attending the ballet, going to the studios around the city and around the province. I know there is a wonderful community in southwestern Manitoba that has their art displayed all over the walls of the community, just a wonderful way of promoting artists and tourism and raising the profile of art within Manitoba.

I am very pleased that within our caucus, I think all of my colleagues try and attend as many art events as they can and get an appreciation for art in Manitoba. I know my honourable friend does the same within her caucus, and we always look forward to seeing her colleagues supporting these events and coming to different activities. I know a lot of them are busy and it is very difficult, but that is part of, I think, the awareness that we try and raise throughout the province.

The issue of the act is one that is under review within the department and within governments across Canada. At the present time, there is a federal act and I believe the Province of Quebec have put forward an act of a sort, I am told. All other provinces have sort of pulled back and

are reviewing whether that is the best way to deal with the promotion and the sustainability of the arts.

Probably the document that is most important for the preservation of the arts is our budget document. Our budget in Manitoba is outstanding in so many ways. It is balanced; it has a plan to pay down the debt. I was just thrilled that a former member, Jerry Storie, was praising the balanced budget and lecturing the current Leader of the national party and the provincial party that balanced budgets are not all bad and that all parties have to support them and get on with the realities of the '90s. Our provincial budget has been very consistent in maintaining the support for publishing, for arts groups, for our professional performers and all of the granting done by the Manitoba Arts Council. I think the reality of the arts in Manitoba is best served by the fact that we have been able to maintain that support within the current budget and hope to continue to be able to do that on into the future.

Ms. McGifford: As a New Democrat I, of course, would never underestimate the importance of money and budgets, so I am pleased to see that the government has done very well in maintaining its support to the arts.

I wanted to ask some questions about Grant Assistance in the Arts Branch. Just to pick out a couple so we do not go through each and every one of the lines, I am not sure about what Arts Development Project Support is. I wonder if I could have some details, please.

Mr. Gilleshammer: I can indicate to my honourable friend that the arts development project support is assistance that is given to nonprofit, community-based organizations with individual art skills development or audience development projects and also remote art projects as a component of that. It is designed to give grants to different groups throughout the province to help promote the arts, maybe best explained by giving a number of examples from across the province.

I believe our budget line there is just over \$200,000. This goes to support groups like Mosaic Massey in Brandon; the National Ukrainian Festival in Dauphin; the Brandon Folk Music and Art Society; the Summer Theatre School Manitoba; the Winnipeg Music Competition Festival; the Tri-Lake Concert Association; the Manitoba Holiday Festival of the Arts, which I know is in Neepawa; and

just a whole variety of groups like the Highland Dancers Association that some of our members are familiar with. These are groups right across the province and come under this Arts Development program.

* (1040)

Ms. McGifford: I believe the minister cited the figure 209.4 and it was actually—this line is 140. Perhaps he inadvertently looked at the wrong—

Mr. Gilleshammer: Well, my staff are busy giving me so much information here of all these wonderful programs, and I know we do not want to miss any of them. We can maybe clarify that in some cases where the grants were made the previous year, we are trying to give you a picture of that and others are in reference to the current year.

Ms. McGifford: I wanted to also ask about Arts and Crafts Marketing. Could I have some details about grant assistance to Arts and Crafts Marketing?

Mr. Gilleshammer: Last year, in response to the community, we put out a publication for the first time which was intended to allow Manitoba artists and crafts people to indicate within this little booklet the product that they were producing and the location where their product could be accessed. We were I think partially successful in attracting the attention of artists and crafts people across the province.

Our idea was to help them market their product, help them to raise the awareness of what they were doing and make the booklet available along with other tourism promotion material that one might access at tourist booths and at border locations.

It was not as successful as I had hoped it would be. There were people who missed the deadline even though we extended it, others who opted not to participate even though there was no cost to the individual. We are assessing that at the present time and perhaps we will make a renewed effort to do that at another time.

Ms. McGifford: Is the minister aware that the Crafts Guild of Manitoba, 183 Kennedy, is selling its property and its building, that it is, I guess the vernacular is belly-up.

Mr. Gilleshammer: I am not aware of their situation.

Ms. McGifford: In other words, this group has never made any request for funding through grant assistance.

Mr. Gilleshammer: I am told that they have not.

Ms. McGifford: Thank you. I had not understood that they had either. It just crossed my desk and I wondered about it.

I know that the minister has introduced Bill 71, The Manitoba Film and Sound Recording Development Corporation Act and that the purpose of this bill as I understand is to create an arm's-length agency and that this was done after undertaking extensive consultations with the community.

I wonder if the minister could tell me when these consultations took place, tell me a little bit about the process, because I only heard about it after the whole thing was over.

Mr. Gilleshammer: Well, I can tell you that this is an issue that has been discussed within the community, probably for three or four years, as Manitoba Film and Sound as an industry is experiencing tremendous success and a certain amount of growth, and we have a funding relationship with the Cultural Industries Development Organization that has been there for a number of years. The concern that has been expressed by many is that our relationship with that group was too informal in that our grant assistance to them was direct and that there was not a community-based or industry-based board in place to be part of the decision making and part of the accountability of the funding that went out in that direction.

Many people within the industry, whether it is the film community or whether it is the sound community, have been asking that we put in place a more formalized structure to deal with the funding that government has given them on an annual basis. In responding to that request from the community, we have looked at other legislation and we also had an individual do consultation with the groups that have been proposing this and brought back some recommendations of how we go about creating an act. While this work has been going on for three or four years, the consultation process was basically done in the late winter and early spring of this year. We

have used that consultation document to draft the legislation and then shared it with a number of people in the community to see if that is in fact what they want and have recently presented the bill to the House and certainly look forward to the member's comments and support on that bill, because the community, it seems to me, has been asking for this and is pleased with the direction that we are going.

Ms. McGifford: Could the minister tell me, please, who was the consultant?

Mr. Gilleshammer: Yes, an individual by the name of Cam Mackie.

Ms. McGifford: Is Cam Mackie from a particular consulting firm?

Mr. Gilleshammer: Yes.

Ms. McGifford: Could the minister tell me the name of the firm, please?

Mr. Gilleshammer: The firm is KPMG.

Ms. McGifford: Thank you. The minister told me basically the time frame in which the consultations took place and has told me the name of the consultant. I wonder where the consultations took place. Again, I am wondering whether they were throughout the province, basically in Winnipeg, were they public presentations, were there written presentations, a combination of both?

Mr. Gilleshammer: Well, it was a combination of many things. A lot of the film and sound industry is located in Winnipeg and we relied on recommendations from them about anyone who should be included within the consultation process. There were some written recommendations I think sent to the consultant. There were also many meetings that were held and we, again, tried to be as inclusive as possible in getting the views of the public.

The department has also been working, as I indicated, for three or four years on this, trying to be aware of what was happening in other jurisdictions and trying to be as responsive to the film and sound industry within the province and I know personally have met with a number of people who are involved in this industry.

I think this is certainly the direction the industry wanted us to go. The recommendations and the document have been well received and, again, any Manitobans who want to have an opportunity to examine the bill and make their comments known will have that opportunity in the fall when second reading has been completed and we are in the committee stage.

Ms. McGifford: Thank you. Will the Manitoba Film and Sound Recording Development Corporation then be similar to the Manitoba Arts Council as far as its way of granting or as far as its being a peer group? Could the minister comment, please?

Mr. Gilleshammer: There will be some similarities. The Arts Council, of course, has a much broader mandate across the province. The film and sound industry is a more condensed industry, and I would hope that we will be able to build on the tremendous success that CIDO has enjoyed over the last few years. Our intention is to not detract from the work that the cultural industries have been doing under the leadership of Carol Vivier and try to simply build on the work that they have done and put in place a board which will provide that accountability. I know in my meetings with individuals involved with both film and sound, they have indicated that this is the direction that they want to go, and they are asking that we put in place a board which will bring a variety of expertise to the table to manage this corporation.

* (1050)

Ms. McGifford: So the Manitoba Film and Sound Recording Development Corporation, will it replace CIDO?

Mr. Gilleshammer: I guess it is not going to replace CIDO. It is going to allow CIDO to merge with this new board. Again, we are very proud and very pleased with the work that CIDO has done, but it will be the board that manages the activities that CIDO currently is involved in.

Ms. McGifford: Just one final comment, I was disturbed to find out about this whole process quite inadvertently when I saw an ad in the Sun one day for a sound recording officer and began to wonder about it and learnt about the whole process of the consultations and whatnot quite inadvertently. I found it particularly

disturbing since I had a briefing session in the minister's office involving the minister, his special assistant, the deputy minister, the assistant deputy minister, director from Community Places, the head of the Arts Branch.

In this briefing session nobody—and I know the head of the Arts Branch was present and she talked extensively and she had a written presentation—but no one mentioned the consultations which seem to me to be kind of an important part of what was happening.

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

Mr. Gilleshammer: I regret that the member is disturbed, but the first part of your comments was that there was an ad in the paper for a staffperson. That is normal business for CIDO, that there was somebody who left the employ of CIDO, and they follow the natural process. When they want to hire somebody, they put an ad in the paper and will I am sure go through the normal procedure of replacing the person who left.

In the short time that we had with my staff in trying to bring the member up to speed, I am sure there are many things we were not able to cover. I know I was just there for half an hour and the meeting maybe lasted an hour. This is a very complex department that does a wide variety of things and we will certainly endeavour to provide as much information either through questions in Question Period, which we would be pleased to take, or through this Estimates process that we have finally arrived at on the last day of the session.

Our intention would be to be as inclusive as possible. This act and this legislation, this bill is a very positive step, and I know that it was widely discussed and known throughout the film and sound community. Again, I would just urge the member and her colleagues to be tuned in as best you can to the activities that are going on out there. We will certainly endeavour—and I know that senior staff here will feel bad that they were not able to cover that issue when the member was in for a briefing, but it is something that we will endeavour to do in the future to be sure that everyone knows about it.

Ms. McGifford: I appreciate of course that the advertisement for a staffperson would appear in the newspaper. I was not questioning that that should be the process. My problem was, I learnt only inadvertently

when I saw this and said to myself, what is this, and began tracking it down and actually talked to a few people in the community who told me about the process which I had not heard of. So I would have preferred to learn in the briefing session, and that was the reason for my comment.

Mr. Gilleshammer: The CIDO organization has been around for a long time and their activities are well known in the film and sound community. Again, I suspect, this will be a good lesson for my senior staff. There may be other things we did not tell you that day that we might want to share with you. I know my deputy and others will go back to the department and just perhaps see if there is more information that would be important for the member to know, and we would be pleased to provide that.

CIDO is an organization that I am sure Carol Vivier, who is the executive director, would be pleased to meet with you and explain their activities.

Another thing that I neglected to tell the member is that they have got a group in from California right now. It is called a producers tour. They held a forum at the Hotel Fort Garry the other night with many of the people who are associated with the film community and had an opportunity to add their input.

We are, of course, very excited that Kim Johnston, one of our leading members of our film community, is embarking on a new movie being filmed here in Winnipeg with Dan Ackroyd. I know from talking to him recently, he would welcome the member to the set to get a first-hand view of how filming is done. I would urge you to perhaps talk to the people at Credo, who have done a number of movies. In fact, they even look for ordinary Manitobans to do walk-on, extras, shots in their movies.

I know in the community of Gimli, that I visited last night, there were many in the community that had an opportunity to participate in this activity and, you know, it is a real exciting place to be.

* (1100)

We are again pleased that we have been able to maintain our funding for this industry. Of course,

Manitoba has just produced so many talented people in the arts community, and it just makes one very proud of the work that the Department of Culture, Heritage and Citizenship—I know the member has been kind of hard on the staff here today, but I want to tell you that they do a wonderful job.

I know when they read Hansard, they will, you know, certainly take some of the direction the member has suggested, but I guess I want to defend them a little bit too because they, maybe more than many departments in government, have a very close working relationship with the arts community, with the culture community. I know, attending recent events at the ballet and symphony and other community events, I see many of the staff attending there regularly, meeting with them, solving problems, giving direction and, even though they are not perfect, they I think do a tremendous job in the liaison with the community groups.

CIDO is just one example of that, where other jurisdictions, I think, are withdrawing their funding, Alberta being the most recent. While we sort of feel bad that perhaps people within that industry in that province are going to cut back on their activities, Manitoba is seen as a place where it is a friendly place to do business. The film and sound community, I am sure, is going to continue to grow, and individual artists and producers, directors are seeing this as a good place to do business.

The producers tour that I just spoke of, which wraps up today, was an opportunity for the department and CIDO to show many of these producers the places within Manitoba where they might like to do a film.

I am pleased that, for instance, the City of Winnipeg has recognized this as a potential growth industry and have appointed a film commissioner to assist with the filming and other activities within the city of Winnipeg. Of course, this goes back a couple of years where a major film would have been shot here that would take advantage of some of the areas of the city that film producers were very interested in and, unfortunately, were not able to use because of a decision that was made.

I think there is a much warmer climate now for this industry to do business, and we have, I understand, two full crews in Manitoba now and probably even room for a third crew because of the activity that is going on in

terms of filming movies and television productions. I know from the meeting the other night with representatives from the industry, people are very pleased and proud with the direction this is taking. I can tell you that the act is going to allow us to put in place a board that is going to continue on with these activities. Our relationship with that community is a very, very positive one.

The Acting Chairperson (Mr. Tweed): Line 14.2.(e)(3) Grant Assistance \$4,063,600—pass.

14.2.(f) Public Library Services (1) Salaries and Employee Benefits.

Ms. McGifford: I have some questions about Public Library Services. As the minister knows, New Democrats hold library services dear. We believe in the power of the word, and we believe in accessibility to library services.

I wanted to ask the minister if his government is committed to accessible, free, and that is, neither user fees nor membership fee library services for Manitobans.

Mr. Gilleshammer: We are committed to libraries in Manitoba, and I am very proud to have been at the opening of three new libraries within the last short period of time, the most recent one being in the town of Neepawa. I would urge the member, if she is ever able to get outside the Perimeter Highway and do a little travelling in this beautiful province of ours, to stop in Neepawa, maybe take in the Holiday Festival of the Arts, which brings many dedicated writers and artists out to rural Manitoba to have a chance to see Margaret Laurence House and some of the other things there, but to visit the library. This is just a beautiful new library that has opened. We were pleased to have staff from the Public Library Services branch in Brandon. That was one of our groups that were decentralized there a few years ago, another wonderful initiative that probably we do not need to talk about here.

We have a group of 22 or 23 employees in Brandon who provide expertise and direction to some 48 libraries in rural Manitoba. Again, Neepawa is the most recent one that has been brought on stream. I am pleased to, not only have those partnerships with the towns, villages and municipalities, but also to have, over the last couple of

years, increased the funding. Again, I hate to be talking about money, but I guess this is what budgets are all about. When the advisory board brought forward recommendations a few years ago, we were able to increase the funding for rural libraries by 50 percent. That was an additional \$1 million that was put into the libraries. I do not think there is anything that would speak stronger about our commitment than putting the financial resources in place.

Working with municipal governments, I am pleased that many of those municipalities are putting more of their resources into the libraries, as well. Even though that forces us to match them, we think it is a tremendous investment in Manitoba.

I sense, as I travel around the province to places like Stonewall, Neepawa and Ste. Anne, where they have new facilities, that rural councils are seeing the wisdom of adding additional municipal tax dollars to the library system and truly see this as an investment in their community and in the young people of their community.

We have also been able to, through the Community Services Council, put additional resources over and above that million dollars into the automation of our libraries. I would think almost three-quarters of our rural libraries are well on their way to becoming completely automated in accessing information from almost anywhere in the world. Here in the city of Winnipeg, our financial commitment has remained rock solid. We continue to flow, on an agreement basis, almost \$2 million to the City of Winnipeg and their library system. Again, nothing speaks louder about our commitment than the funding that we have been able to put in place for libraries.

Ms. McGifford: The minister seems to take an inordinate interest in my travel plans. He did last year, and I notice he is doing the same again this year. Just to assure him, I have travelled extensively in Manitoba. I gave him this assurance last year.

I have been up north. I have been down south. I have been east. I have been west. I know Manitoba; I love it. I have been everywhere, so please be assured, I have actually driven outside the Perimeter Highway often. I have been to Neepawa. I am a scholar. I have written papers on Margaret Laurence. I know the town well, so

please be assured, you do not have to worry about my travelling experience, but your interest is appreciated.

The reason I am asking about user fees and membership fees is, as I am sure the minister knows, the Friends of the Library in Winnipeg are concerned. I know they have met with him. I understand that the minister has given his assurance that neither in the short term nor in the long term does his government plan to introduce the enabling legislation which would allow the City of Winnipeg to charge either user fees or membership fees, but I have been asked by the Friends of the Libraries to bring it up. So I am bringing it up and ask the minister, once again, if his government has any plans, either in the long term or the short term, of introducing the enabling legislation.

Mr. Gilleshammer: I want to assure the member that my interest in MLAs knowing and understanding this province is not a personal thing. I give the same encouragement to all MLAs to travel throughout the province and see some of the most beautiful parts of North America. There are colleagues who have been canoeing up north in previous years and I understand have plans of going up there again. So this advice was not meant to be personal. It is advice I give to all colleagues, that to be part of the governing of this province, you have to understand it and you have to see the various sights throughout the province and understand its people, so that truly you can be part of making tremendous decisions for Manitoba.

I have met with the Friends of the Winnipeg Library. They were in my office not too many weeks ago talking about the funding that we give and were very complimentary in the direction that our government has gone. The response that we gave to the report that was brought to government—and I do not want to have the member put words in my mouth about budgets forever and a day. I have indicated the resources that we have put into libraries, the direction we are going. Budgets are on a year-to-year basis. We, again, feel really important—that libraries are just a tremendous asset to Manitoba and that Manitobans are using them probably at an increasing rate, and the technology that we are able to put in there is going to mean ever wider access to libraries. So I think that we have responded to the advice we have received from the librarians and the library community. The member has the booklet that was presented to

government about the future of libraries in Manitoba, and I think that everything we have done has been to not only maintain but to enhance the facilities and the services that are provided.

* (1110)

Ms. McGifford: My question was not about budget but about enabling legislation and asking whether the government in the long or short term had a commitment to not passing the enabling legislation that would allow the City of Winnipeg to charge user fees.

Mr. Gilleshammer: I believe the member knows that the minister responsible for The City of Winnipeg Act has been very clear on that issue.

Ms. McGifford: Yes, I thought he had been clear, but I was asking at the request of the Friends of the Winnipeg Public Library. I wanted to make reference to the future of public libraries in Manitoba. I could not find a date in the publication, but my understanding is that it was released in February 1994, and, of course, what the document does is outline the issue, a plan with goals and objectives, conclusions and then a proposed timetable. The proposed timetable is given in year one, year two, year three, and year four, and I wonder if I could ask for a calendar or a fiscal year to be attached to each of those years because I am not sure what dates are referred to in those years.

Mr. Gilleshammer: The document was released on a bright and sunny day in Brandon, Manitoba, in 1994, and our response was given at that time. With a lot of these documents, they give us short-term and long-term objectives. We have addressed many of them already. There are others that are still before us, and we deal with the Library Association and our municipal partners to try and address the remainder of them as we are able to.

Ms. McGifford: My question was, I wonder if we could attach dates to year one, year two, year three and year four. Is that possible?

Mr. Gilleshammer: We can certainly tell you the dates of our achievements, and I say there are some objectives within the timetable that we are still working on. Whether we are able to achieve them this year or next year, I am unable to say at this time.

Ms. McGifford: Do those years have dates or do they not have dates?

Mr. Gilleshammer: There were no dates attached to them when the report was drawn up. We have indicated that we received the report just over two years ago and we have addressed the most pressing ones. I know from meeting with the members of the group that worked on this, people like Earle Ferguson from the university here; Iris Loewen, I believe from Morden; Marlene Genaille from The Pas, from northern Manitoba; Linda Pleskach who now, I think, serves the library in Selkirk; and Peggy Hood from Carberry.

They were just extremely pleased and maybe even thrilled at our response to their report that we had been able to address as many of the significant recommendations that they brought forward. I met with them not too long ago, and they are very pleased with the ongoing work that has been done on automation, with the manner in which we have been able to provide funding both through the Community Services Council and through the department, and recognizing that there is a changing landscape out there know that we are working hard to meet the other objectives that they included in the report.

Ms. McGifford: I want to ask the minister if public library services considers this report to be something that it wishes to fulfill, the goals, objectives, timetable?

Mr. Gilleshammer: They recognize that this was recommendations to government that reflected some of the things they heard in 1992 and '93. They recognize that there is a changing landscape out there, and some of the recommendations that came from the community at that time and were relevant at that time are not as relevant anymore, and we work very closely with that community.

I know that I attended a national meeting here recently, and staff were at that meeting and had certain discussions with them. I know they also had a provincial meeting, last fall I believe it was in Gimli where we had an opportunity to discuss these issues.

I can assure the member that the community represented by the people who drafted this report are genuinely pleased with the progress we have been able to make. We know that we still have more to accomplish, and we will do that as we are able to.

Ms. McGifford: I wonder if it is possible for me to obtain an account of which recommendations have been implemented and which have not. I do not need it now. I would be happy to receive it when it would be prepared.

Mr. Gilleshammer: We will endeavour to provide the member with additional information.

Ms. McGifford: Thank you.

The Acting Chairperson (Mr. Tweed): Item 14.2. Culture, Heritage and Recreation Programs (f) Public Library Services (1) Salaries and Employee Benefits \$760,400–pass; (2) Other Expenditures \$457,500–pass; (3) Grant Assistance \$4,361,200–pass.

Item 14.2.(g) Historic Resources.

Ms. McGifford: Last year The Museums and Miscellaneous Act was under this subappropriation, and I do not see the act here. I am sure we have not abandoned museums so I just wonder what has happened to it.

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

Mr. Gilleshammer: I can assure the member that we have not abandoned museums and are very proud of our flagship museum here in Winnipeg which continues to be the No. 1 reason why people travel to this city. We work very closely with museums across the province, both the municipal ones and the public ones, and we will continue to do so.

As far as the question about the line the member is looking for, I can see that she has completely baffled my staff. I am sure there is a logical explanation for it, and they will come up with it shortly.

The programming has continued as in the past in the activity identification. They simply have not included that as part of the explanation of the Estimates but the staff assure me that all of the great work we have done in the past we continue to do on into the future.

* (1120)

Ms. McGifford: I read the minister's introductory remarks, and in his introductory remarks he spoke of the

10th anniversary of The Heritage Resources Act which I gather then—well, I know was passed by the NDP government in 1986. He also spoke about the need for a review of the general approach to heritage preservation. I wonder if he could provide any details of this review. Again, will the review include public consultations? Will there be opportunities for the public to comment?

Mr. Gilleshammer: Well, we have been talking about a Heritage policy review for a while. As soon as the House adjourns later today, in the coming weeks I know that a strategic planning session has been scheduled for the department. One of the topics that they will have on their agenda, I am sure, is a Heritage policy review. So we are in the very beginning stages of that. My feeling is that we need to do that.

I met two weeks ago, I think it was, with the Manitoba Heritage Council over at the Art Gallery, on a Saturday, where these fine Manitobans came in to talk about heritage issues. One of the issues that we discussed was involving them in Heritage policy review, and it is something that we are quite interested in doing. I am sure by the time we meet again for Estimates a year from now, we will have a clearer idea of what direction we are going there. But as a minister I feel it is something that needs to be done, and I think senior staff are in total agreement on that.

Ms. McGifford: I am wondering why the minister feels a review is necessary. Has this act not accomplished what it was intended to do, or is it just every 10 years an act should be reviewed, or what are the reasons?

Mr. Gilleshammer: I think the review that we speak of is not so much generated by what is good or what is bad about the act; it is about what the community is saying to us, that there is a feeling that we need to perhaps rethink and give a sharper focus to what we are doing in Heritage. In meeting with that particular group, I think there was pretty general agreement that a Heritage policy review was a direction we wanted to go.

Again, following that, I know that senior staff in their strategic planning will follow up on that and decide whether there is some new direction we need in Heritage or whether we need just a more public focus on some of the things we are doing. It is something I have felt we needed to do for the last while and I am pleased that the

Manitoba Heritage Council feels the same way, and we will be embarking on that process at the staff level in the near future.

Ms. McGifford: I thank the minister for his clarification. I am not quite sure where to put this question, so I am choosing to put it now, but it may be the wrong place. I am wondering if Culture, Heritage and Citizenship ever consults or if there is any consulting with Natural Resources when it comes to heritage parks.

Mr. Gilleshammer: Yes.

Ms. McGifford: I wonder if the minister could provide any details about how that works or in relation to which parks.

Mr. Gilleshammer: It takes place at the staff level. We have responsibility for the heritage act, and there are a number of government departments that we relate with not only for parks but other heritage sites and other heritage issues. I know there are times that we interrelate with the Department of Industry, Trade and Tourism, with Rural Development, with Highways and with Natural Resources.

Ms. McGifford: So, in other words, the two departments share expertise.

Mr. Gilleshammer: That is correct.

Ms. McGifford: I wonder if I could get an up-to-date list of designated heritage buildings.

Mr. Gilleshammer: My staff would be pleased to assemble that information and have it sent to you.

Ms. McGifford: I wonder if I could ask the minister, what are the advantages to a building's being named a heritage site?

Mr. Gilleshammer: I do not want to quibble with the member's words, but the federal government has responsibility for monuments, sites and rivers. We designate buildings and the municipal government also can designate buildings.

So I will deal with the buildings. I guess the advantages to be able to preserve part of our heritage in

terms of the buildings that are out there—recently I met with the mayor of Emerson, which has designated quite a number of buildings in that community as heritage buildings and I would invite all members of the Legislature to travel to Emerson and Mayor Wayne Arseny would be just tremendously pleased to, I am sure, conduct you on a tour of his community and the buildings that have been designated there.

In fact, in the meeting that I had with him, he had slides of probably 50 or 60 one- and two-room schoolhouses that are still existing in Manitoba and indicated to me that there are approximately 900 one- and two-room schoolhouses sprinkled throughout Manitoba. Some of them have been designated. The slides that he showed, showed various kinds of structures, construction, roof lines, windows and doors. Obviously, there is some value to preserve some of them. It certainly could be argued that we do not need to preserve 900 of them or even designate 70 or 80 of them.

That is one of the conundrums the heritage community has: How many of these need to be preserved? Many of them now are being used for storage, for granaries. Some of them have been converted into homes. So there is always this issue of the importance of designating a certain number of buildings.

At the present time, there are many buildings in Winnipeg which have been designated and are important as part of the history and heritage of our province. Problems arise, however, when there is not any use for them. The city or the owner maybe turns the heat off, shuts the plumbing off, and you have a deterioration of the building.

The conundrum then is, how many of these do you need to designate and how many of them are truly worth saving if there is no economic viability to it? I just asked a question last night about, what do you with a designated building that maybe needs to be undesignated? I am told there is a process to do that, too.

There is always an issue here. Municipal governments continue to designate them. Recently, in a little village out in the far western regions of the province, a line of five elevators have been designated as a heritage site in the little village of Inglis. The hope is that the original owners, the grain companies, will partner in preserving

these elevators. So that is, I guess, one of the reasons we need to do this heritage policy review, too, is to see where we are going with the designation of buildings. There are some that have been designated in communities all over the province.

It might have seemed like a great idea five years ago or 10 years ago, and now the current owner is finding that they simply cannot keep them up. They cannot sell them, and you hate to see them become abandoned. Part of our review, I think, is to decide how we deal with these and whether we have designated enough of our buildings or whether we have designated too many and just where we are going with it. You hate to see abandoned buildings that have been designated, and nobody wants to use them.

* (1130)

We have some beautiful, beautiful buildings in the Exchange District here, and the film producers who are currently in the province had an opportunity to tour that area just days ago and, in meeting with them last night, remarked how they felt they could do a number of movies there because it reminded them of a certain time and a certain place that they thought would be advantageous.

So this whole area of designating heritage buildings is a complex one and one that is going to have to be reviewed and decisions will have to be made, but our responsibility is to give provincial heritage designation, and it is a responsibility we share with municipal government.

Ms. McGifford: I am wondering what happened to the community heritage plaque program. I do not see it. Last year, it was, I believe, under this subappropriation.

Mr. Gilleshammer: We have continued to honour the commitments that were made in the past, but it was one of the programs that have been discontinued within this year's budget.

Ms. McGifford: Can I ask why it has been abandoned?

Mr. Gilleshammer: Well, I suppose a combination of things in that there was certainly a slowing down of the applications that were coming forward to put plaques up for sites where there used to be a school or there used to be a church or there used to be something, and what we

are doing to satisfy the demand that is still there is referring them to the Heritage Grants Advisory Council to secure their funding through that avenue.

Mr. Chairperson: Item number 14.2.(g) Historic Resources (1) Salaries and Employee Benefits \$1,103,400—pass; (2) Other Expenditures \$341,000—pass; (3) Grant Assistance \$712,400—pass.

14.2.(h) Recreation and Wellness Promotion (1) Recreation (a) Salaries and Employee Benefits \$330,000.

Ms. McGifford: I read this over very carefully, the descriptions, and I see that the Objective, activities and Expected Results have undergone quite a transformation from the year before. I want to take the opportunity to thank Jim Hamilton, who met with me in December and provided details regarding Recreation and an explanation for expanding the title from Recreation to Recreation and Wellness Promotion. I found this meeting on a one-to-one basis to be very edifying, and I thank him for leading me to a fuller understanding of my critic area.

I want to ask the minister a question, and I think I am asking it at the right time. I think my colleague from Radisson may also like to ask some questions at this point, too. I know that there is a growing move towards partnerships, and I understand that Culture, Heritage and Citizenship has joined forces with Education, Health, Justice, and Family Services in order to initiate co-ordinated and integrated assistance or service for children, youth and their families under the Youth Secretariat. I understand that human resources is considered to be part of the Human Services Committee of Cabinet, if the minister is a member of that group. Is this an appropriate time then to ask the minister about his department's role in the Youth Secretariat?

Mr. Gilleshammer: Sure.

Ms. McGifford: I would like to ask then, what is his role, his department's role?

Mr. Gilleshammer: Well, we were a late addition to that group and were added at our request in that I think that our focus on the quality-of-life issues in Manitoba is what our department is all about. We see the work we do with community groups and the funding, whether it is in the arts or libraries or recreation, as contributing to the

quality of life of Manitobans. Because of our emphasis on quality-of-life issues and because of the emphasis—particularly, the Recreation branch is taking on the whole issue of wellness, and I know I have spoken at the recreation conference on a number of occasions, where we have an opportunity to meet with, not only recreation directors but also the boards, the volunteers who play such a vital, vital role in recreation delivery across this province.

They are just the most wonderful people to meet with because they have, I think, as volunteers, a finger on the pulse of their community. They recognize the partnership that exists between government and municipalities and school divisions that assist in this partnership to fund recreation programs in Manitoba, that we have a role to play by being, not only proactive, but also talking about a preventive approach to some of the social issues that exist within the society in Manitoba.

I know that last year, under the direction of the former deputy Tom Carson, he and many of the staff went to a wellness promotion seminar somewhere in Wisconsin—Madison, Wisconsin—Point Stevens, Wisconsin, and, I think, came back thinking that our whole thrust in recreation, and in fact within the department, should have more of a wellness approach. We know that through the work we do in recreation and in the arts and in libraries and wherever, we are constantly promoting the quality of life that exists in Manitoba. As a result, we have tried to refocus, particularly through the Recreation staff who work with our regional offices and with the Recreation directors who are sprinkled through so many of the communities in Manitoba, to provide leadership and to bring forth those volunteers.

So it is a combination of these things that have led to refocusing and for us to ask the Child and Youth Secretariat to be part of that group to give our point of view on how all the work we do within Culture has an impact on the issues that are faced by the departments of Justice, Education, Health, and Family Services, and we are very pleased to have joined that group and been able to put forward our point of view at those meetings.

Ms. Marianne Cerilli (Radisson): I want to ask some more specific questions related to the department's role in terms of the Youth Secretariat. As I understand it, there are some 86 government staff who are participating in the

various committees feeding into the Youth Secretariat. One of the things I am wondering is how many staff and staff hours have gone into it from this department. I have a listing of the number of some of the staff, and some of us are concerned that this is an exercise that is taking up an awful lot of government staff time.

There are, I think, 177 community people who are on various boards and working groups that are feeding into the Youth Secretariat. We are anticipating some very good work that is going to come out of this with some very good recommendations because of all the resources that have been invested. So that is one thing I want to find out, is specifically the amount of time and the areas of expertise that have been drawn from from this department, particularly from the Recreation branch.

* (1140)

The other thing, though, I am particularly concerned about is I have been made aware that there is a specific time line that the Youth Secretariat is working on and that they were to have by January 1996, identified 2 percent of existing resources from the departments that are part of the secretariat's co-ordination to be allocated for the secretariat. I know the line item in the Estimates under Family Services says there is \$144,000 as the operating budget for the Youth Secretariat but I am also of the understanding that this is—and this has been confirmed by some of the other ministers—that there are to be monies allocated from those five departments for reallocation or to be re-co-ordinated through the Youth Secretariat. So I am wanting some specific explanation of where in this department that money is going to be reallocated from and what services are going to be involved from this department in the Youth Secretariat.

When I look at what the Youth Secretariat is doing, in some ways this minister's department has some of the solutions. We know that there is Justice involved, that Child and Family Services and Family Services are involved, and they have sort of some of the problems and this department is going to have some of the solutions, particularly in the area of prevention.

We know—and I do not have it with me right now, but I have a very good report on the benefits of recreation and physical activity that was done by the all-ministers task force group on at-risk youth. It points to some solutions

that this department, I would think, would have a responsibility for programming in that area.

So I am wanting to have the minister answer specifically the resources that have gone in from this department, as well as the financial commitments that are going to come from this department to the Youth Secretariat and where those finances are going to come from.

Mr. Gilleshammer: We are certainly pleased that the member for Radisson has joined us for the Estimates today and regret she has not been here all morning where we have talked about the wonderful things that we do throughout the department. I know she will have an opportunity to read that in Hansard and perhaps— [interjection] I am sorry, I think maybe the member was not finished asking her question.

Ms. Cerilli: I was just nodding and saying that I am aware of a lot of the work that goes on in this department and I am awaiting the minister's answer.

Mr. Gilleshammer: I am sure the member has a broad knowledge of what goes on in government, but we have spent the last three hours talking very specifically about many of the wonderful programs that we have within the department. Even though the member knows a lot, it would have been beneficial to be here for the entire discussion and to get an even deeper appreciation of the issues that we deal with to do with the quality of life.

I know I am pleased that my colleagues have been here listening and learning, and we have had a wonderful discussion this morning about so many programs across our department where we spend in excess of \$50 million on quality-of-life issues. Even though the member is pretty sure that she knows a lot, there is always more to learn. I think I would really urge her to go back and look in Hansard to see the discussions that we have had and kind of get an appreciation of the wide variety of things we do.

I know she said that she is expecting great things from the work that we do, and I can assure her that great things are happening in Manitoba as a result of the work done by some very dedicated senior staff and approximately 300 other people who work within the Department of Culture, Heritage and Citizenship.

The member is right, that I think we do have some of the solutions that are necessary for societal problems. This is why we have taken a very proactive approach in having our department added to the Child and Youth Secretariat to add our expertise, particularly in the recreation area. The source of the staff contributions that we make, in addition to senior staff, will be from the Recreation branch within our department.

Certainly the focus that the Recreation branch has placed on wellness is going to part of that solution—again, very pleased with the tremendous compliments we have had from the member for Osborne (Ms. McGifford) over the whole department, but in particular her mention of meeting with Mr. Hamilton who is an experienced bureaucrat within our department and has worked in the recreation community for many, many years, a very open and genuine individual who is committed to recreation across the province, committed to the concept of wellness and committed to having his staff work not only in the wider Department of Culture, Heritage and Citizenship to bring other divisions up to speed on what they are doing within the Recreation branch and the activities that are going on within recreation commissions across the province.

They have been wonderful ambassadors in not only taking that message to the greater department, these 300 people that work for Culture, Heritage and Citizenship, but also to our recreation directors and our volunteers who sit on the boards of recreation commissions throughout all of rural Manitoba.

In addition to that I know they have also made contact and liaison with the recreation people within the City of Winnipeg and people who deliver those services—

Mr. Chairperson: Order, please.

Point of Order

Ms. Cerilli: Mr. Chairman, I would ask if you would call the minister to order. I asked a very specific question about the financing from his department to the Youth Secretariat. I would hope because he knows that we are running out of time in the committee, that he would answer that part of the question, which was the kind of accountability that I am hoping will occur from these Estimates where we have—

Mr. Chairperson: Order, please.

Mr. Gilleshammer: Same point of order. I am kind of shocked that the member for Radisson would come in to the last 15 minutes of our committee meeting and make these demands.

We have been here for hours discussing the line-by-line activities of the Department of Culture, Heritage and Citizenship. She, in a very rambling way, asked a number of things about what we are doing with the Child and Youth Secretariat, and I am attempting to answer that. If she is not prepared to listen to the answer, perhaps I would question her entire point of being here.

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

* * *

Mr. Chairperson: I would ask the honourable member for Radisson, do you have a further question to pose?

Point of Order

Mr. Gilleshammer: On a point of order. I would like to be able to complete my answer.

Mr. Chairperson: Okay. The honourable minister of—

* * *

An Honourable Member: Are you going to answer the question?

Mr. Chairperson: The honourable minister, to complete his response.

Mr. Gilleshammer: Well, Mr. Chairman, I certainly do not want to be baited by the member for Radisson who claims to have this tremendous knowledge of the things we do within our department, but she did acknowledge that our department has a role to play, that our department has some of the solutions that the other departments are looking for and—

An Honourable Member: How are you going to pay for them? That is the question.

Mr. Chairperson: Order, please. I would ask the committee to please allow the response to be completed so that we can complete this section of the Estimates before the time runs out.

The honourable minister, to finish the response.

* (1150)

Mr. Gilleshammer: Well, I accepted the member for Radisson joining our committee at the eleventh hour to pose some questions, and I would hope that she would have enough patience to listen to the answers and not to try and interrupt me and distract me when I am trying to give her those answers.

I was just going to pay her the compliment of saying she recognizes that our department does have some of the solutions to the issues that are raised within those other four departments, and through the efforts of our staff in the Recreation branch, we intend to make a contribution to the Child and Youth Secretariat and find the staffing and financial resources within those budget lines.

Mr. Chairperson: Item 14.2.(h) Recreation and Wellness Promotion (1) Recreation (a) Salaries and Employee Benefits \$330,000—pass; (b) Other Expenditures \$160,200—pass; (c) Grant Assistance \$689,200—pass.

14.2.(h)(2) Fitness (a) Salaries and Employee Benefits \$136,400—pass; (b) Other Expenditures \$81,300—pass; (c) Grant Assistance \$62,500—pass.

14.2.(j) Regional Services (1) Salaries and Employee Benefits \$1,002,300—pass; (2) Other Expenditures \$321,900—pass; (3) Grant Assistance \$35,100—pass.

Resolution 14.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$30,221,900 for Culture, Heritage and Citizenship, Culture, Heritage and Recreation Programs, for the fiscal year ending the 31st day of March, 1997.

14.3. Information Resources (a) Client Services (1) Salaries and Employee Benefits \$1,987,000—pass; (2) Other Expenditures \$348,500—pass; (3) Public Sector Advertising \$2,384,100—pass; (4) Less: Recoverable from other appropriations (\$2,773,500).

14.3. (b) Business Services (1) Salaries and Employee Benefits \$913,400—pass; (2) Other Expenditures \$874,400—pass; (3) Less: Recoverable from other appropriations (\$260,300)—(pass).

14.3. (c) Translation Services (1) Salaries and Employee Benefits \$968,900—pass; (2) Other Expenditures \$426,700—pass.

14.3. (d) Provincial Archives (1) Salaries and Employee Benefits \$1,659,700—pass; (2) Other Expenditures \$1,470,700—pass; (3) Grant Assistance \$48,800—pass; (4) Less: Recoverable from other appropriations (\$20,800).

14.3. (e) Legislative Library (1) Salaries and Employee Benefits \$740,300—pass; (2) Other Expenditures \$608,800—pass.

Resolution 14.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,376,700 for Culture Heritage and Citizenship, Information Resources, for the fiscal year ending the 31st day of March, 1997.

The last item to be considered for the Estimates of the Department of Culture Heritage and Citizenship is item 1.(a) Minister's Salary on page 29 of the Main Estimates book. At this point, we would request the minister's staff leave the table for the consideration of this item.

Item 14.1. Administration and Finance (a) Minister's Salary \$25,200—pass.

Resolution 14.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,323,100 for Culture Heritage and Citizenship, Administration and Finance, for the fiscal year ending the 31st day of March, 1997.

This now concludes the Estimates of Culture, Heritage and Citizenship.

The hour now being 11:55 a.m., committee rise.

INDUSTRY, TRADE AND TOURISM

* (0900)

Mr. Deputy Chairperson (Ben Sveinson): Will the Committee of Supply please come to order. This morning this section of the Committee of Supply, meeting

in Room 255, will resume consideration of the Estimates of the Department of Industry, Trade and Tourism. When the committee last sat, it had been considering item 10.4. Economic Development (a) Economic Development Board Secretariat on page 95 of the Estimates book.

10.4.(a) Economic Development Board Secretariat (1) Salaries and Employee Benefits \$531,500.

Mr. Tim Sale (Crescentwood): Mr. Chair, we have spent some time on this whole area and I want to ask the minister if he could clarify the intended relationship between the board secretariat and his department and Rural Development and other economic groups?

When we last talked about this, the deputy minister was ill, unfortunately, and I was not entirely satisfied that I was clear on how the government intended to avoid what the minister has called a number of times during our discussion the stovepipe syndrome, so I would be very interested in knowing how this board is going to cut across the turf battles that still plague most governments, including, I believe, this one. It has certainly plagued any I ever worked for.

Hon. James Downey (Minister of Industry, Trade and Tourism): Mr. Chairman, I do not have any trouble repeating what I said the other day, and the deputy is here and has just indicated to me, as we have discussed the other day, that the overall co-ordinating body of all the departments are involved in economic development.

Certainly the whole activities within government, in cross-departmental activities I think there are many successes that are being able to be demonstrated, and that is the development of the Can Agra project, the work that is being done at McCain. Those are all interdepartmental activities that have worked with all the departments through the Economic Development Board system, so those are direct activities which I can refer to. So it is a matter of, there is a direct communication system between the Department of I, T and T, the deputy minister and the secretary of the Treasury Board. There has also been recently, and he asked me recently, I think earlier in the Estimates process, whether or not there was a structured deputy committee. There now is—

An Honourable Member: Did that just happen this week?

Mr. Downey: No, I was just informed about this. I have just been informed about the actual structured activities of the deputies of which they have a one-monthly meeting which is regularized now and they in fact will be meeting at the call of the chair over and above that if necessary.

There is a regularized meeting which I was just informed about as of Monday morning in fact, so there is a structured system now between the deputy ministers and dealing with the economic development activities.

Mr. Sale: Mr. Chairperson, is that structured committee resourced other than as an ad hoc committee or is it an initiative of the deputies and not formally structured as yet?

Mr. Downey: There are no additional resources and it is, as the member has indicated, at the initiative of the deputies, but again it flows from discussions that were held from the Economic Development Board, and that is where it is at at this particular time.

Mr. Sale: Mr. Chairperson, is there consideration of formalizing that into a structure so that it has resources and has authority and is not dependent on simply the good will of the deputies involved but has some mandate?

Mr. Downey: Mr. Chairman, to add additional resources, the answer is no, because they have resources within their own departments of which, if it is a project activity, they are paid their salaries. If there are additional activities needed to be seconded, I would think that would be a joint approach that would come from those deputies. If, for example, there was some consulting activity that may have to be carried out on behalf of that unit it would be a move by the Premier (Mr. Filmon) and by cabinet if that were to be formally structured by Order-in-Council.

At this particular point we are doing it on this basis, and I think the most important part of it is that there is the will of the deputies and the will of the departments to come together in this manner without having to write that into a regulation or write it into an edict of government. If that were deemed to be necessary that would be a decision taken by myself as a recommendation and/or my colleagues to go further to formalize it.

Mr. Sale: Mr. Chairperson, I think the deputy and the minister both know that organizational cultures are very powerful. Unless senior management gives a very clear signal about the expectations to cut across the turf and to operate collegially and to transfer resources interdepartmentally when that is appropriate and to measure progress by success and not by the size of one's acquisitions over a given year, unless those signals are very clear and are supported at the highest level, the temptation will always be, as the minister I think said to me at one point, to make one's minister look good at the expense of some other minister. I would suggest to the minister that unless there is a formal mandate for that group with some expectations laid on it and clear signals given, that we will continue to see what unfortunately the Price Waterhouse study noted as the statement that many I, T and T people feel that rather than deal with fundamental barriers, important and high profile activities have been moved outside.

There are many other similar statements. I do not take any pleasure in that situation, but the situation arises from not having clear signals interdepartmentally at the highest levels of government, that this kind of turf war and interdepartmental conflict is not acceptable.

Mr. Downey: I hear what the member is saying, Mr. Chairman, but I think we have moved a long ways, I think, that certainly the deputies and their activities on a formalized meeting on a one monthly basis and every department that connects to those deputies will be fully aware of the opportunity. If there is a project which has to be cross-referenced or worked on jointly, we will certainly be part of those activities. It is endorsed by the ministers who are part of the economic development sector. If we need to jointly pool some resources, the decision makers are part of that. It is our intention to make sure that we see some improvements, so we have, I think, with the Economic Development Board co-ordinating in the past has certainly improved substantially. We have been able to have some decisions made, I think, at the highest level in the most responsible way to help move some projects along the line.

Quite frankly, and he knows and I know that if a company is going to make a fairly major financial decision that what they do not want to do is run into the frustrations of different departments of government not working co-operatively to get a decision made that has to

be made. That we can assure him and I would ask him to do a poll of some of the companies like the one that he knows so well, and that is Canadian Agra where in fact we have received nothing but compliments on the manner in which it was done, not short cuts, not doing something that is inappropriate but making sure that the government decision making can come together in one focus and get that done.

* (0910)

I think it again points out what we have been pressing for as a province. The Premier (Mr. Filmon) and my colleague the Minister of Environment (Mr. Cummings), we have called for the same thing through the environmental approval system that where federal government has interest and has some say along with the province that we do not have two panels, that we do not have two systems running parallel, that we have no trouble with the toughest regulations in place but make sure it is done jointly, not two running at the same time, because that is a total frustration to any decision maker, and that harmonization is I think key.

Mr. Sale: Does Mr. Duncan attend the deputies meetings on a regular basis?

Mr. Downey: I do not believe he has been at this point, but it is the intention to be part of that.

Mr. Sale: Mr. Chairperson, do any support staff from Economic Development Board Secretariat attend the meetings?

Mr. Downey: Again, this process has been put in place following some discussion that flowed from our budgetary process under the economic development sector and it is just in the process of getting established, but I think that it will not be a lot different than what we see take place under the Provincial Land Use Committee where there is a structured deputies committee at which a piece of land is to be used for a certain purpose, there is a deputies committee which has certain people come forward to make their presentations to the deputies committee.

If there is an impasse there and it cannot be resolved, then it goes to the PLUC committee. I do not see it working a whole lot differently than that process.

Mr. Sale: Mr. Chairperson, I have urged the minister to consider working through cabinet the decision to formalize this interdepartmental group of deputies and to resource it through the Development Board Secretariat and then to look at how you can use that organ to communicate more effectively to the various departments the initiatives that are going on to reward co-operation, support it and to give a single focus to what I agree with the minister was a very successful experience with Can Agra in which a single point of contact was identified for the company and which I have also, as the minister knows, met with that company and they speak very highly of the way in which they were welcomed to Manitoba and facilitated.

Nevertheless, at the very same time and the same period that that was going on, Price Waterhouse was able to write this report and say, you have some serious problems with overall co-ordination. I recognize that refers to a time prior to the arrival of the current deputy minister and in an era in which a different mix of personalities was involved at the senior level.

We have a new situation and I am not yet satisfied that I see that the department is capitalizing on that new situation and clearly moving into the kind of overall approach that I think the minister and I both agreed and I am sure the minister knows much more about this than I do, but it needs to be co-ordinated, rewarded and supported at the highest level. Otherwise we will fall back into those proverbial stovepipes we have talked about so often during these Estimates.

Mr. Downey: I will take into consideration more formalization. Again, it is a process, it does take time and I do think that what we are seeing are some very positive moves coming from the senior levels of staff. Certainly, there is not any problem with the ministerial colleagues. I think they all feel that there is a tremendous opportunity out there for all portfolios to be a part of it, whether it is Agriculture, Rural Development, Environment, Industry, Trade and Tourism; Highways. There is a tremendous positive growth mode that is in our province. As I said yesterday, I would call it a quiet revolution that is taking place within the agricultural industry.

Quite frankly, there is a lot of catch-up to do, whether it is in the flour milling business, whether it is in the hog

processing business, whether it is in the hog production business, whether it is in the beef industry, whether it is in the special crops industry, whether it is in the nonfood agriculture industry like the PMU and the Wyeth-Ayerst activities at Brandon and surrounding areas, whether it is in the potato sector, we have a tremendous lot of enthusiasm and activity.

It calls me to bring something else to the attention of the member, as I think it opens up a tremendous opportunity for some equity investment for what may be considered nonagricultural-type funding, to look at agriculture as an opportunity to invest. When you look at, for example, the potato industry and the amounts of monies that have to be assembled to support that industry—and let me just use some examples. To irrigate and to put in place the kind of equipment to expand into potato production is highly capital intensive. For example, you are talking in the thousand dollars an acre range for probably each one of those activities. Storage to me would make a good opportunity for an equity investment company to come along and say, you know, we are prepared to put capital into storage in the potato industry, not unlike what happened in the grain industry at one time. There were companies developed that really put in grain storage and are paid for that purpose.

To me, that is the kind of opportunity that this whole thing opens up, so I think that if I were to accomplish anything out of this kind of a committee and what we are doing with our department is to express how interested I think the farm community is to look at all kinds of options to support this activity. It is an exciting time in agriculture, challenging but exciting, and I would hope that members opposite would pick up some of that excitement and get on board, because I think they could play a constructive role, and I mean this seriously, in being objective about the developments that are taking place.

Mr. Sale: Mr. Chairperson, pages 27 and following in the consultant's report provide a section that is titled Creating and Managing I, T and T's Revitalization, and then the following section talks about, in Appendix 1, Emerging Best Practices.

Could the minister indicate the degree to which the department feels that the consultant has given very good guidance in this area and indicate whether in the

revitalization process you are being substantially guided by this fifth section in the report?

Mr. Downey: Mr. Chairman, the member used the word "guided," and my deputy indicates guided is a fair word, but not exclusively.

Mr. Sale: Mr. Chairperson, could the minister indicate in terms of the Emerging Best Practices section areas in which he feels that the department could learn from, be strengthened by? I am thinking of the examples given of Alberta, Oregon, Quebec, a variety of best practices indicated. Could the minister indicate ones that the department finds particularly useful?

Mr. Downey: Mr. Chairman, we are just starting into the process of developing the cluster strategy which has been developed and is modelled in other areas. It is a little too early to indicate any successes, but I think it will have to fit into the Manitoba model, for example, what I referred to yesterday about how, for example, does the environmental industry fit in with the overall economic development industrial strategy and the shifting of resources within that cluster and that activity.

So we are, I would say, in the early stages, but I think, as I indicated from the comments of my deputy, we are using this as a guide and will develop it to the Manitoba model. Again, without sitting here exclusively saying this is the way it will be, what we have talked about a few minutes ago, if we were to do it in an absolute term then it may disregard what we have set up with the deputies and their working together to try and help mold what we think is the Manitoba model, but, again, I think we will see some positive accomplishments flow from this. Again, it is having the right people doing the right things, and I think the willingness from the people whom I have dealt with in the department and what I see, I think will accomplish it.

Mr. Sale: Mr. Chairperson, the implication of that for me is that there will be realignments of staff and function and appropriations and subappropriations because, again, I just would underline that I am sure the minister knows, and I know the deputy knows because of his senior management experience, that if we do not give the right signals to people, no matter what our words are, behaviours will not be clearly supported because it will not be clear to people whether we are simply talking or

whether we mean business in terms of reward, support, structures, et cetera.

I was disappointed yesterday, Mr. Chairperson, when the minister appeared to resist any discussion about the changes in the Environmental Industries area in which there are the same staff resources, in fact, more staff resources aligned in that area which is very, very small and not unimportant, but very small; and, from a strategic point of view, it is probably not nearly as important as the agribusiness. I was disappointed that the minister appeared to resist a discussion about realignment of resources and defend the existing structure rather than talk about change.

* (0920)

Mr. Downey: Mr. Chairman, the last thing in the world I wanted to do yesterday was disappoint my critic, and I am really troubled now that I have done that. If an apology would make him feel better for the weekend, I would do so, because I would hate to have that burden on my shoulders over the next few days.

However, having said that, Mr. Chairman, I think what the member is referring to is whether we are prepared to change, rescope and reshape with a different alignment of resources and people, and the answer is yes. Under a cluster strategy you have to have the flexibility to move your resources and your people to the areas of demand, and that is what will happen.

Mr. Sale: Mr. Chairperson, I would not ever want to burden the minister on the weekend with any responsibility for my mental health, so let me assure him that I will not lose sleep over my disappointment.

I want to ask now some questions about the move to restructure into a special operating agency in the particular area of the ITC, and also in doing that, to ask what has happened and what the rationale for the spin-off of the Ward lab into a new joint venture is based upon.

Let me start with the SOA. There is nothing that I can find in the Price Waterhouse study that suggests that this is a high-priority activity to change the current ITC into a special operating agency. Can the minister indicate why, in the absence of any comment in this regard, what is the rationale for doing this at this time?

Mr. Downey: This had been in the mill and had been talked about by EITC board of directors who have a mandate to look into the future and to be working to help develop policies that will help guide government agencies, such as the ones they were charged with the responsibility: the food lab, the Environmental Industries lab and the ITC activities. This did not necessarily derive or have anything directly to do with the Price Waterhouse study. In fact, I do not think there was any mandate or any discussion because of the work that had already been done as it relates to the development of the special operating agency.

The member asks the questions, why is it done, why did we move in that direction? Basically, it was at the recommendation of EITC and, first of all, to operate what we believe is an agency that will not require, in the longer term, ongoing support from the province, that it does turn itself into more of a commercial entity which generates the income that operates the system. I believe it gives the employees an opportunity to have more of an opportunity to help direct and have more enthusiasm about the outcome of the work that they do, that it just is not part of a government activity, and that there are opportunities in going to special operating agencies like ITC, the food lab and the Environmental Industries, but particularly the environmental industry which has been announced.

The member is aware of it, that we will be able to maintain jobs, that we will be able to grow an environmental industry service and we will be able to add to those jobs as a centre of activity here in the province of Manitoba and, at the end of the day, save the taxpayers a considerable amount of money. At the same time, particularly dealing with the environmental lab, we will be able to, I believe, make sure that the province is provided with the necessary services that we need as when we need them and at a cost that will be probably in the longer term less costly because of the viability and the growth of the industry. It would not be solely operating for government, it would be providing a service for a cross-section of the industry.

So I think it is an extremely objective move that will help our industry grow, help the environmental industry grow probably as much as us with what resources we can provide from the department. It is a whole new thrust. I am quite encouraged, quite frankly, by the positive attitudes that I have heard since this has taken place.

Mr. Sale: Mr. Chairperson, let us start with the word "lab." What is the status of the civil service jobs that were at the lab and now, with the company Enviro-Test labs, what is the status of the former provincial staff there?

Mr. Downey: He is looking at whether or not they have civil service staff or whether they do not?

Mr. Sale: I am looking broadly at their working conditions, pensions, rights, contract, union representation, if any. What is their overall status?

Mr. Downey: Basically, it would be up to the new entity to deal with the union representatives as to any ongoing agreements that would be established between those two entities, it is my understanding.

Mr. Sale: Is it the minister's understanding that the provincial staff there have successor rights in bargaining or are they essentially no longer protected?

Mr. Downey: I will get the detail. I do not believe they have, but that is the kind of detail, I do not have, I am not sure the exact finalization of some of the components of the agreement, but I am prepared to disclose what I can to the member as soon as I have it. If it has not been signed, it is in the final stages of being done, and that is the kind of detail that, quite frankly, is in the negotiation or has been in the negotiation stage this last short while.

Mr. Sale: I find that quite incredible that the minister can claim that jobs are being protected when in fact our understanding is that there is no protection whatsoever for these jobs in the medium term. The minister does not appear to be aware of whether there is an intention of having successor rights, bargaining unit protection. This is not an acceptable level of understanding or explanation of a major divestiture.

Mr. Downey: Well, Mr. Chairman, I am sorry the member got a little bit excited and anxious about his criticism because I can tell him that in the agreement they must maintain a minimum of 40 full-time staff in each of the first three years, which is down slightly from the current level, an indication that they have to grow to 55 full-time jobs in year three. The company, I understand, if it is correct, will offer a profit-sharing plan with its

employees. The plans are to grow the numbers of employees to 75 full time by the year five.

Mr. Sale: My understanding that Enviro-Test labs has no pension plan and very few employee benefits in its current incarnation. Can the minister comment on that information?

Mr. Downey: No, I cannot comment on it.

Mr. Sale: Mr. Chairperson, does the minister have any concern about the quality of working conditions that are being offered to staff in this, I think, very lucrative deal for Enviro-Test labs and a bad deal for the current people of Manitoba?

Mr. Downey: I do not agree with the member's comments and, quite frankly, I have concern for working conditions, but I also live in the real world that the company that will be taking on Enviro-Test labs, I believe have taken this on to grow a business here, as I have indicated, to grow the numbers of jobs, to maintain the number of jobs at what I have indicated and that has been indicated to me by the department. That is something that was considered in the overall agreement, and I am sure that as any other company that they will have to live within the labour legislation that is in the Province of Manitoba to make sure that the employees are in fact treated fairly and equitably, and that is a part of what is in the agreement.

Mr. Sale: How many employees were in the Ward Lab prior to this arrangement?

* (0930)

Mr. Downey: I do not want to be absolutely held to this number, but the department has indicated I think 45 is what the number of jobs were, but I will further substantiate that number.

Mr. Sale: Is it the intention of the new entity partnership, I think it is called, to move into a cost recovery fee-for-service style of approach in regard to the many services that the former labs provided to Manitobans?

Mr. Downey: I am not clear of the question, how the question is being asked. Would he repeat it and explain it a little bit more, please?

Mr. Sale: The Ward Labs provided tens of thousands of water quality tests. They were involved in groundwater monitoring, water quality monitoring in a number of areas. They did a number of what you would say would be quality of environment types of tests and services basically as a public utility. My understanding of the new arrangement is that government is going to move away from that into a cost recovery fee-for-service model. Am I correct in this understanding?

Mr. Downey: I would expect that to take place. I think society today realize that when they get a service provided that somebody has to pay for it, and if we are going to make sure that the services that we have provided in the past, such as health care and education—without charges and there is not any intention to charge in those areas for services—but there are some areas that quite frankly industry and/or the general public for other reasons would be involved in some cost recovery. I believe it would be the intention in this area to move in that direction.

Mr. Sale: Who pays the costs of somebody who gets giardia poisoning or parasitic infection and winds up in hospital?

Mr. Downey: The health care system would have to pay that.

Mr. Sale: The minister knows there is no such thing as a free lunch. Who pays for the health care system?

Mr. Downey: The taxpayers.

Mr. Sale: It has been a long accepted principle of health planning that it is far cheaper to fund a public health system publicly, because there will always be those restaurant owners, those individuals, those towns or villages or municipalities who for financial reasons or for other reasons, but often just for financial reasons, will not test often enough. If you put enough disincentives into the system in terms of costs, you will start paying large amounts of dollars out the other end, as it were, when we have lowered water quality, when we have people who do not bother getting their wells tested as often as they should and take the chance one time too often and wind up very sick in hospital.

The great advances in health care, the minister may know, did not come from acute care treatment. It did not come from funding hospital beds. The great advances in health care came at the beginning of this century and the end of the last when we got clean water, we dealt with sewers, and we started to understand the spread of disease through public health, aggressive public health measures.

The real pioneers in medicine were not the cardiac surgeons. The real pioneers were the public health nurses and the public health officials around the province.

So when the entity that pays the freight on the other end of the deal, that is, the health care costs of individuals or communities that have health problems, stops investing in the front end, that is, the public health maintenance, then we have a situation where we are going to start paying far too much to deal with problems which were readily avoided. I cannot think of a single economist who would make a case for making routine water testing other than a public utility, because it is so fundamental to public health.

The Town of Dauphin is going to pay an awful lot of money for dealing with the giardia infection, infestation rather. You as minister know and the Chairperson knows that a year ago and two years ago the people of Canada paid a huge amount of money because of the outbreak of intense gastroenteritis in Arviat on the western shore of Hudson Bay, what used to be Eskimo Point and now called Arviat. We had four children die in that situation. That was a situation of a water system that was infected.

So I think that we are embarked on the most foolish of public policies when we move into cost recovery for a basic public health issue of environmental testing and, in particular, ground water or well water or municipal water supply testing, because we will put disincentives into the system and people will be asking their officials how infrequently can we test and still get away with it simply because, as the full cost recovery cuts in, we simply transferred costs to other taxpayers, but they are not the taxpayers who are responsible for the outcomes of bad public policy in this area. They are the taxpayers responsible for municipal roads and municipal infrastructure. They do not pay the health costs.

So when the level of government responsible for health costs offloads its cost onto another level of government in an area that could be effectively preventing health costs, it is going to wind up paying unintended bills. I think this is the most foolish public policy that we could move into.

Mr. Downey: Well, I would not have expected to get full agreement on these Estimates from the member for Crescentwood, but I do not buy his argument. I can tell you that the people who are responsible for the area of water quality, who are running municipal systems, who are running private water systems for private wells or whatever, I do not believe the minimal cost it would take to test water would in fact in any way slow anybody down from prohibiting them from doing so.

I think the other side of the coin is that what we are doing is, we are building and growing an industry here which we would not have done under the current system. There would be no opportunity for someone to come in and test other jurisdictions' water. For example, if we want to develop a prairie water testing system here, it could in fact lower the cost for everyone and a far broader number of people have their water tested.

So, I think, he is taking a pretty narrow social-minded view of it. I could make the argument all the way across the board. Why would you charge anybody for their electricity because without electricity your health could, in fact, deteriorate? Your eyes could go bad if you are not reading with electricity at night; candlelight would not, quite frankly, be strong enough to give you. So one can carry it to the extreme, and I am not going to do that. I would make one comment though.

He brings the name of the Town of Dauphin to the floor here. Dauphin had the full opportunity of participating in the PAMWI agreement. They were one of the towns listed initially to participate in PAMWI, a \$90-million agreement that was offered to the towns of Steinbach, Winkler, Morden, Brandon, Portage la Prairie, and Dauphin was included. Dauphin said, we are not going to pay our third; that is not a fair approach.

They, in fact, resisted on putting a third of the money forward—a third from the province, a third from the feds and a third from Dauphin. Mr. Chairman, I cannot say this absolutely, but I would suspect if they had proceeded

to do their water upgrade, they may not have had the difficulty that they are having today.

So he does not need to try and tie Dauphin to the fact that we are making a change to the environmental laboratory ownership and that we are going to go in industry to that particular case. I know the history of the water in Dauphin and why they rejected it. They made a political decision at municipal council level they were not going to participate. He can check the record, he can check with his colleague the member for Dauphin (Mr. Struthers), I think he will find that I am right.

I do not accept and I do not think the public will buy the argument that because we are making this move to privatization over a period of time, we are not just doing this—there is an agreement that over a period of time, we will phase this into a private lab, making sure, and this is part of it, that we will get the services as we need them and when we need them as a provincial service as well. Service will be guaranteed to the province of Manitoba.

* (0940)

Mr. Sale: Mr. Chairperson, did the arrangement close as expected on May 31?

Mr. Downey: That was the target date, but if it did not do it, it is imminent that it will be closing either as we speak or it is in the process of closing at this particular time.

Mr. Sale: Mr. Chair, how much is the government involved in funding the new arrangement? Can the minister indicate the incentives or grants or loans or other amounts contemplated under the ETL agreement?

Mr. Downey: Mr. Chairman, because that final detail will be in the concluded agreement, I will make every effort to get that information for the member so I am correct in the information that I provide. I do not want to put incorrect information on the record, and I will make every effort to make sure he is fully apprised of the deal.

Mr. Sale: Mr. Chairperson, I want to go on now to the Trading Corporation which plays an overall economic role in terms of the development board. Last year, there was a major—well, at least a significant promise to change the role and scope and appearance and all those other

good things of the Manitoba Trading Corporation. I may have missed it, but I have not seen any impact from that announcement last year in terms of single identity and beefing up the corporation to do wonderful things. Could the minister indicate what happened 'twixt cup and lip?

Mr. Downey: Mr. Chairman, I thought we had passed this section.

Mr. Deputy Chairperson: Would the honourable member for Crescentwood identify?

Mr. Downey: But that does not matter, I will deal with it anyway, Mr. Chairman.

An Honourable Member: Where did you think we passed it?

Mr. Downey: I believe we are dealing with the Economic Development Board, not the Manitoba Trading Corporation, but that is fine, I can deal with it at this particular time.

Mr. Sale: On a point of clarification perhaps, if both the Chair and the minister could indicate, on page 4 of the additional information, the note is—and this is one of the reasons I raised this question—Not Reflected On This Chart: The Manitoba Trading Corporation and The Manitoba Development Corporation.

I cannot find any subappropriation for the Trading Corporation, although I may have missed it. It is quite possible I missed it, but I did not see it anywhere else. So, if the minister can indicate where it was in Estimates prior to this point, I would be glad to know, and then maybe we have to ask permission to go back; but I did not see it anywhere.

Mr. Downey: Mr. Chairman, because of some discussions here, would the member repeat his question, please?

Mr. Sale: Mr. Chairperson, the minister indicated that he believed we had passed this. I have not seen any subappropriation that relates to the Manitoba Trading Corporation, so I may have missed it. I indicated I would certainly be glad to be corrected, if I have missed it. If the minister could indicate where it was we passed anything that had to do with that, but I have not been able

to find it in the Estimates; whereas, in last year's Supplementary Information, there was an indication that the Manitoba Trading Corporation was going to play a larger role in the department and in the role of economic development in the province. So that is why I am asking the question under the Economic Development Board. I would be very glad to know where it is in the Estimates. I have not been able to find it.

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

Mr. Downey: Mr. Chairman, I will speak in a general way about the Manitoba Trading Corporation because we have in fact seen a new thrust in the whole area of Manitoba Trade and the activities that it carries out. As the member knows, we have seen a tremendous increase and are seeing a tremendous increase in the export development of the province of Manitoba, and the Manitoba Trade is playing the lead role in that activity.

Let me, as well, say, Mr. Chairman, I think I can give some fairly good examples of some of the successes that have been derived from Manitoba Trade and some of the related activities. We have as a province, and as I say as a province, either through the direct action of the Premier (Mr. Filmon) or the activities of I, T and T or the activities of Agriculture, I am not sure whether these are all added together. We have seen come into the province over the last year, I believe, in excess of some 30 trade missions from outside of the province, basically, dealing with the need to purchase either product or technology.

We have seen some, again, real examples of that that have taken place in the area under the agreement with the province of Hunan in China, with the development of the work that Agri-Tec are doing, with the work Feed-Rite Mills are doing, as it relates to the expansion of their activities in those international marketplaces. We, I believe, have seen the development of the—I know we have seen the development of the Moscow and Narodny headquarters in Manitoba because of the work that has been carried on through Manitoba Trade and the related activities.

The member asked under what appropriation it comes under? It comes under subappropriation 10.2(a), and, again, I can refer to him that we have established a Memorandum of Understanding with the State of Jalisco in Mexico. The governor of the state of Jalisco is coming

at the end of this month. Under that trade activity we did a trade trip to Jalisco and to Nuevo León a few weeks ago.

The University of Brandon signed an agreement with one of the universities down there to exchange activities and to sell some of their educational capabilities to them. I would say it has become a lot more aggressive. One does not want to fall into the trap of saying this is absolutely the only area in which all the trade activities take place. The Premier (Mr. Filmon), as he knows, has been part of the Team Canada approach to both India and to China.

We have done our own special and individual trade missions. The Minister of Agriculture (Mr. Enns), who has also been part of the overall development of trade through the Agriculture department had a very successful trip to Taiwan recently and to the province of Hunan in China. We have been able to accomplish, and I think this was put forward by myself a year ago in New Brunswick when the Canadian Taiwanese business association met. They have an annual meeting. One year they meet in Canada; the next year they meet in Taiwan. The Taiwanese are purchasing a considerable amount of french-fried potatoes from one of the companies that have a major operation in our province.

This coming year, I am pleased to say to the member, we will have that annual meeting held here in Winnipeg—the Taiwanese Canadian business association which brings some of the most important people here from Taiwan as it relates to business decisions. We have had a very aggressive agenda. Manitoba Trade has been involved in the overall development of the trade quarters with the U.S. and Canada and into Mexico. We also have been part of promotional activities as it relates to the arts with the support of the Winnipeg Ballet to a business entertainment activity in Toronto, which we supported and networked a lot of Manitoba businesses with the business community in Toronto.

Recently, we had the same kind of an exercise in Chicago, where we were at the Winnipeg Ballet and again that was co-ordinated with Manitoba Trade and the introduction of many businesses to the business community in Chicago.

* (0950)

I think we have to acknowledge that there has been, and I said earlier, some restructuring and some additional activities in that area. It has actually been broken out from the Department of Industry under a new head person. That we think is extremely important, because the arrangements of which that head person will be employed will be under a contractual arrangement which, after a period of I believe two years, there will be an assessment made as to the performance. Satisfaction has to be there or it is more incentive for activities to be carried out in that area, so I am pretty enthused. It has taken some time.

It is an area in which the measure of success is never easy, although I can tell you that I have given some real examples as to what has taken place. We have done a tremendous amount of work, or the Manitoba Trade has, in putting on trade shows. We have invited some of the major purchasers of some of the component parts, particularly, in the machine manufacturing business. We had Export House, which I can tell him that I will be making more of a statement probably later on today on the success of Export House, which has been under the direction of the Manitoba Trade Organization, some very positive numbers which clearly have demonstrated the effectiveness of it. I am not saying that I am not prepared to tell the member. I do not want to pre-empt my statement that I am planning to give to the House later today, but it is directly involved with the work Manitoba Trade has done in co-operation with Manitoba Industry and the successes.

I have a lot of examples that we have seen a tremendous amount of activity in this area. I have to say to the member, I just think it is going to be absolutely enormous the amount of exposure that we have and what is taking place. I say that on the industry side. We cannot underestimate the same kind of activity that comes in co-operation with the Department of Trade and also with Tourism. There is a joint role to be played I believe, to some degree, co-ordination and co-operation, and that is taking place.

Mr. Sale: I think now I understand why I missed it. I was not understanding that apparently it has a new name. Manitoba Trading Corporation is now called simply Manitoba Trade. Is that its new name?

Mr. Downey: That is correct.

Mr. Sale: So should the subappropriation entirely then be called Manitoba Trade as opposed to Industry Development?

Mr. Downey: That could be. We could make sure that will be there for next year.

Mr. Sale: There does not appear to be any appropriation, unless it is in the area of Grant Transfer Payments, to the Manitoba Trading Corporation per se. Am I correct?

Mr. Downey: My deputy is checking, Mr. Chairman. We will get that information for the member.

Mr. Sale: Thank you, Mr. Chairperson. In the past, as of last year's Estimates, there was an unpaid chairperson of Manitoba Trading Corporation or, at best, very modestly paid, and the corporation was used really for only one particular purpose. I think it was administering a program for the department in the area of shows, seminars and other cost recovery items. That was the old function. It had a small amount of money on deposit with the province and it held the preferred shares of Faneuil ISG on behalf of the province.

So I confess to some confusion here. Has the Manitoba Trading Corporation become, in effect, industry development here or is there still a distinction between Manitoba Trading Corporation and what the minister is calling Manitoba Trade, which he appears to be using more or less synonymously with subappropriation 10.(2)(a)?

(Mr. Deputy Chairperson in the Chair)

Mr. Downey: They are synonymous, Mr. Chairman.

Mr. Sale: Mr. Chairperson, Am I understanding, I am not sure I clearly heard the minister. Is he saying that subappropriation 10(2)(a) should really be known as Manitoba Trade now?

Mr. Downey: It is really a subset of the area which we are talking about. It will be split out and be an independent allocated appropriation in next year's Estimates.

Mr. Sale: Maybe the minister can understand my confusion here in that the terms Trade and Trading

Corporation and Industry Development did not appear to be very clearly separated out. I acknowledge that we passed an appropriation that has the term Manitoba Trading Corporation in it but I could not find any appropriation for it, so that is why I was asking under this section. Can the minister indicate what the intention is in regard to the Trading Corporation as opposed to what he is now calling Manitoba Trade which, presumably, is still an internal department of government?

Mr. Downey: Mr. Chairman, just to put away any confusion, this is called our stealth department. The Manitoba Trading Corporation will be a supportive structure or instrument for Manitoba Trade.

Mr. Sale: Thank you, I appreciate that clarification. Will the Manitoba Trading Corporation be purely a corporate vehicle for Manitoba—for example, it holds the Faneuil preferred shares—or is it intended that it will become, as was indicated in last year's Estimates, in its own right a more active organization, or are we really saying that it is Manitoba Trade that is the active organization, and the corporation is merely a vehicle?

Mr. Downey: It is the expectation that it will become more active as it relates to the activities of Manitoba Trade.

Mr. Sale: Mr. Chairperson, the minister has indicated a number of different places where Manitoba might be taking an equity position. The Ward Lab development is a situation where I believe the anticipation is that there would be some equity position in the new development.

Is it the intention that Manitoba Trading Corporation will be the vehicle that will hold Manitoba's shares in a variety of these agreements?

Mr. Downey: No, not that particular case.

Mr. Sale: Does Manitoba Trading hold any other equity than the Faneuil preferred shares?

Mr. Downey: Not that I am aware of, Mr. Chairman, but I will confirm that.

Mr. Sale: One of the confusing things for those of us—and, again, I do not want to burden the minister with

responsibility for my mental health here, but one of the confusing things for me as an observer of government in terms of its economic development role is that we have equity held all over the place in government.

We have equity positions through the Development Corporation, through the Trading Corporation, through the Stabilization Fund, and, presumably, there is going to be some more coming in the form of this ETL area.

Surely, it does not make a lot of sense to hold equity positions in a variety of related organizations, all under the Trade and Economic Development rubric all over the place in government. Would it not make some sense to decide where you want to hold them and hold them there, so that there is one location and presumably one set of expertise needed to administer all of that.

Mr. Downey: Well, I would not agree that it is held all over the place, because there is not that much to deal with. It is all, of course, co-ordinated and acknowledged and approved by the Department of Finance, so it is not a matter of being all over the place and not recorded and tracked, Mr. Chairman.

If it is deemed appropriate that this is the proper place to handle it, it is not a big confusing problem to make sure that it is. It is certainly known and it is reported and recorded as to where it is.

I hear what the member is saying. It does not cause any confusion for the government. If it would be helpful to the member for Crescentwood to get a greater explanation on it, I will attempt to do so.

Mr. Sale: Mr. Chairperson, when does the minister expect to, or approximately when does he expect to make an announcement on Manitoba Trade? It has been more than a year since we talked about heightening the profile and reallocating resources and all that sort of stuff, and we are waiting. When is this coming?

Mr. Downey: Well, Mr. Chairman, if we could just get these Estimates done, I could get on with that job.

Mr. Sale: Mr. Chairperson, do I have two ministerial statements to respond to in the House today or just one?

Mr. Downey: I can tell the member that I like to get lots of positive comments, so it is my intention before too long to have a fairly major announcement and promotion of what Manitoba Trade is all about and what it will be doing, and as soon as we can get that put together, we will do it. I think it is important to do so, and I think the public clearly should have that information provided to them, and I will try to make it with as big a bang as possible.

Mr. Sale: And I will try to respond in the most appropriate and supportive way possible.

Mr. Chairperson, roughly what proportion of resources will shift from Industry Development into the new area?

Mr. Downey: Mr. Chairman, because we are still in the final stages of our cluster activity and Manitoba Trade is part of that. We have a certain overall amount of budget that is available to us. I do not think the number has been finalized, but my deputy has indicated that it could be in the neighbourhood of 50 percent.

Mr. Sale: Mr. Chairperson, I will look forward to that announcement. I am glad we were able to clarify this area for me so that my mental health over the weekend will be good.

I want to ask—[interjection] The member for Emerson (Mr. Penner) should just know that the minister was concerned about my confusion, that this would affect my mental health over the weekend. I am just very concerned that he not worry all weekend about this because I know that otherwise it would be a terrible burden on his mind, so that is the reference. I heard the puzzlement in your voice.

Mr. Jack Penner (Emerson): Well, very quickly, I appreciate the explanation because I was wondering whether we might have to make room at Winkler at Eden for another client, because it is an excellent facility and they do have excellent staff over there to help if and when needed.

Mr. Sale: I thank the member for his offer. It is a beautiful part of the country and I have always wanted to go to Eden—

An Honourable Member: The Garden of—

Mr. Sale: Exactly. We all started out there.

I want to talk about the Faneuil deal with the Manitoba Trading Corporation and ask the minister if he could just refer to the fact that the value placed on the preferred shares in the first year was about \$4.1 million. The preferred shares have a book value of \$16 million—16,000 shares of \$100 each. The Auditor recognized \$4.1 million and also set up an account receivable from the Province of Manitoba of \$350,000.

Could the minister indicate what the account receivable is and why the preferred shares were only valued at \$4.1 million when the agreement with Manitoba Trading and the department is \$16 million?

Mr. Downey: I am not sure where the member is getting the reference to the Auditor and what he is referring to as the value placed on them at \$4.5 million. I am not aware of the background or where he is coming from on that. I know, in the transaction that initially was put in place, that there was \$16 million worth of shares which the province received for Faneuil taking on the responsibility of paying off some \$19 million worth of debt on behalf of Manitoba Telephone System.

In addition to that, the arrangement that was made is that there will be over a million dollars in dividends paid annually for the next five years on those \$16 million worth of dividends. So, when you conclude it after five years, the numbers would be that we have received on behalf of the transaction something in excess of \$21 million of value for the \$19 million in debt that will in fact be paid off by the Faneuil transaction.

Mr. Sale: Mr. Chairperson, this is probably the most arcanelly complex deal that has ever been signed in the history of Manitoba and maybe in the history of Canada—I cannot imagine anything that requires six feet of legalese that could be any more complex than that.

I think the minister was perhaps slightly in error in his previous comments. The Manitoba Trading Corporation is the entity that is accepting the debt, not Faneuil. Manitoba Trading accepts, over the five-year period, \$19 million worth of MTS debt, and the government begins to pay the cost of servicing that debt as it comes onto MTC's books. I think the minister will find that that is correct when he reviews the agreement.

The wash in terms of costs, that is the interest dividends received on \$16 million preferred shares, do over the five-year period wash against the costs of servicing the \$19 million worth of debt, but that is simply the operating costs, as it were. That is, the current income from the preferred shares over the five years offsets the interest costs on the debentures. But there remains then the difference in the capital value. The preferred shares may or may not be worth \$16 million. They might be worth more if they are converted into common shares that happen to have done very well, or they might be worth zero if the company goes belly up. They can be anything from wonderful to awful, as the minister knows. Even if they are worth their face value of \$16 million, there is still a \$3-million subsidy being paid by Manitoba Trading Corporation because the wash is on the operating, in effect, the operating costs, not on the capital.

I would ask the minister if my understanding is correct—and there are two pieces here. The minister indicated Faneuil was accepting \$19 million worth of MTS debt. I do not believe that is correct and I do not think this is a big point. I think that is just a technical detail. MTC is accepting the debt, not Faneuil. Faneuil is paying interest on the preferred shares, roughly equivalent over the five years to the interest on the debt.

Mr. Downey: I may have been technically not just—but what I said is basically correct. What has in fact taken place in the overall initial deal is the—basically in essence what the province has done is made a repayable interest-bearing loan to Faneuil for which there has been some \$16 million that has been deferred. But in my way of thinking, there is no subsidy or shortfall when one calculates that the time value of money, that we are not going to end up in any subsidized situation, that we are in fact going to be repaid the amount of money that has been taken on in the transaction. It will be repaid to the province, and there will be a dividend paid on those shares, as well, which will put us in a positive position.

Mr. Sale: Mr. Chairperson, I urge the minister to meet with the Provincial Auditor and verify what I have said, that, in fact, that is the reason for the \$350,000 account receivable shown in the Trading Corporation's annual statements. That is the partial recognition of the \$3-million subsidy that is implicit in the difference in the capital value of the two amounts, and the Auditor is

setting that up annually so that at the end of five years the full subsidy of \$3 million will be recognized in the books of the Trading Corporation.

* (1010)

I would urge the minister to meet with the Provincial Auditor and discuss this issue because I believe that the Auditor has been very clear in Public Accounts and very clear in the discussions that we have had that indicate that this is one of the many subsidies this government provided to Faneuil in a fairly nontransparent way, if I might use that phrase. The minister I think is also indicating that the government advanced to Faneuil some \$17,250,000 in repayable loans. Is that the amount? Am I correctly recalling the amount?

Mr. Downey: Number 1, I will do what the member said; I will have the department check with the Auditor to see the—and I think that I am correct in saying that I do not believe that there has been any subsidy. Secondly, the point I will make is that one cannot discount the fact that there is a commitment to create some 1,000 jobs in the province of Manitoba through the transaction. There are some 365 full-time equivalent jobs that currently have been produced through that transaction—or some 500-and-some, not full-time jobs, but that make up the 365.

So, to date, there has been more than the commitment lived up to as it relates to the job creation which, again, was a major part of the transaction for job creation and new industry development. So I do not want the member to leave on the record that the province has, in any way, put a subsidy out that, first of all, I do not agree with and will check as he has recommended further with the Auditor, but also to say that the people of Manitoba I think, are being well served because of the transaction that has been made in the creation of jobs. Plus, Mr. Chairman, when one looks at the revenues that Manitoba Telephone System will generate because of this transaction, I think that adds a tremendous amount of income to that corporation which we would not have otherwise had.

So, when you take all factors into consideration, I think that what we have done is be able to turn debt that was owed to us from the Manitoba Telephone System into an active repayment to the province, developing and growing an industry that we did not have before, creating

up to a thousand jobs in the commitment and creating a tremendous amount of revenue for the telephone system. I would hope the member would not be against that initiative as it has accomplished all of those goals.

Mr. Sale: Mr. Chairperson, I am glad that the corporation is meeting its job targets, and I hope that it continues to do so. I asked the minister if the forgivable loan total was approximately \$17,250,000. Is that an approximate amount or is there an amount different?

Mr. Downey: Mr. Chairman, I am not going to give the member a number until I absolutely know what it is. I think, as the member himself has indicated, there is a considerable amount of legal work, documents and contracts. To put something on the record that is incorrect would not be appropriate, and I will take that question as notice for the member.

Mr. Sale: Mr. Chairperson, I would think that the minister would be able to confirm that amount. I believe it is in the press release that the province made at the time of the announcement. My concern was whether that amount had changed or not. Is the minister still unable to confirm that amount?

Mr. Downey: Mr. Chairman, I will take as notice and confirm to the member what the amount is, not that I know that it has changed or is any different than what the press release would be, but I will certainly take under advisement that question.

Mr. Sale: Mr. Chairperson, the minister confirmed last year a MIRI loan, I believe it was, of \$1.25 million. Is that amount correct?

Mr. Downey: Mr. Chairman, I do not have that information here. I am not informed that there is a MIRI loan, but I will confirm that. Again, I think it is important that the information that I provide is absolutely accurate, and I will again take that question as advisement as well.

Mr. Sale: Mr. Chairperson, I believe at the beginning of Estimates the minister made a press release listing all of the loans, and I thought there was a very clear Order-in-Council, which I do not have with me but certainly could get, that indicated that there is a MIRI loan of that amount.

Mr. Downey: Mr. Chairman, then he has answered his own question if that is the case, and what are we asking the question now for?

Mr. Sale: To see if it has changed and if it is current.

Mr. Downey: He may be confused, Mr. Chairman. I think I referred to MIOP loans, not MIRIs.

I do not have a copy of the individual loans that I referred to, but I can give him a copy of the press release that I tabled at that particular time, and it was MIOP, but not MIRI.

Mr. Sale: Mr. Chairperson, can the minister confirm that in addition to the repayable loans of somewhere in the order of \$17 million and the implicit subsidy which I think he will find is the case of \$3 million, that the Manitoba Telephone System is also paying to Faneuil corporation a total of \$19 million in unspecified fees over the next five years, making the grants to Faneuil that are essentially for no services rendered over \$20 million?

Mr. Downey: No, Mr. Chairman, I do not accept those numbers that the member is referring to. I do not have the specific contractual arrangements which Manitoba Telephone System has with Faneuil corporation.

He would have to check with the Manitoba Telephone System or the Minister responsible for the Manitoba Telephone System. I do not believe that is correct. I will not confirm that nor will I confirm the fact that there are any subsidies to the Faneuil corporation through the financing arrangement that was made, Mr. Chairman..

Mr. Sale: Mr. Chairperson, I think that the minister will find that over the next seven year the Manitoba Telephone System is paying for unspecified services a total of \$19 million—I am trying to find the reference and I will find it—and that this amount is offset, in effect, against Manitoba Telephone System debt which is being transferred to the Manitoba Trading Corporation; that this is the third leg of this very complex arrangement in which the government ordered the telephone system to make payments to Faneuil of \$19 million over the life of the agreement.

The government, in return, undertook to transfer telephone system debt to the Manitoba Trading

Corporation. The government enabled Faneuil to buy a database licence for \$16 million in convertible preferred shares which may or may not be worth \$16 million, but the Auditor does not think they are worth \$16 million, at least at the present time. So the people of Manitoba have bought and paid for those new jobs at a very high cost per job. Does the minister have any comment?

* (1020)

Mr. Downey: No, Mr. Chairman, I do not accept what the member has said. I will repeat again what, in fact, has taken place for the member's benefit.

What has, in fact, taken place is that Faneuil will be paying back to the province some—the number being \$16 million which we have in shares, held in shares. The province holds the shares which will be paid back to the province, a dividend on those shares, plus we will continue to hold those shares, which comes to in excess of the amount of money which was initially the \$19 million which was the transaction that the member refers to. We have in fact created or will create some 1,000 jobs at no cost to province. We are turning an inactive, or a loan that has been basically inactive, into a productive way of generating jobs and returns to the province.

Mr. Sale: Mr. Chairperson, in year one of the contract, Manitoba Telephone System will pay \$6 million, not for telemarketing services, just straight cash. In year two, they will pay \$5 million; year three, \$4 million; year four, \$3 million; year five, \$1 million. So they pay six, five, four, three, and one million dollars over the life of the five-year agreement—not for telemarketing.

The telemarketing is another \$47 million over the five years and that is at an annual rate far in excess of what the Manitoba Telephone System ever paid for its telemarketing services internally, which were very successfully pursued. They are going to pay \$5 million, \$5 million, \$5.75 million, \$6.5 million, \$7.25 million, \$8.3 million and \$9.4 million for telemarketing services in addition to the \$19 million over the first five years in fees, in addition to the \$3-million subsidy arranged through the Manitoba Trading Corporation.

What does the Manitoba Telephone System get for this? They get to lay off a large number of people. They

get to lose a very competent in-house telemarketing service which was, in fact, long before Faneuil came on the scene, retaining a very large proportion of the customers, giving Manitoba Telephone System one of the best, if not the best, customer-retention rates in the country. It is no wonder that Mr. Bessey is going to Harvard for \$400,000. This is a deal made in heaven for a company that had no assets, no track record and came here in effect to take advantage of Manitobans.

It had already been pointed out in the House that this corporation proposed to engage in an illegal use of the database. That was the database for which they paid \$16 million, and they have been told they cannot use it the way. I am glad they have been told that. I am glad the minister of telephones has been very forthright about that. But there is no question that they intended to take advantage of this opportunity, and that is why they were prepared to pay \$16 million in convertible preferred shares for that database. So we are funding the Faneuil corporation very substantially for every job it creates.

They have additionally acknowledged, and the minister responsible for telephones acknowledged, that this company simply ran up a big bill with Manitoba Telephone, and had the member for Inkster (Mr. Lamoureux) not raised that question in the House, that bill would still be unpaid because the company has tremendous political clout and so it can run up bills that it does not bother to pay unless they become a matter of public criticism.

The minister says 1,000 jobs, I hope he is right, but the Manitoba Telephone System will shed far more jobs over the next couple of years and has already shed as many jobs as Faneuil created.

I ask the minister how he can defend this industrial development initiative of his government which has cost the people of Manitoba millions and millions of dollars and enabled us simply to lay off well-paid civil servants and members of the telephone system in return for low-end, low-skill, high-turnover telemarketing jobs, grunt jobs in effect. Now, they may be better than no job at all, but they are not better than the jobs that were lost.

Mr. Downey: Mr. Chairman, I do not accept any of the comments the member put on the record as it relates to the subsidies or the deal. I go back to the other day when

we were in Question Period how confused he was in trying to tie the initial arrangements—the initial deal that was what I referred to already in the Estimates of today—to two other arrangements, one to provide service to the Manitoba Telephone System and for the purpose of the Manitoba Telephone System a contractual arrangement which was made between the two parties, and a second arrangement that was made to further provide service which he makes reference to a list of names that were provided to Faneuil which quite frankly were available through the telephone directory to anyone. So he is not doing anything to help clarify what has in fact taken place.

So I will conclude by saying, I do not accept any of his comments, that the province will in fact be repaid the monies that have been forwarded to Faneuil through the Manitoba Telephone System arrangement. There is no subsidy of \$3 million; in fact, when one considers the fact that we will, I believe, accomplish back to the Province of Manitoba, including the value of the shares and the payment on those shares some \$21 million versus the \$19 million that was the loan which was provided to the corporation, when one takes into consideration the 1,000 jobs that will be created, when one takes into consideration the numbers of revenue that the telephone system will obtain through this transaction.

He is incorrect when he says there will be any job layoffs in Manitoba Telephone System because of the Faneuil activity. Let us look totally at what has happened in the telemarketing system across the whole industry in Manitoba of which the Faneuil, I believe, activities created a whole new look as it related to the operations of the telemarketing systems in Manitoba. With the growth that we have now seen, that I believe was a start to get a lot of other activities taking place. That is happening, not at the expense of Manitobans, not at the expense of the Manitoba Telephone System but to the benefit of the people of Manitoba through the returns, as I said, in jobs that we are going to get in the province of Manitoba, through the fact that there is not a \$3 million subsidy. He has referred to the fact they should discuss this with the Auditor.

I am quite prepared to discuss it with the Auditor, that we will in fact be in a net benefit situation both in cash, in jobs, in revenues which the telephone system will accomplish.

Mr. Sale: I will be happy to hear from the minister when he has had a discussion with the Auditor about the \$3 million difference between \$16 million and \$19 million. I would remind him that the minister responsible for Telephones said in the House the other day that we had it backwards. It was really \$19 million in preferred shares and \$16 million in debt, so that is a \$3 million profit. Well, the Minister of Industry, Trade and Tourism knows that the minister for Telephones is the one who had it backwards and has already acknowledged that today. It is very clear in the statements of Manitoba Trading and in the Faneuil agreement that it is \$19 million in debt and \$16 million in preferred shares, so by the logic of the minister responsible for Telephones there is a \$3 million loss. He was quite prepared to turn the numbers around and make it a profit. When he turns them the correct way around, they clearly are a loss.

He talks about jobs not being lost. The entire telemarketing section of Manitoba Telephones was either laid off, transferred to other places and the man responsible for it was given the option of a gangplank or early retirement. He took early retirement. There were, in fact, direct job losses in the corporation in response to the Faneuil initiative. More important the internal cost to the Manitoba Telephone System of running its own in-house telemarketing, which was very successful, had already maintained and recovered quite a high proportion of the competitive client base that all telecoms are facing pressure on.

* (1030)

It was costing the telephone system less than \$1 million internally. Now they are paying Faneuil \$5 million for the same privilege. Faneuil may well be doing the job except that Manitoba Telephone has retained and attracted if not the highest, certainly close to the highest of all Stentor companies, and I think in fact it is the highest. That is a good thing, but we are paying a very, very large dollar to do so, directly to Faneuil from the telephone system, and in addition we are providing large payments for no services.

Would the minister acknowledge that all of Faneuil's equipment, every last piece of equipment was provided by the Manitoba Telephone System, that there is no charge for this equipment, it is simply provided?

So Faneuil, in effect, came here, got its offices renovated, got its equipment installed, got a guaranteed base of service, got grants. Yes, they are in business, and that is a good thing because if they were not in business with all that largesse, God knows they certainly would not be in business without it. There was enough largesse provided in this deal to buy an awful lot of jobs. I do not begrudge the people who have them those jobs, and I do not suggest that Faneuil is not providing creditable telemarketing services, but we subsidized that company very, very deeply in order to get it to do what it is now doing.

Mr. Downey: Again, Mr. Chairman, I do not accept that. I cannot confirm the deal as it relates to equipment and what is in the contractual arrangements between Faneuil and the Manitoba Telephone System. But I can assure the member again that—he talks about MTS staff being laid off. That, I do not believe, is correct. I believe that Faneuil has accommodated, to the best ability possible, to re-employ any MTS staff that were not working. I can assure him; I say, the best effort—it may not be absolutely totally all those employees.

I can also tell the member that the rapid growth and demand for the employees of that nature has been demonstrated—the need for those people has been demonstrated by the growth of AT&T Transtech and their call centre, which now has increased their employment to well over 1,000 people. The member, I think, is putting a lot of accusations on the record which are absolutely unfounded and undemonstrated.

I would hope that he would take the time to get a better understanding of the agreement because I believe that the people of Manitoba, the arrangements that have been made, will be better served, that there are jobs that would not have been here without this transaction, and it is not at a cost to the people of Manitoba. In fact, what I have referred to all the way through the Estimates and what my colleague the Minister of Telephones has referred to is that the province has not provided a subsidy to Faneuil, that we do hold shares, that we will be collecting a dividend on those shares and will be repaid.

Mr. Sale: Mr. Chairperson, section 13.2 of the agreement: MTS shall provide all capital equipment required to perform telemarketing services. Does the

minister suggest that this is an incorrect reading of English?

Mr. Downey: I do not have a copy of the agreement before me. The member apparently has, and I am not so sure why he is asking the question if he has the information.

Mr. Sale: I am asking the question simply because the people of Manitoba expect and understand that when industry is being developed there will be some costs to government. That is the case in the real world the minister says he lives in, and I am not immune to that real world.

The AT&T Transtech development got some initial support from government of a fairly modest kind. This one had its hands so deeply in government's pockets that it was awash with government money and remains awash with government money. The minister indicates AT&T Transtech has 1,000 employees in Manitoba at this point. Was that the number that I understood him to be putting on the record?

Mr. Downey: I understand, the department has indicated, that is the range there is. I would just like to further add that really the fundamental question is—and the member is totally off the mark when he says that, as regards the Faneuil deal, they are awash with government money. Totally unsubstantiated by the member. Totally incorrect. I think the fundamental question, though, from an overall system perspective, is the province of Manitoba better off with the transaction and the project that has been carrying out with the commitment to go to a thousand jobs, with the increased revenues that the telephone system will be getting because of the activity, Mr. Chairman, the fact that we will not be subsidizing this project as the member has said. The overall fundamental question, will we be better off in the telemarketing system and with the telco the way in which we have entered into this agreement, I would yes. The member is disagreeing, but I cannot help that. All I can say is that I believe the province is better off with this proposal.

Mr. Sale: Mr. Chairperson, this agreement was entered into with an American businessman who had a vision of a company that would develop proprietary software that was based on what he has called precision integrated

marketing. The basis of that database was to have been the utilities customer database. That was the original proposal put forward by the founder of this company to the Premier (Mr. Filmon) in 1994, early 1994, in Toronto. Certainly that was the proposal put forward in the initial agreement because Faneuil corporation was prepared to pay \$16 million for the corporate database of Manitoba Telephone System, not the White Pages and Yellow Pages, but the entire corporate database. That is what they were buying.

I used in the House and I use again here the analogy that if you are simply into a telemarketing agreement for Manitoba Telephone System, why in the world would you charge \$16 million for the database that you would give to the company that was going to do your telemarketing? When you hire a painter to paint your living room, you do not charge him for a key to get into your house.

It makes no sense whatsoever to be paying \$16 million for a database that is available for less than \$100,000 from Tele-Director from any of the listing companies that will provide you with up-to-date computerized telephone records, the White Pages and Yellow Pages.

In fact, Bell Canada and the Stentor companies have a utility called Tele-Direct, which takes all of the phone companies in Canada and all of their listings, puts them on disk and maintains them in machine readable updated form so that they are accurate and up to date, adds additional census information and postal code information to those lists and sells them for quite a good profit, and Manitoba Telephone System is part of that consortium. If that is all that was being proposed, why in the world would Faneuil offer to spend \$16 million to acquire that database?

The fact of the matter is, as was shown in the document released in the House by our party a few days ago, that the initial proposal that Faneuil made was found to be illegal, simply not doable under CRTC regulations or MTS regulations or any regulations. You cannot use information that is part of the Manitoba Telephone System internal data for any other purpose than telephone service provision.

You cannot use it for marketing. You cannot sell it. You cannot even massage it into some other form and then sell it. You simply cannot use it. CRTC has said there has to be a firewall between consumer information and any other purpose.

So it is very clear that Faneuil came here not because it was a whizbang telemarketing company. It was an average telemarketing company and a small one by any kind of American standards. It came here because its founder sold Michael Bessey and Mr. Filmon on a vision and may well have sold this minister and Mr. Findlay, the Minister responsible for Telephones, on the same vision, that he could develop a very lucrative precision data marketing base, develop the software and the technology to sell that and make Manitoba a leader in this field.

He found, we found, you found, that eight months later when a few people sat down and did what they should have done a year earlier and looked at the regulatory implications of his proposal that it was not doable but, by then, the cat was well out of the bag and an agreement of incredible complexity, virtually unbreakable, was entered into with Faneuil, and we are paying at least \$19 million from the telephone system in straight payments. We are subsidizing to the tune of \$3 million, which I am asking the minister to confirm with the Auditor. In addition, we are paying many times what we would have paid for the same telemarketing services internally, all because you believed, your government believed, in Mr. O'Brien's vision of a precision data management and marketing system that could be built on the platform of the utility corporation's database. That much is beyond question.

The minister cannot deny that was the initial intention because the memo from the legal department of MTS to its most senior staff, including the president, Mr. Fraser, indicates that was indeed the intention of the Faneuil proposal, and I am very pleased that they said it cannot be done. It is illegal.

But, if that is in fact the case, and if they are just using White Pages, why did they pay \$16 million for it? Why are we still in this deal to that extent? And why are we still shovelling the \$19 million in subsidies from the telephone system into Faneuil's coffers when the initial *raison d'être* for the deal was found to be a no-go?

* (1040)

Even more fundamentally, why did we not find out before we even signed the deal what the regulatory implications of what was being proposed might be so that some flags might be raised to say, this cannot be done? We are being asked to do something that is illegal in

Canada; not just improper, but illegal. Yet we went ahead and did it anyway.

And now we have Mr. Bessey at Harvard, \$400,000 worth of support from a person who sits on Faneuil's board and just happens to have a management contract with Faneuil to the extent of probably \$100,000, \$150,000 a year, 800 hours a year at a senior management level. You tell me what half a year's worth of senior management consulting time is worth from KPMG? That is what Mr. Browne is earning from the Faneuil corporation, and Mr. Browne is providing Mr. Bessey with very serious support to attend Harvard.

It seems to me that there was an awful lot of untested, unchecked assumptions that were made because there were some very powerful political interests in making this deal go forward. And it has not gone forward. Faneuil is a telemarketing company doing nothing different than AT&T Transtech. It cannot do what the province thought it could do, and the province never even checked out the legality of what Faneuil was proposing. When they did eight months later, they were into an iron-clad agreement that commits us to deep subsidies for years to come. I think the minister should be ashamed of that performance.

Mr. Downey: I guess I am equally as disappointed at the member for Crescentwood and the level at which he wants to get into the debate on this particular matter and revisit personal accusations and demean individuals who have worked on behalf of the province, revisit a whole series of activities that have been brought forward by Mr. Scurfield in the report that he put on the table which clearly cleared anyone from any wrongdoing or any conflict of interest as it related to the activities.

I am extremely disappointed and cannot accept any of what the member said. I think that is where he takes himself in this debate, where he totally discredits himself. And to again pull personalities into this debate of individuals who, quite frankly, do not have the ability to respond as he has a chance to put such material on the public record. Those individuals do not have the ability to come back and protect themselves.

The defence has already been there as far as I am concerned in the work that has been done by the Scurfield report as it relates to the accusations he made, and I think he owes those individuals an apology for again bringing

forward accusations which, quite frankly, have been clearly cleared up and, without any foundation, are again being put on the record. Quite frankly, I find it most distasteful, and I am surprised that the member would, in fact, lower himself to get into that kind of situation.

I do not accept what the member has said. First of all, he keeps referring to an agreement which did not proceed. He clearly knows that, clearly knows that the document which he tabled the other day was not in any way proceeded with. He is now revisiting it as if it is, in fact, fact and part of the deal—not correct at all.

He makes reference to the fact that there is a subsidy of some \$3 million, Mr. Chairman. That is not correct. The loan which has been advanced to Faneuil through the Manitoba Telephone System arrangement will, in fact—the province holds the shares as it relates to that, of which there has been a value determined on those shares, which when the returns, the dividends which are part of the agreement, are paid back for what we have put into the deal of some \$19 million, there is going to be over \$21 million returned to the province.

Mr. Chairman, that is not a subsidy; that is not a loss. That is, in fact, a positive position which we will end up with. I will repeat for the member again, he is opposed to the creation of some 1,000 jobs in this transaction. He has to be opposed to it. He is opposed to the additional revenues which have been generated by the Manitoba Telephone System. He is opposed to the assurance of jobs for those Manitoba Telephone System employees who have been rehired or part of that activity or jobs that have been created as it relates to the development of that industry. I think that this has something to do with the overall development of the telemarketing system in the province of Manitoba, demonstrated our capability, shows that we, in fact, have the capability of doing that.

So, Mr. Chairman, I cannot accept first of all—and I could get extremely excited about this, but I do not want to rise to the bait which the member has put on the table as it relates to the personal attack that he has put on individuals again in this debate. I do not accept that because there has been a process which the Premier (Mr. Filmon) put forward, which is available, which was put forward and available to look into the whole transaction as to Mr. Bessey and the involvement that he had and to his whole proceeding on to further his education. I do not

have the report in front of me, but it may have made reference to, possibly, bad judgment as it relates to—I am not going to quote it. I do not have it here, but I think if he would go back and read the Scurfield report, it would be of some help to this overall debate.

I will just conclude this comment, Mr. Chairman, of how distasteful it is for the member to, again, personally attack individuals. If he has something further to add or new information that should be put on the record, then let him do it, but let us not rehash the kind of information he is putting on here simply for mischief and personal attack and degradation. That is not acceptable, and that is why I totally disregard what the member has to say and will continue to do so.

Mr. Sale: Mr. Chairperson, I wonder if the minister could tell me what the total losses on two Manitoba initiatives have been, ARCOR and the Manitoba Hazardous Waste Management Corporation. What are the total provincial losses to the final wind-up of those two corporations?

Mr. Downey: Mr. Chairman, he will have to ask the Minister of Environment (Mr. Cummings) as it relates to the Hazardous Waste Corporation, because that is the jurisdiction which the Hazardous Waste Corporation answers to. I will ask my deputy for the information as to the losses that were incurred under the ARCOR initiative.

Again, Mr. Chairperson, I will speak to the ARCOR initiative briefly if we can get the numbers. I can say, first of all, it was a federal-provincial agreement which was jointly put together to develop the whole health care initiative, and I can say that there were some successes. It was not all a situation of loss. There may have been some financial loss, but in looking at some of the successes, for which we have royalties, too, the ARCOR rail is one which was an extremely good success story.

On the numbers, I do not think we can give him a definite figure at this particular time because we still have some property which has to be sold.

Mr. Chairman, I am told by my department that basically—and again this is not an absolute number and it should get smaller—the operational cost at this particular point to two levels of government was approximately

\$5.4 million, but let me add to that. I understand there is still a building to be sold, plus we do have a royalty in at least one product which is the ARCOR rail. We have other product development that I am not sure whether we still have a royalty on it or not but could have, so there could still be some benefits flowing that would diminish this number by somewhat.

I could not say it would be totally wiped up, but let us not be overly hasty to be too critical. I believe, it did develop and create a considerable amount of product that made a lot of peoples' lives a lot easier.

* (1050)

I will make reference to the ARCOR rail. I will make reference to another product and that was the motor that goes in the front wheel of the disabled carriers which was developed by ARCOR, was sold to I believe a U.K. company for the development.

My biggest disappointment was that there was not a Canadian or Manitoba company that took that product forward and developed it here but that was not doable apparently. I am not sure whether there will be royalties coming from that, but it is an extremely helpful instrument or tool for those people who are disabled, so those are the, as I have it, numbers to date. Again, I think it is 5.4 which is shared by the federal-provincial. We still have the property and we still have some royalties that well may come from the activities.

Mr. Sale: Pass.

Mr. Deputy Chairperson: 10.4. Economic Development (a) Economic Development Board Secretariat (1) Salaries and Employee Benefits \$531,500—pass; 4.(a)(2) Other Expenditures \$361,700—pass.

10.4.(b) Grant Assistance - Economic Innovation and Technology Council \$1,526,600—pass.

10.4.(c) Economic Innovation and Technology Fund \$1,000,000.

Mr. Sale: Mr. Chairperson, is Mr. Silver still the chairperson of this?

Mr. Downey: The answer is affirmative, Mr. Chairman.

Mr. Sale: Mr. Chairperson, has there been any attempt to recruit a broader spectrum of people to sit on this council?

I believe Labour is notoriously underrepresented and the area of concern is that if we are working in partnership and there is any kind of meaning to that word, then Labour should have a significant representation, not a token representation on this council.

Mr. Downey: Just to revisit history, there was an attempt and I believe a successful attempt at the beginning to have a broad cross-section representation and still remains a relatively fair broad cross section. It was Labour who I believe walked or decided not to participate on the council. There is an attempt or has been an ongoing attempt to have them become part of it again, and I think it would be helpful if they would see fit to join the council.

Mr. Deputy Chairperson: 10.4.(c) Economic Innovation and Technology Fund \$1,000,000—pass.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,419,800 for Industry, Trade and Tourism, Economic Development, for the fiscal year ending the 31st day of March, 1997.

The last item to be considered for the Estimates of the Department of Industry, Trade and Tourism is item 1. Administration and Finance (a) Minister's Salary. At this point we request the minister's staff leave the table for the consideration of this item.

Mr. Sale: Mr. Chairperson, I would like to take the opportunity to thank Mr. Stevenson—

An Honourable Member: Sutherland.

Mr. Sale: —Sutherland, Fred Sutherland for his work in the department. I recognize it has been a difficult as well as exciting year and that his leadership and his work in revitalizing the department is appreciated. I wanted to put that on the record.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I did have a number of questions in which I have decided ultimately, or a number of areas in which I decided ultimately I will leave for another point in time to be able

to get some detailed information on the Department of Industry. Suffice to say that it is—I have a great deal of interest, especially most recent, with respect to trade outside of the province of Manitoba. I was recently approached by a couple of individuals regarding Manitoba products and the types of industries which I believed had great potential for export. I like to believe that it is virtually unlimited in terms of the potential from within the province of Manitoba given Manitoban's entrepreneurial skills. But I am wondering if the minister can give some sort of indication, do we have some sort of listings of manufacturers that actually export abroad, and if we have something of that nature, would he be prepared to share it with me?

Mr. Downey: Yes, Mr. Chairman, we have, and I would be prepared to share it as long as it is not private information which the company would not want to have disclosed. But I would be more than pleased to provide that kind of information to the member.

Mr. Lamoureux: Yes, Mr. Chairperson, I appreciate that, and if the minister could attempt to get it to me sometime prior to the end of the month, it would be again appreciated.

The other area that I did want to comment on was more so, last year we had some discussions with reference to a couple of industries, the garment and the transportation industry. You will have to excuse me if the minister has already commented to any degree on that during this Estimates. But, Mr. Chairperson, I am wondering if the minister can give some sort of an update, if you like, on those two particular industries, because there was considerable discussion last year on them.

Mr. Downey: Yes, I would, Mr. Chairman. I think that I am still extremely optimistic about what is happening in the garment industry, and I will say and acknowledge the work that the member for Inkster did in helping to assist with the federal government in developing an agreement that could allow us to go above and beyond the quota that falls out of the formula that was traditionally in place.

I think there were some frustrations with the bureaucratic approach that came initially, but I think eventually there was an agreement signed between our Minister of Culture, Heritage and Citizenship (Mr.

Gilleshammer) and the federal government which would accommodate the addition of some 200 employees of which will add to the overall pool of people.

I also want to say, and I think it is important to point out, that we are working aggressively to make sure there are training programs available for Manitobans or other Canadians that are in fact in place, that there is a training program in place to give them fully maximum opportunities to participate in the jobs that are available in the garment industry. Again, I think it is clearly evident that what can take place is that we can get policies in place that are too inflexible to say that, you know, we have to use Manitobans or Canadians.

At the same time the industry is saying, well, fine, I am prepared to use them. Number 1, they need to be trained and they need to become part of the culture of that industry. They just do not fit into the culture of the sewing industry. Whereas there are identifiable people in the international marketplace that can come immediately and start into the industry, or once they go through the screening process in their own country are all ready to move into the industry, and with some language training can in fact become very much a part of that industry. When you hire that person, it creates a job in transportation or supplying the industry, supplying the sector, so it is not a matter of just replacing one Canadian job with one immigrant job. It is a whole lot of other jobs because that one individual activates the sewing of a product or the development of a product that generates other needs, so you can be so narrowly focused to say, well, a job coming in replaces a job that a Canadian would have. A job coming in creates a considerable number of more jobs.

I am positive about this. I really am. I think the garment industry of Manitoba—I guess it has its ups and its downs, but in general in a sense it has had a fantastic growth pattern. It is our job to make sure that there are trained people, I believe, and immigrant workers available in a balanced way so that the industry can grow and do all of those things that I have suggested.

Yes, we have seen the garment industry move out of Winnipeg into some areas where some have been successful, some have not. I know my colleague from Steinbach has a very successful operation in his community which he is very pleased with, again, creating

positive piece of news. The member made reference to the transportation industry on long-haul driving.

Again, as the economy has grown and the movement of goods and products has been essential, I think there is still a demand for the transportation sector, although the industry has worked very successfully with Workforce 2000. That is the program; Workforce 2000 is a training program. The industry has developed a program with the Department of Highways and Transportation and has some very successful training programs in place in developing people for the long-haul industry.

* (1100)

Again, I think that with the modern technology and with some of the support systems that are in place, yes, it is still a long and tedious job for a long-haul trucker. It can be strenuous and tedious, but when one—I often think this as one looks at the farm community, the amount of hours that a farm person puts in a field going up and down the field. Quite frankly, the miles they put in and the hours they put in very often are comparable to what happens with an individual driving a long-haul truck. The only difference is the scenery does not change to the same extent, and the challenge, quite frankly, may be not as great as when you are in a city driving or traffic activities.

The strains and the stresses of individuals carrying out a manual or person-kind of work like that, man or woman, can be strenuous. I think the training that is available is very successful. As I understand it, there is still a major demand for those kinds of individuals. Again, there is an overall demand there that fluctuates as well, and I would say that probably has been met to a greater degree than what it was a year ago. At this particular time indications are that it is probably as close to being fulfilled as possible, but I would think, and, again, let me go back to some of the economic developments with the garment industry.

Let us look at the potato industry and the growth of that sector. Let us look at the processing of our canola oils and our activities in the agricultural sector. The need for long-haul truckers, I do not believe, will totally be filled, but I think you will come to times when it is close to being numbers of people there for the numbers of jobs. I would anticipate that over the longer term, as a

responsible thing to do, it is to make sure there is a pool of people available to satisfy that industry.

Mr. Lamoureux: I would concur with most of what the Deputy Premier has actually said, but I do believe that ultimately government does have some role in monitoring these different industries. In some industries we see more activity in which government needs to have some sort of input, whether it is for training purposes, whether it is for immigration purposes, whatever it might be, and that is the reason why it is critical that there has to be some sort of a monitoring process. Hopefully, next year we will have a little bit more time to go into some of the details on specifics within the industries because I made reference to a couple of them.

The other area that I just wanted to briefly touch upon was the Winnipeg International Airport with the idea of having the potential for cargo, and particularly fresh cargo, agricultural. I am thinking in terms of the hog industry in particular where there is great potential in terms of export. You know, I recall a couple of months back watching a documentary where they were shipping—I think it was a 747 leaving one of the Atlantic provinces every day full of lobster. Well, Mr. Chairperson, I think that there is great potential in terms of providing some of that type of exporting in the province of Manitoba which would enhance considerable activity not only in the city of Winnipeg but also in rural Manitoba, and demonstrates very clearly how both economies in the rural and city benefit when we see a project. I would ask the minister to what degree his department is involved with respect to the development of the—is it Winnipeg project? If he can maybe just make a brief comment on that, then we would be prepared to pass the Minister's Salary.

Mr. Downey: Mr. Chairman, I appreciate the member's comments because I think it indicates that he is clearly abreast of what is in fact taking place on the transportation side which is an integral part of the development, the future economic development, of the province. Infrastructure has to be there for the growth in the global world that we are doing business in. That has been said many times, and it is certainly not original that we have to think globally and act locally is pretty apropos. That is exactly what we are talking about. You think globally, and how do you tie yourself into the global marketplace and get the actions going locally that

will accommodate that? That is really what we are talking about.

Winnport, of course, you first of all have to acknowledge those people who have been driving Winnport. There have been a lot of actors, a lot of players. Hubert Kleysen is one of those individuals who has been spearheading it with a group of people around him. I have to say again, this is one of those areas where we have a cross-jurisdiction, where we have Municipal Affairs or Rural Development with the planning activities within their department to make sure that the lands are clearly identified and the whole futuristic approach is taken, that the land assembly has taken place so that the road and the rail services and all those things are put together. It is a matter of developing a capital or corporate entity that is actually going to go out and be and do the actual work.

I think the one point I would make is, to the member, and that is time is not on our side. I mean, we have to move aggressively, and I know there has been some little hiccups. I think the work that was done with Air Canada has fallen by the wayside to develop a couple of their aeroplanes to carry cargo, has not proceeded the way in which it was initially planned.

So they have now changed their plans to try to work to—I believe and I am just giving my perception—get into business through the leasing of aircraft and tying up with certain export-importers. There is also the need to have the federal government, and the member may be helpful in this area. He could call Hubert Kleysen and find out specifically some of the supports that are needed in dealing with the federal government in view of the fact this member has a lot of clout with the federal government. He could probably help substantially to help accommodate some of the regulatory things that have to be done.

I think everybody has to pull together in this. This is one of those things that is a nonpartisan thing. It is a fact that all political parties and all municipal and provincial, federal politicians should get onside, because we are all going to benefit. The province will benefit. The communities will benefit and the whole country will benefit with Winnport here. The trucking industry is key to it, to the success of it. The establishment of a tax-free zone to make sure that there can be some assemblies

without picking up taxes can be part of it. The whole refuelling and the whole servicing of transcontinental aircraft moving cargo.

The member makes probably some of the best comment that has been made. I know our colleague the Minister of Agriculture (Mr. Enns), as many rural members have been indicating, members that are sitting here with us today, those individuals, how important it is to the develop a linkage with the sale of agricultural commodities to the international marketplace. For example, let me just put some very simplistic numbers on the record. I know that pork in Japan, chilled pork is probably selling equivalent to \$30 to \$35 a pound. What does it cost when you go to the store here? Probably \$3 to \$4 a pound when you buy it off the supermarket shelf. I have not been there to buy product for a while, but I think I am probably high. But, you know, it is probably 10 times higher in Japan. A 747 can probably pack 250,000 pounds of chilled pork. Again, I do not have the numbers exactly, but I think that would be in the quantity.

The difference is a tremendous amount of money that can be used to buy freight with, and I would think your freight would probably be in the \$1-and-something to \$2 a pound. To me that just makes a whole lot of sense right today if you could load plane loads of chilled pork, deliver them to the Japanese market. Now you have got tariffs, Japanese import tariffs, and you have got all the regulatory things you have to go through, but just the bare economics that you are dealing with make it look fairly attractive.

Taking it to that simplistic approach makes the member's comment very, very valid. It is doable. It is very doable to deal with the agriculture commodities, and as we see more value added to our industries and agricultural processing—you do not ship the raw product—you have got the jobs to process, you have got the jobs to package, you have got the jobs to move to the air terminal, you have got the jobs to load them on the air terminal, you have got the servicing of the aircraft, and you fly the product to your customer just the same as if you were delivering it to your local supermarket down the street. They get top-quality product, just like you and I get, and I am sure, over and above that, would pay a premium price for the kind of product they would get. So the logistics are here. It is doable.

It is a matter of everybody getting their act together, but there is one thing I would like to suggest to the member. He should give the chairman, he should give Mr. Hubert Kleysen a call to see what he can do to help, if there is anything he can to help, with the federal counterparts. We are working as a team. I would hope that the members, the official opposition, would be on board as well. I have not heard them speak negatively about that, and I would hope that they would want to be on board as well. It will be probably the most positive overall economic infrastructure development that can make Manitoba excel ahead of everyone else into the 21st Century.

* (1110)

Mr. Deputy Chairperson: 1. Administration and Finance (a) Minister's Salary \$25,200—pass.

Resolution 10.1: RESOLVED that there be granted to Her Majesty a sum not exceeding the sum of \$3,236,000 for Industry, Trade and Tourism, Administration and Finance for the fiscal year ending the 31st day of March, 1997.

This completes the Estimates of the Department of Industry, Trade and Tourism, and we will recess briefly. We will move on to the Estimates of Decentralization, Legislative Assembly and Sport, and we will do it in that order or whatever order the committee determines. You have those three, then you will—

Order, please. We will recess briefly and see if we can get things together.

The committee recessed at 11:12 a.m.

After Recess

The committee resumed at 11:21 a.m.

OTHER APPROPRIATIONS

Decentralization

Mr. Deputy Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to

order. This section of the Committee of Supply will be considering the Estimates of the Department of Decentralization. Does the honourable Minister of Rural Development have an opening statement?

Hon. Leonard Derkach (Minister of Rural Development): No, Sir, I do not.

Mr. Deputy Chairperson: No? Thank you. Does the honourable critic have an opening statement?

Mr. Clif Evans (Interlake): Yes, thank you, Mr. Chair. I would just like to ask the minister a few questions on the—

An Honourable Member: Pertinent questions.

Mr. Clif Evans: Pertinent questions, yes, on Decentralization. As we see in the Estimates that there really has not been any activity in Decentralization for the last couple of years. Well, I see on page 8 that there is no financial information provided for '95-96.

It seems as Decentralization is at a standstill, with the Expected Results, they are saying that, as requested, for Appropriation (27)4. is expected to be sufficient to cover expenses related to Decentralization '96-97. What are the plans for Decentralization for '96-97?

Mr. Derkach: To begin with Decentralization, as was committed by the government, has been fulfilled in terms of the numbers of positions that we had indicated that would be decentralized. There are still some communities which commitments were made to that we are working with to try and identify positions that can be relocated and completed.

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

These outstanding communities, of course, are ones where we have found we had a bit of a challenge to relocate parts of government to because, as the member knows, we have gone through a significant downsizing of the civil service in government. That certainly has impacted on the number of people and positions that can be decentralized to rural communities.

By and large, I would say that the effort has been very positive in terms of the communities that have received

decentralization positions and also in terms of the goal that was set for moving positions into rural Manitoba.

I guess for 1996-97, or this fiscal year, we are looking at completing the commitments that were made to the communities that we made commitments to in the beginning.

Mr. Clif Evans: Would the minister by letter or by correspondence just provide me with the information as to the communities that he is committed to, the department is committed to, for decentralization jobs?

Mr. Derkach: I guess the foremost active communities that are looking for decentralization at this point in time are Emerson, Gladstone, Glenboro and Hamiota. These are the ones where there is some activity going on presently.

I should also tell the member that the initiative is ongoing. In other words, when we identify positions in government that can be decentralized, we will be matching those positions up with communities that have not received any positions from Decentralization and trying to fill to the letter our commitment to them.

(Mr. Deputy Chairperson in the Chair)

Mr. Clif Evans: I just want to make a comment on this. As I made my comments to the minister during the Rural Development Estimates on how important the rural economy is, of course, and trying to gain some strength and with what is happening, as he is saying, about the downsizing that his government has been initiating for the last couple of years, I feel and we feel very strongly the fact that perhaps the government and Rural Development should in fact be taking a stronger initiative to provide the services and the jobs in rural Manitoba through decentralization.

It is a tragedy that in some departments that are being downsized in rural areas, instead of providing the jobs and the services in some rural areas, we are not getting this, and because of the downsizing, that perhaps we are losing positions, or the efforts of the different departments to take away services.

I feel that perhaps we should be doing a little bit more when it comes to decentralization, or as much as

possible, to enhance our rural communities and maintain the services and expand the services that we have and should have.

Mr. Derkach: I guess I could begin by telling the member that in 1990 our commitment was to relocate 693 positions into 62 communities. As of March 1995, we had relocated 670 positions to 61 communities.

I think that is a significant step in trying to bring services to the part of our province that traditionally and historically has not had the services delivered from. I think that is a major accomplishment for the government in Manitoba when you look at the size of our civil service and the fact that we have been over the course of the last eight years attempting to bring our financial house into order, and I think that has now been accomplished, as well. So even though government was downsizing and government was reallocating resources, we were able to do a significant task in terms of contributing to the rural economy by moving out almost 700 positions into rural Manitoba.

I might say that I agree with the member in terms of the importance of initiatives like decentralization and trying to stimulate the rural economy. However, and I have told this to communities time and time again, we cannot rely on government to do everything for communities. Communities have to basically take the initiative by themselves if they are going to revitalize their communities and stay afloat, but it does not help when a colleague of the honourable critic's makes a suggestion that we should be moving a plant from Portage la Prairie to the city of Winnipeg when, indeed, all that would do is lose another 40 jobs or 35 jobs in a rural community.

Our goal is to work with those initiatives and to try and preserve those jobs in the communities that they are in, so I appreciate the fact that my honourable friend believes very truthfully in rural Manitoba, but he needs to also convince his colleagues that they have to have the same attitude, as well.

Mr. Clif Evans: I thank the minister for that comment. It is the second time I have heard that, I believe.

The 669 jobs that have been allocated, decentralized, to the 61 communities, are all 669 jobs still there? All these positions, are they still in the communities?

Mr. Derkach: Mr. Chairman, we have not done an audit of the jobs to see whether every single job is still there. I believe, by and large, some of them have even been increased. I know that in a couple of Decentralization initiatives I have had contact with in the last year, they have indicated to me that they have increased the numbers of staff in their offices, so what the net effect is I am not sure. That is perhaps something that I could get for the member, but it is not something that I have at my fingertips right now.

* (1130)

While I have the floor, Mr. Chairman, I would like to also highlight for the member the economic benefits that have occurred as a result of decentralization. First of all, besides the additional jobs, there is something like \$26 million in direct payroll that has now been transferred to rural Manitoba and is now being enjoyed by people who are working in rural Manitoba. About \$9.1 million of new construction activity, creating 3,500 weeks of work have resulted from the decentralization initiative.

Now if you look at that for the impact on the rural economy, that is fairly significant in itself in terms of the construction industry and also in terms of the rentals that now are going to be coming in to either people who own these buildings or in fact to the rural communities themselves and the taxes that are being paid on those buildings as well. About \$3.8 million in tenant improvements, 90 percent of which was done using local tradespeople.

Now these are local people who found opportunities because the government decided to decentralize. About \$1.97 million in annual lease payments which I have referenced before are now being paid in rural communities. There are spin-off benefits that have occurred in all of these communities, which are significant, and I know the member supports that, and he has indicated that through many of his comments.

I certainly appreciate that, and we need to continue to work to find opportunities where they make sense, to decentralize to rural Manitoba, and that is our commitment. Where a unit in government makes sense to be decentralized to a rural setting, we will continue to do that, but it is not an initiative that we are driving from the Department of Rural Development. We are not going

about it in the way that we did in the beginning where we went to departments and asked for initiatives to be identified that could be decentralized. That phase is over. Today we are working on an ongoing basis whereas, when we see areas that can be decentralized, we will do that.

Mr. Clif Evans: Mr. Chairman, I would appreciate from the minister some sort of report and audit as to the positions that they have decentralized and whether they are still there, how many are still there, and if any have been lost or cut back as the minister indicated earlier because of government restraint.

An Honourable Member: Rightsizing.

Mr. Clif Evans: I certainly just want to also put on record that, of course being a little biased with Interlake constituency, there are positions that could be sent out there. There is office space available in Arborg, and Fisher Branch and Moosehorn and Ashern, so I would hope that the minister will certainly work along with me if I do bring to his attention through departments to bring jobs out. I know that, and I strongly feel that there are situations in the departments of Natural Resources and Environment. I would hope the minister and I would encourage the minister to support some of the initiatives that I will be putting forward to these different departments to bring people, decentralized positions, out to these areas within the Department of Environment and in the Department of Natural Resources.

Being centralized with the problems and situations and issues that we have in that whole area, I think that it would be a great initiative to be able to get people to move out to that area to be able to provide the services, live in the communities and provide economic benefit, but also to have the services available in those two departments, I think specifically right now with what we are doing. I thank the minister for his information and look forward to further information and dealing with him on this.

Mr. Derkach: Mr. Chairman, just to conclude, I thank the member for his comments. We will work with him and communities in rural Manitoba to do what we can to identify things that make sense to relocate, but I also have to ask him to encourage his colleagues to look at rural Manitoba in a more positive light. There is a tremendous

amount of positive activity going on there. All you have to do is leave the Perimeter and go out there and take a look at what is happening. As a matter of fact, comments are now being made—I even heard them on OB radio—about the tremendous change in rural Manitoba and why it is not happening here in the city. Well, I can tell you that communities have decided to take their own destiny in their hands and have come a long way.

Now it is not going to all happen overnight. We know that. We have to continue working in partnership with communities, with members on the opposite side of the House, to make these initiatives happen. I can tell you that the member from the Interlake (Mr. Clif Evans) has been very co-operative in that regard, and I thank him for that. We will continue to work as hard as we can to ensure that rural Manitoba remains strong because, as rural Manitoba is strong, the city is strong, the entire province then is a strong province and one that we can promote outside the boundaries of this country.

Mr. Clif Evans: Mr. Chairman, in closing and a final comment on the lighter side of this, seeing that the Estimates book for Decentralization does not have a lot of pages in that, perhaps the minister will in future, when he does present his supplements for Decentralization, put all the typing in little larger type so that members could read it perhaps a lot easier without their glasses. Thank you.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I do not know if I would be quite as generous in terms of gauging as how successful decentralization actually has been. A few years back, I can recall the government making the announcement out in Brandon, and there were quite a few people who were upset both in rural Manitoba and the city of Winnipeg, primarily because of the way in which this whole issue was handled from its beginning where you were taking individuals out of the city of Winnipeg, as opposed to working it in such a way that rural Manitobans would be filling vacant positions and trying to realign in different areas. There was quite a bit of criticism at the time. The bottom line in terms of percentage of government of Manitoba employees today working in rural Manitoba compared to a percentage back in 1988 would definitely be an interesting figure, and I would request that the minister—not today if he does not have the figure, but at some point—provide me that figure. It would be much appreciated.

I also wanted to point out to the minister that the Liberal Party is in favour of decentralization where it makes sense to do that. There has been some concern in terms of in the past—and I do not necessarily want to cite specifics at this point in time because I, too, would like to see this particular department pass—but areas in which, Mr. Chairperson, where it is somewhat questionable, and particularly in Education, on some of the decentralization that took place.

One would like to think that a minister does have some sort of conversations with the City of Winnipeg. Let us not necessarily neglect the City of Winnipeg in some of the discussions that occur for decentralization because it does have an impact on the city of Winnipeg. We want to make sure that all regions of the province are, in fact, treated with respect and a sense of fairness. That is, in essence, all that we are asking from the minister with respect to decentralization, and that is where it makes sense. If it is to the province as a whole's best interest to move an area into a rural community, then let us do that, and, in particular, if we can fill these positions with local, rural Manitobans because that should be a first priority, that should be done. Having said those few words, we are quite content to see it pass.

Mr. Derkach: Just in response, let me say that decentralization was an initiative that we consciously moved on. We understood right from the very beginning that we are not going to be creating new positions in rural Manitoba. These had to be decentralized from somewhere, and the logical place was of course the city of Winnipeg, because there was a disproportionate number of people employed by government who were in the city of Winnipeg as compared to the rest of rural Manitoba. So when we talk about equity and fairness, there was an adjustment that was being made through decentralization to ensure that rural Manitobans were receiving a fair share of employment opportunities and also services from government. So therefore it meant that we had to relocate some positions to rural Manitoba. In doing that, we tried to be as neutral as possible in terms of impact on individuals.

* (1140)

In most cases, we tried to redeploy people to other positions within the city if their families were living here,

and if their life centred in the urban centre we tried to ensure that we respected that position of individuals. I might say that only one employee out of the entire decentralization initiative has not been redeployed to date. I think that is a fairly positive kind of result. It is unfortunate that one individual has not been redeployed, but in an overall sense that has worked fairly well.

Initially there was a lot of confusion and misunderstanding amongst the people who were going to be involved in decentralization, and that is why there was some negative feedback in the beginning. But I can tell you that I have not received one call from anyone who has been decentralized wanting to complain about the community they have been decentralized to or complain about the fact that they are not happy in that community. I think we have had two families that have decided to move back to the city as a result of decentralization.

I have received a lot of positive feedback from those individuals who have moved out to rural Manitoba who have said to me that they did not realize how beautiful some of these settings were, and the community life that they have come to enjoy has just really surpassed all of the negatives that they might have had about moving to a rural setting. So on an overall sense, it has been very positive.

On the economic side, the initiative cost us about \$4.5 million in total. That is pretty small when you consider the impact that it has had on the rural economy. But besides that, the savings to government on an annual basis are about \$523,000 annually. That results from things like accommodation costs which might be less in rural Manitoba, legal costs and all of those kinds of things that have reduced the cost of operations to government.

So, by and large, the initiative I think has been a phenomenal success, if I could use that term, and, yes, there will always be little bumps and little glitches and little challenges that have to be turned into opportunity, but I think this was a challenge that was turned into a tremendous opportunity.

I agree with the member for Inkster (Mr. Lamoureux) that we need to be very conscious about the impact that we have on people's lives when we relocate them and that we try to work with them in a very humane and

respectable way. We will continue to do that to ensure that we respect the dignity of people and the lives that they have created for themselves in the cities or when their positions come to be relocated, and we will continue to do that. Thank you very much.

Mr. Steve Ashton (Thompson): I want to ask a number of questions to the minister just in terms of decentralization.

I have always supported decentralization. In fact, successive governments have made efforts in terms of decentralization and notwithstanding some of the—there were a number of decentralizations that were paper decentralizations. By and large there were substantive jobs moved.

I mention that in the case of Manitoba Hydro when I found in my own community there were 30, 35 new jobs in Thompson, so I checked into it. Well, they were not in Thompson; in fact, the jobs did not change. What it was was the office in which these jobs were—these were basically for the Kelsey Dam previously listed as Winnipeg and then they list it as Thompson. There was not a single new job.

I say that because I think in the desire to make the numbers look good, I think in that case it was a bit of a disservice, because these numbers, by the way, are included in here, when in other cases there were substantive jobs moved. Energy and Mines is a good example in the case of my own community. But what I would like to do is—and I have raised this question before in the civil service side, because I know in my own community, for example, if you net out those 35 that really did not create new jobs in the community, you are left with about 30 positions that were decentralized. Obviously, we lost other positions at the same time. In fact, there has been a sort of, a bit of a revolving door in the case of some jobs. Some jobs have been moved to other areas, so this is not really the net impact in my community.

I have raised this before with the Minister responsible for MTS. I pointed out in Question Period in the context of what is happening now with Manitoba Telephone System, that decentralization included the Crown corporations, and the reason the Crown corporations were included is because, obviously, we own the companies

involved, and the government can have some influence over where those jobs are located.

I am extremely concerned about what is going to happen under the privatization of MTS, and I will tell you why. There are a number of reasons. There are a lot of local and regional offices throughout Manitoba in rural areas that I think we all understand could be in a position of potentially being subject to even direct closure.

There was a meeting that took place in Portage recently. It was a senior official of MTS there who indicated that as of 1997 under the new private company, basically he anticipates there will be closures.

I think the minister knows what some of the concerns are because there are a lot of people who are concerned. We will have offices in Winnipeg. There is no doubt about that. The only thing in the bill that we have is that there is a guarantee of a head office in Manitoba, and I assume that will be in Winnipeg. It could be elsewhere in the province.

I assume there will be jobs in Brandon, and most people I talk to from the telephone system assume there will be jobs in Thompson, and there may be phone centre types of positions in other communities, but I want to run through some of the scenarios. The reason I want to raise this is in the hopes that—and we will continue the fight on the privatization at another time, but I do hope that there will be some effort to ensure the maintenance of employment in rural and northern communities with MTS. I consider that absolutely critical.

There are a number of communities where operator services are likely to be lost. For example, Minnedosa still has operator services. That could very easily be lost. There has been a great deal of concern in that community. Boissevain, I believe, is in the same situation, and there is a significant amount of concern.

But, you know, yesterday we had a meeting in Selkirk, and I talked to a lot of MTS employees there on the issue of selling off MTS. There is even concern in areas like Selkirk, because those operator services with current technology can be transferred not just to Winnipeg, by the way, but could be transferred out of the province.

If you look at what happens with American telephone systems, in a lot of cases—if you phone Florida, the area code for Florida, the operator services are hailing out of South Carolina. They have been contracted out.

Under a Crown corporation, that is not going to happen. I think we have an efficiently run telephone system, and I am not arguing for maintaining jobs for the sake of maintaining jobs, but the advantage is—and decentralization is kind of living proof of this—that you are able to influence, as a government, the actions of MTS, and, obviously, what the government did in this case was state that jobs in rural and northern Manitoba are a priority. That is why you include it as part of the decentralization process.

So what I wanted to raise is that concern to the minister. I have read through the act. There is no guarantees of rural and northern employment. There is no reference to it whatsoever. I know the minister in the House has said, well, you know, it is going to be owned by Manitobans. Well, we do not know yet, by the way. We know that up to 25 percent could be foreign-owned under the structure.

The first opportunity to purchase shares will go to Manitobans, but people from other areas of Canada can buy, and if you look at what happened in Alberta, as soon as those shares were sold, they were on the Toronto Stock Exchange. A significant part of Telus, which owns AGT, which is their phone company, is now owned outside of the province. Believe you me, if you are a shareholder sitting in Toronto, I do not think it takes too much to figure out you are not going to have much of a concern for employment in that area, and I know it is a big concern in Morden. When I had the meeting in Morden, there were a lot of people in that community who were very concerned. Morden has got a very significant office, a large number of employees.

As I said, I will fight the privatization battle. I am not fighting that here. I did not come into this committee to continue that debate. I do not ask for the minister to comment on that, but I am wondering that, if there is not something that the minister can do in terms of decentralization, or the government can do, or if it is considering doing that, to give some greater security to rural Manitoba in terms of employment.

I really believe this, and I am not saying this as a scare tactic, but I would say there will only be two regional offices left within a number of years. There may be some local offices, and I see some regional offices, being downgraded to local offices. I see a lot of communities losing all their employment; I mention Minnedosa and Boissevain. Morden could be very affected. I think there could be a major downsizing in that office. Some of those jobs may be moved to Winnipeg.

You know, it is a lot easier for a company—and the minister knows it; that is why we have decentralization—to run it out of the head office in some ways, even though it may not be that much better economically. It may not impact on the bottom line, but obviously if you have got the choice, and you are a private company, of having 45 offices across the province or having two or three central offices, it is easier to go with that.

* (1150)

I am wondering if the minister can give not just me any assurance, but the people of rural and northern Manitoba some sense of whether the government sees any role apart from—there will be some government reps on the board, I believe, which is about the only control we will have left, but is there anything that the government has done? Has the government even considered what the potential loss to rural and northern Manitoba might be under the new company in terms of jobs? By the way, there will be losses of jobs—I think everybody in the telephone system knows that—under privatization. The big concern is that rural and northern Manitoba will suffer the most.

Mr. Derkach: Well, as Rural Development minister, Mr. Chairman, I can tell the member that I am certainly going to do what I can to ensure that there is a presence of the new telephone system in rural Manitoba. I do not know the impact that it is going to have on the entire system in terms of jobs.

Furthermore, I do not know what impact it is going to have on rural Manitoba at this point in time. The services are still going to be required in rural Manitoba, and I do not see things changing significantly in rural Manitoba because those services will still be required there. I guess we can assume a lot of things, but until we see the final plan, I do not believe that we should be out there creating fears that maybe are not warranted.

We are living in a different age today. I know that this is not the place to debate the privatization of Manitoba Telephone System, but things will continue to change. They will continue to change in the next five years. There will be other situations where jobs are going to be impacted in both the urban and the rural settings. What we as a government are trying to do is to ensure that jobs of one kind or another are brought into the rural setting. They do not have to be government jobs. They do not have to be with MTS and Manitoba Hydro and the Manitoba Public Insurance Corporation, better still that they be jobs that are created by the private sector because those are the sustainable jobs, those are the ones that are going to make a difference in communities.

To that extent I have to say that in rural Manitoba we have seen a tremendously positive turnaround. When you look at initiatives like the one of McCain's, the Nestle-Simplot one in Carberry, the Simplot plant in Brandon, and you can go on and on. I can cite examples of where communities have attracted significant companies to very small areas.

The other initiative, of course, is communities creating companies that are going to either add value to the products that are produced in those communities or are going to manufacture something or are going to manufacture something for export, but communities have come alive. They are a different job, of course; they are not government jobs. But I have always said, we should not rely on government to create jobs for people in rural communities or anywhere for that matter. We should be a catalyst as a department to try and attract businesses into the rural setting that will create jobs that are sustainable and will be basically created by the private sector.

So is there going to be an impact on rural communities by the change in status of the telephone system? I cannot answer that for the member, but let me assure him that we will try to do whatever it is we can to stimulate the economy of our rural communities, whether it is northern Manitoba or in the southern part of the province, it does not matter.

I was in The Pas yesterday, and to be honest with you, I was quite impressed by the direction that the community has taken in the last year or six months. There is a different attitude in The Pas. The mayor and his council,

the LGD, seem to be working together much more cooperatively now than they have in the past, and that is what is going to make a difference.

They are talking about new industries coming into the community, there is a new hotel being built on the reserve right now, there is a new restaurant coming up in the area. They are looking at tourism as a major kind of industry in that community.

The attitude of rural Manitobans has really changed, and that is what is making the difference and that is what is going to attract businesses and attract our young people back into these communities to earn their livings and to raise their families. That is where our emphasis is going to be, but we will at the same time continue to look for opportunities where we can to decentralize people.

In terms of the Manitoba Telephone System, I do not know what the impact is going to be, but we will certainly be watching that and monitoring that with some care.

Mr. Ashton: I realize we are running short of time, I just want to make one brief statement. I appreciate the frankness of the minister and, by the way, I think jobs in Manitoba Telephone System are just as important as the private sector jobs. I mean, they are commercially related. These are not jobs that are put there in any make-work program.

The plea I want to make to the government is to really be careful of what is happening—and we will get into the debate on the privatization later on—but I am really concerned and the communities I have been through, I have been to Portage, they are concerned there. They are very, very concerned. They have already lost their operator services. Those jobs can easily be moved elsewhere with current technology. It may not make any difference on the bottom line, but they make a big difference to that community, and they have lost quite a few in there.

I mentioned about Morden, I know the member for Pembina (Mr. Dyck) is aware of the concerns in that case. By the way, there is solid support in a lot of those communities from the business community. They are very concerned. They know those are people, their neighbours, their friends, they are also major consumers,

and those are often some of the decent-paying jobs in the communities.

I have been in Neepawa, it is the same concern in there. I have been in Brandon, Dauphin, and the real concern is losing that control which the government does have through decentralization. It proves the point, to my mind, that you can influence things when you want it.

Like I said, I do not want to get into the debate about the privatization right now, but I would urge the minister, as being the minister responsible for Decentralization, to do whatever he can and perhaps his colleagues, as well, to try and make sure that no matter happens—win, lose or draw in terms of what happens with the issue of privatization in the fall, particularly if the government does get its way and it is sold off—that we will not lose a lot of the rural and northern employment.

By the way, we have more than 1,000 jobs with MTS alone outside of the city of Winnipeg. If you consider the impact on the local economies, I think you would find in most of those communities those are the jobs. Those are the most important sources of income, so I just make that plea to the minister.

Mr. Derkach: Just a quick comment: I ask the members of the opposition to work with us as we go through this change in the way that MTS and other things are going to happen in rural Manitoba.

I can tell you that, for example, we have been in our department working with the Manitoba Telephone System to try and access the dark fibre that is in the ground now so that rural communities can have a competitive—not advantage—but a playing field when it comes to rates for attracting such things as call centres to their communities. Right now, they cannot do that, and the CRTC will not allow us to access that dark fibre without a cost.

One of the pluses of the whole move with MTS is that we perhaps will be able to then access that fibre at an affordable cost. So, yes, we are working with our telephone systems. We are working with the people who are involved in the home initiative to try and ensure that Manitobans have at least a competitive playing field or a level playing field in terms of opportunities that might come about.

Mr. Deputy Chairperson: Order, please.

As the House agreed to pass all remaining Supply resolutions by 12, I am interrupting proceedings to put the question on the remaining resolutions for Decentralization, Legislative Assembly and Sport.

Line 4, page 139. Decentralization \$100,000—pass.

Resolution 27.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$100,000 for Other Appropriations, Decentralization, for the fiscal year ending the 31st day of March, 1997.

SPORT

* (1200)

Mr. Deputy Chairperson (Ben Sveinson): Page 128, line 1, Sport (a) Sport Manitoba \$10,260,00—pass; 1.(b) 1997 Canada Games \$650,000—pass; 1.(c) 1999 Pan American Games (1) Operating \$4,000,000—pass; (2) Capital, nil—pass; 1.(d) Manitoba Boxing and Wrestling Commission \$29,100—pass; 1.(e) Other Expenditures \$25,000—pass.

Resolution 28.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,964,100 for Sport for the fiscal year ending the 31st day of March, 1997.

LEGISLATIVE ASSEMBLY

Mr. Deputy Chairperson (Ben Sveinson): Page 8, line 1. Indemnities (Statutory) (a) Members \$3,249,500—pass; (b) Additional Indemnities \$95,900—pass.

2. Retirement Provisions (Statutory) (a) Pensions and Refunds \$1,487,900—pass; (b) Registered Retirement Savings Plan \$268,800—pass.

3. Members' Expenses (Statutory) (a) Constituency Expenses \$2,057,400—pass; (b) Temporary Residence and Living Expenses \$318,300—pass; (c) Commuting Expenses \$37,600—pass; (d) Travel Expenses \$481,300—pass; (e) Special Supplies and Operating Payments \$115,700—pass; (f) Printing and Franking \$165,300—pass; (g) Committee Expenses \$5,000—pass; (h) Severance Payments and (j) Car Allowance, nil—pass.

4. Other Assembly Expenditures (a) Office of the Leader of the Official Opposition (1) Leader of the Official Opposition's Salary \$25,200—pass; (2) Other Salaries and Employee Benefits \$123,900—pass; (3) Other Expenditures \$32,500—pass.

(b) Salaries and Employee Benefits \$2,785,200—pass; (c) Other Expenditures \$1,145,400—pass.

Resolution 1.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,112,200 for Legislative Assembly, Other Assembly Expenditures, for the fiscal year ending the 31st day of March, 1997.

5. Office of the Provincial Auditor (a) Salaries and Employee Benefits \$2,530,000—pass; (b) Other Expenditures \$545,300—pass.

Resolution 1.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,075,300 for Legislative Assembly, Office of the Provincial Auditor, for the fiscal year ending the 31st day of March, 1997.

Item 6. Office of the Ombudsman (a) Salaries and Employee Benefits \$720,700—pass; (b) Other Expenditures \$116,400—pass.

Resolution 1.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$837,100 for Legislative Assembly, Office of the Ombudsman, for the fiscal year ending the 31st day of March, 1997.

Item 7. Office of the Chief Electoral Officer (a) Salaries and Employee Benefits \$377,400—pass; (b) Other Expenditures \$85,500—pass.

Resolution 1.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$462,900 for Legislative Assembly, Office of the Chief Electoral Officer, for the fiscal year ending the 31st day of March, 1997.

That completes the Estimates that have been referred to in this section. Committee rise.

JUSTICE

* (0900)

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply come to order please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Justice.

Would the minister's staff please enter the Chamber at this time.

Order, please. By leave, the committee has temporarily set aside Resolutions 4.2 and 4.3 and is considering Resolution 4.4 at this time, Corrections.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): We are still picking up where we left off yesterday. Is that where we are now? [interjection] I am sorry, I had trouble hearing.

Mr. Chairperson: Yes, we are dealing with—we are just about to pass Corrections.

Mrs. Vodrey: Well, I still was in the process of answering the member for The Maples. Mr. Chair, I feel that this is important to continue because the member raised a position from another province which he felt strongly should be brought into Manitoba. I will not take the full time allotted to speak on this, but I will just raise a couple of final points.

I certainly have talked with that minister, most recently at the ministers of Justice conference, have had personal contact with the direction that province is going, and I do not offer any comment about what they are doing in their own province. However, in our province, that is where my responsibility lies. It lies to the people of Manitoba, and that is what our government makes decisions based on, our own province.

So, Mr. Chair, we certainly do support for some people who have been convicted the process of mediation. We have, in fact, funded for the first time Westman mediation, and we have for some time funded a mediation program in the city of Winnipeg. We have also continued with our commitment to Restorative Resolutions, and I spent some time speaking about that in the Estimates yesterday.

Sentencing is done by the court, and they sentence according to what is available to them. It is our view that, certainly, high-risk offenders still pose a threat to the community and that there must be a place for high-risk offenders to be placed in institutions with a significant consequence to them. In the area of mediation, I believe Manitoba has taken a very significant role. In fact, I understand we have been a leader in that area. I am quite interested in the process, have attended conferences since I have been Minister of Justice on the process of mediation, where and how it can be used. I think that there are some opportunities in a number of areas, including youth, where that may be used and perhaps has some possibilities.

But I do not take the same position, our government does not take the same position as the province of New Brunswick does in terms of their movement in a very significant way into people leaving the institutions and being dealt with entirely by the community, though the member does know that we do feel that within the community, community participation is important, and that is the way that Manitoba has framed our concept of inmates being dealt with within the community, and that is through community participation.

I think that it is very clear that no one can solve the problems alone. It has been our position from the beginning, and in the process of problem solving we need the community. We need community participation. We are supportive of community justice committees. We are supportive of youth justice committees. We have supported mediation. We have supported Restorative Resolutions, but it is not our intention at this time to move in the same direction as New Brunswick has stated, and that is based on our view of our province and the people of our province and what is required here.

Mr. Gary Kowalski (The Maples): I think I have to respond to some of the comments that the minister made last night near the end of our Estimates procedure.

One of the things she mentioned was the fact that if the member—referring to me—likes the New Brunswick system, perhaps I should move to New Brunswick, and I do not think that was very appropriate. I do not think anybody owns a good idea. To bring forward, whether it is looking to the U.S. for boot camps and to adjust it for, in the minister's words, made-for-Manitoba boot camp or

taking this program—and the Restorative Resolutions is a made-in-Manitoba program that very much echoes what is being done in New Brunswick—also, whether it is her government following Saskatchewan's lead about balanced budget legislation, taking a seed of an idea, making it to suit Manitoba, I agree with the minister 100 percent, that New Brunswick and Manitoba are two different provinces with different geographic situations.

We are a very large province with a population based in one urban centre basically, 60 percent of our population, but nobody owns a good idea. I think just the research, the best thinking in Corrections shows this is the direction that it is going. You save money, it is more effective and, in fact, it protects the public. Less people are at risk if you have an effective Corrections system. I realize that it is very difficult because it is not politically popular to put money into jails, to put money into reforms, because for people who have not researched it, who do not understand the system, the knee-jerk reaction is lock them up and throw the key.

* (0910)

It rings true in many people's ears and politically it is very popular, but in fact it does not work. We have been banging our head against the wall for a long time. In fact, in her own Corrections department, I was allowed to do a tour of Headingley, thanks to the minister's staff. I met with Larry Krockner on the 29th of November 1994, and at that time Mr. Krockner indicated that he was moving to a relapse prevention and cognitive-based programming versus education and healing. So this was something that one of the minister's staff was doing. I am sure the minister has control over her department and knew the direction that Larry Krockner was going in with this programming. He indicated that he had received support for the directions in programming that he was going to from Mr. Wolfe. This was the direction, so I know the best thinking in Corrections goes with this, and I know it is always very difficult for people in Corrections to balance what they believe, both philosophically and from the research, with what is politically acceptable by their political masters. I know it is always difficult for them.

The minister uses terms like made-in-Manitoba. Allan Rock, referring to the minister's performance in Manitoba, says it is always nice to have words when

ideas fail and, you know, rigorous confinement, made-in-Manitoba solution, in-your-face justice. It is nice, those words always—the minister has an ability to do phrases that catch the public's ears that are politically popular. But I know that many people in Corrections, when they meet throughout Canada, they look at things like what is happening in New Brunswick. The staff in Corrections in New Brunswick are motivated. They are interested in what is happening. They are looking at saving, as I said, \$5.4 million from law facilities and putting it into youth programs, into programs to counsel young people who are substance abusers, programs for men who are abusing their spouses.

The minister also said that I want to just pick up a program from New Brunswick and bring it here. No. Nobody owns a good idea, and her government has looked, as it should, as any intelligent person—we do not have to reinvent the wheel all over again in every department, in every area. I was bringing forward something that looks like it is going to work very well. It looks like it is the right direction.

I was not saying, bring that whole program here and drop it here. What I was suggesting was that we go in that direction, as Restorative Resolutions does go in that direction, of looking at something that is effective, that is going to keep the people in the community safer, that is going to keep their property safer, because as long as these people are going through the swinging doors of our justice system it does not matter if you give them the lash, it does not matter if you give them bread and water, we still have reoffending. Where Restorative Resolutions and what is being done in New Brunswick are saving money, money that could be put into hospitals, into youth programs, into abuse programs.

That is why I was bringing that forward. The minister has always said that she is always interested to hear positive suggestions from the opposition. She has always asked the opposition to bring forward ideas, and it is a made-in-Manitoba solution because I was made in Manitoba.

You know, how does the seed of an idea come? If I read a report that comes from some other jurisdiction and I bring forward that idea. Where do the different ideas of the minister's department come from? Is there an embargo on reading reports or on ideas from other

provinces, from other jurisdictions? No. Now with the Internet—and this is where this was gleaned from, a review of information on the Internet in Corrections.

So my question at this time to the minister is, she has used the term rigorous confinement quite often since she has become the Justice minister, can she define what, in her definition in her mind, rigorous confinement is? Can she define that?

Mrs. Vodrey: Mr. Chair, let me just make a few comments, again, based on what the member for The Maples has said about made-in-Manitoba. Frankly, I hope he does not move away. You know, I mean, he seems so sold on the idea of what another province was doing, it sounded like he might. I hope he does not. I agree too that nobody owns a good idea, but I also believe that in assessing the idea you have to assess it on behalf of your own province, and you have to assess how you will put it forward.

As a result of Bill C-41 and other changes, provinces will have the opportunity to make some of the changes that New Brunswick is moving towards. So this is not news. You know, the member appears to find this as having been a great enlightenment. Well, this is not really news, and there was discussion of this at the Justice ministers' meeting. But what is not his responsibility but is the responsibility of the government is to make decisions on behalf of the people of their province. People who sit in opposition are free to blue-sky all kinds of ideas without ever being required to apply them, without ever being required to take responsibility to actually put them forward or to make them an idea for your own province. That is my responsibility as minister and our government's responsibility.

So I am well aware of the ideas in New Brunswick, and also some other provinces' move; and, as I said to him, obviously, we have some support because we have provided additional funding, new funding, in the area of mediation to Westman mediation. Never funded before. Funded now in this year.

The member really spent quite a while talking about what he considers to be words and not actions, and then he referenced his friend Allan Rock. So now I know where it is coming from. Now I have an idea that—you know, Mr. Rock who has been unable to fulfill what

Canadian people have asked for has had some attempt to talk to the member opposite, who, I know, when he looks at the record of this government and achievement of this government in terms of what changes only the federal government can make but were identified within this province and identified first, stalking, for instance, which Mr. Rock allowed to lapse in the last parliamentary session—I understand it has finally reintroduced in this session. But, you know, not much action there. That is the government of Manitoba continually defining the problem, bringing it forward in the area of the Criminal Code, forcing the federal government to acknowledge it, working with women's groups across the country to deal with that.

In the area of disclosure of records, the member for Osborne (Ms. McGifford) talked about that. That was raised at our last ministerial conference. A position was taken by this government, it was probably the only issue which was covered as a follow-up to our ministerial conference, because it is this government that says that in the area of disclosure of records that, first of all, there has to be protection for women, and that the proposal put forward by Allan Rock was just too limiting and is not going to provide protection. So, in the area of dealing with the federal government, we have seen a lot of nonaction where this government has put forward the important ideas. Now, if nobody owns a good idea, then I do not know why the federal government is not willing to move on these ideas which make sense, because if one followed the member's idea through, and point of view through, then we would have the federal government acting to make women safer, in particular, which they have not yet decided to do.

If no one owns a good idea, I appreciate that because it was this government's maintenance enforcement bill that we saw totally reflected, finally, in the federal government's bill. The federal government had the power to make changes. They took quite a long time, but when they did, we were very pleased that they followed our lead, the first province in this country to garnish pension benefit credits. The tough legislation that we put forward has now been mirrored by the federal government, and we are very pleased that they decided that nobody owned a good idea so that they in fact would take it and put it in place for themselves.

* (0920)

Now we see in the area of parental responsibility—which, by the way, the member for The Maples (Mr. Kowalski) does not support if one can believe the media. Again, I give him the benefit of the doubt there. But where the federal government decided that it does not want to put parental responsibility into the Young Offenders Act, that is not our view.

Our view is parents do have a responsibility on behalf of their child. We have introduced legislation that speaks to that. If nobody owns a good idea, we agree with that. We understand other provinces are moving in the same way. We understand other provinces are moving in the same way as our CNAC program, our community notification process.

All of those things originated here in this province by this government, and that member sits there and dares to say that it is all talk, that there has just been talk when the action on the part of this government has been seen across this country and is now—in his own words, we have never tried to own a good idea; we have shared it. We see other provinces across this country moving into adopt what has been put forward first in Manitoba.

So I think when we speak about who is talking and who is acting, this government's record of action is very significant on behalf of the public safety of Manitobans and has been viewed across the country as a series of actions that others, including the federal government, have chosen to adopt.

The member asks specifically now about rigorous confinement, and rigorous confinement was a term that was placed for changes in expectations and also practice in our adult correctional institutions, because it was a concern of this government that there was idle time. It was a concern of this government that things might have been seen as just easy, and so we developed a system of rigorous confinement. Nothing is ever seen as completely finished.

We will continue to adapt in our area of rigorous confinement, but the term “rigorous confinement” and the purpose of rigorous confinement is to make it more difficult and more challenging for inmates serving their sentences within our institutions, so that they do not just have that idle time, because that idle time is not helpful for those inmates.

What it means is more austere conditions. It means a reduction in some areas of privileges. It means structured work programs. It means clear rules and that there also should be consequences for negative behaviour. There are six components in the area of rigorous confinement that have been implemented. It was our policy to have these implemented, and I expect that this practice has been implemented in our adult institutions, and if it has not, I would like to know.

The components are a reduction in inmate idleness and increased work activity for inmates; increased community service work; reduction in inmate privileges at all institutions; changes to the earned remission system; reduction of the temporary absences to require a longer period of time before temporary absences, where people were eligible for them. The other area is in the area of pornography. A great deal of concern was expressed that although pornography was not allowed within our institutions, what was available over the counter to other people had been available in the past in our institutions. That just did not seem to be appropriate to this government, so this government changed that.

There are a number of basic components in rigorous confinement. They are underpinned by principles. We expect that they are being practised. I expect that they are being practised, and if the member, as I said, has some reason to believe that the practice is different than the policy, then I certainly would like to know because this government's position is on that policy.

Mr. Kowalski: First of all, I speak for myself. I have not spoken to Allan Rock, and it was not his words I was speaking. It was my own words. It was funny because the minister just talked about in government; you know, she has the responsibility to put into practice, unlike the opposition, and I guess it is the same at the federal level. There was a Conservative government in government prior to Allan Rock, and I guess they could be criticized for all the things that the minister mentioned that they had not done yet, but that is just political rhetoric, and I do not think it really accomplishes too much at this point.

When we were talking about Restorative Resolutions yesterday, we talked about it being a pilot project. Many times in the past when the province has initiated pilot projects, whether it was with victims' services, with the Winnipeg Police Service, then the opposition would

criticize it at the end of the funding for not continuing funding of programs that received positive reports.

The minister would often say, well, that is why you have a pilot project, to prove the worth and then to look for alternative funding, those responsible to do the funding. Now, if the administration of Corrections is a provincial responsibility and the Restorative Resolutions project is proven, as the interim report indicates a very successful project, what will the minister do about incorporating this so that it stops being a pilot project and becomes part of the correctional system?

Mrs. Vodrey: I do not want to belabour the point about Allan Rock other than to say it was in the member's own comments that he said Allan Rock said this. That is why I said this is obviously Allan Rock's view so I do not want to belabour it, but that was in the member's own words.

Now let us talk a little bit about Restorative Resolutions. The province has entered into some pilot projects and, usually, clearly spelled out in that is—part of the arrangement of that is if it turns out to be positive that alternative sources of funding will be found, and that the province may in fact start to phase out its money while another funder picks up. That has been a part of the programming, some of the pilot programs that we have put in place, but the federal government in participating in this program has a shared responsibility. They do have a shared responsibility.

Now the member does not seem to want to stand up for his own province here. This is what is a problem for the people of Manitoba, in that where there is clearly a shared responsibility, why would the member turn to the taxpayers of Manitoba and say, oh well, but the feds, we do not want to bother them with this and so you will pick up everything. This is a shared responsibility. We are standing up to the federal government and saying to the federal government, you have a role here, you should participate. That is clearly our position on behalf of the people of Manitoba, and it is not the position of the member opposite. I will not even speculate why that may be the case but it is not our position.

So we will be saying to the federal government, as I am saying now, we think you have a role here. However, I did say that because we are interested in the program,

because the evaluation appears to be positive, that we are pursuing with the John Howard Society how this program might be continued if and when the federal government again drops their funding.

* (0930)

Mr. Kowalski: I will repeat the question. My question was that prisoners sentenced to two years less a day are provincial responsibility. They go to provincial jails. This program addresses prisoners who are sentenced to two years less a day, and once this project has been evaluated and shown successful, when does it stop being a pilot project and become a part of the Adult Corrections system in Manitoba?

If it is going to save money, if it is going to keep people re-offending less often—and the interim report has been very positive—when does it then become part of the community youth corrections, when do probation officers start doing this job, or do we continue to have an outside agency? As a pilot project, yes, but once it proves prisoners sentenced to two years less a day are a provincial responsibility—and I will not even reply to the minister's comments about standing up for Manitoba because again that is political rhetoric but from my understanding—and the minister can correct me if I am wrong about that, that the province is responsible for all those prisoners and this program addresses those, so my question is when does it become part of the Manitoba Justice Adult Corrections system? When does it stop being a pilot project?

Mrs. Vodrey: The only political rhetoric here is political rhetoric about the federal government. The final evaluation around Restorative Resolutions I understand is only just being received, has not been reviewed with federal Corrections and has not had a chance—our Corrections people have not had a chance to review it either. I am told that the criterion is for those people who would ordinarily serve a sentence of nine months or more, which means potentially that certainly could involve people from federal institutions.

The criterion is one for Restorative Resolutions which clearly says in that area that there should be a shared responsibility. Then I am also told that even in terms of our provincial institutions, when inmates are out on parole, the federal government are partners with us, they

are partners in the parole costs, they are partners in our provincial program through day parole, which is supervised by federal parole officers and granted by the federal parole board, so there is a partnership which is there already, and this program allows for the availability in the future for Restorative Resolutions to apply to those inmates who may be in federal institutions. Therefore, this government has to stand up for this province. We have to stand up for this province and make it clear to the federal government that this is a partnership, and that they do have a role to play here, and that we expect their further participation.

Mr. Kowalski: I thank the minister for that answer. It is much more useful than the rhetoric she gave before. If it is information, it is useful, so thank you. For the prisoners that will be provincial responsibility, if the federal government does withdraw—and I do not speak for the federal government in any way, shape or form—and the report is positive, can this program be incorporated within Adult Corrections through the probation offices, that probation officers would do the work that is presently being done by the workers in Restorative Resolutions, that they could bring forward sentencing plans that would keep offenders out of locked facilities—at great expense to the taxpayers of Manitoba—that would keep offenders from reoffending, would keep the public safer; would keep their property safer?

Could the minister move in that direction if, as the interim report showed, that this is a positive program for the prisoners that Manitoba is responsible for?

Mrs. Vodrey: Mr. Chair, as I said, it is a little bit premature to make a commitment in Estimates here. However, I think the commitment of our dollar amount including our staff seconded is a commitment, certainly for now, and that we are interested.

I am not able to provide the member at this time with anything further other than the full discussion that we have had, and we will now be looking at the assessment and be talking to the federal government.

Mr. Kowalski: Just one clarification. The minister mentioned a dollar amount in addition to staff. I understand the provincial commitment was the salaries of the probation officers involved. Were there additional dollars other than staff salaries?

Mrs. Vodrey: Mr. Chair, yes, there is an additional \$30,000 in kind in addition to the two probation officers.

Mr. Kowalski: The \$30,000 in kind, what would be the in kind? Is it clerical support? What is the in-kind contribution from the province?

Mrs. Vodrey: Some of the in kind is access to photocopying stationery, some clerical support, office supplies, and also some training. The total value, I understand, of the province's commitment is approximately \$120,000.

Mr. Kowalski: I will move to another subject. Has the minister received any recommendations, reports or suggestions from any judges in regard to electronic monitoring?

Mrs. Vodrey: Mr. Chair, yes, there has been contact at the departmental level, and also I had some discussions with the members of the judiciary. They have not put forward a proposal to me anyway, and I understand not to the department, but we have had discussions about electronic monitoring and where and how it might be used. I have expressed my interest in looking at electronic monitoring particularly on the bail side. I am very interested in the fact, as I said yesterday, that where the federal government will not look at the reverse onus in the Criminal Code where the safety of the victim is a concern that then there must be some additional way that we can look at protecting the victim. So that is why one of our first areas of interest is in the bail side, and then, though we are interested in looking at inmate release, we are not interested in looking at it for early release.

Mr. Kowalski: So are there any policy analysts or any people from the minister's staff who are doing research on other jurisdictions, and is there a report that will be created and given to the minister as a result of that research?

* (0940)

Mrs. Vodrey: Mr. Chair, yes, we do have an individual within Corrections who is doing research. However, what is provided will be provided as advice to the minister.

Mr. Kowalski: When I had the tour of Headingley with the former superintendent, Larry Krockner, one of the

problems he identified was fetal alcohol syndrome victims as prisoners being a problem that they continue to grapple with, and at that time he said they were still grappling for a solution and a policy what to do with fetal alcohol syndrome prisoners. Now, I know from personal experience, we have many young people coming up through the system that are going to end up in Adult Corrections. Is any work being done or is there a policy being developed to deal with these prisoners?

Mrs. Vodrey: Mr. Chair, I am told that it has been identified by Corrections as fairly recently we have seen these people in the adult system, that there is in fact a provincial committee within the department that is looking at developing programming on both the youth and on the adult side.

Mr. Kowalski: What is the name of the committee, and who are the members of that committee?

Mrs. Vodrey: Mr. Chair, the name of the committee is the Program Implementation and Training Committee. The committee is co-chaired by Wayne Scarth and Louis Goulet, and it has members from Adult Corrections, from youth Corrections and from Probation. It is quite a big committee, and the exact names of the members are not available right now.

Mr. Kowalski: I thank the minister for that information.

As I said earlier, Larry Krockner indicated when I visited Headingley that he was trying to move relapse prevention from education and healing to a cognitive-based programming process, that cognitive-based programming was what he supported. Now, with Larry Krockner no longer there as superintendent, will the minister be encouraging the new superintendent, once Headingley is reopened, to continue in this direction, or will we see a change going back to the education and healing process for relapse prevention?

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

Mrs. Vodrey: Mr. Chair, first of all, the relapse prevention programming is in place in all of our institutions. We are using the cognitive-based program, the cognitive behavioural programming. It is dealt with through the criminal thinking errors programming, which deals with the criminals' thinking, their attitude and their

values. They have to identify what it is that got them into trouble, and they have to develop a control plan to have that not happen again or to avoid it. The current superintendent at Headingley is continuing that policy and, as I said, it is a policy within all of our institutions now for relapse prevention.

Mr. Kowalski: Mr. Krockner at the time said in dealing with the youth gangs that his method was not to deal with the gangs head-on because that was just confrontational and he was creating a youth program. Will the minister be giving direction to the new superintendent to continue not to deal with youth gangs head-on, as Mr. Krockner's view was? Will he be continuing with Mr. Krockner's policy or a different policy dealing with youth gangs in Headingley?

Mrs. Vodrey: Mr. Chair, we do have a divisional policy which deals with gangs, and that policy is obviously developed and evaluated on a regular basis. I will not be committing to laying out any blueprint for how we deal with gangs in any of our institutions on the records of this House, simply because I do not believe that it is going to be productive. If the member has an interest, I would make the offer considering your professional background and so on. If you have an interest, then I would be certainly happy to talk with you, but I do not believe that on the record here is going to be helpful to anyone.

Mr. Kowalski: What I am realizing from this line of questioning is that, although Mr. Krockner had certain views and philosophies, there is a policy throughout Adult Corrections that is in place, and that although Reg Forester or whoever takes over will put their personal touch on it, they have to comply with the guidelines in Adult Corrections. So this line of questioning is making that clear in my mind.

* (0950)

Another subject that I brought forward to Mr. Krockner, because a number of guards had contacted me, is concern about infectious disease control and specifically prisoners with TB. In light of what we have recently heard about the Health Sciences Centre with a nurse contracting TB, Mr. Krockner's philosophy was that, rather than have special policies dealing with prisoners who have infectious diseases, the guards should treat all prisoners as if they did. In light of what I have been hearing about

the Health Sciences Centre about the need for isolation rooms and the spread of TB, is this the correct policy to have? If you have a prisoner with TB in a correction facility in Manitoba, the idea that there is an assumption that all prisoners have infectious disease, does that mean that they would all be in isolation rooms?

It is unlike AIDS where the transmission is confined to exchange of bodily fluids. TB can be airborne, it can be through repeated casual contact. The idea of a guard eating in a cafeteria or even searching or being with a prisoner daily in the same area can expose not only him—and the guards who approached me, their main concern was not for themselves; it was the concern that they would take it home to their spouses and children.

(Mr. Chairperson in the Chair)

In view of what has been happening at the Health Sciences Centre, is there a need to review the policy on dealing with prisoners with infectious diseases in Adult Corrections?

Mrs. Vodrey: Mr. Chair, two parts I guess to the answer. First of all, the universal precaution which was spoken about by the former superintendent is in fact the current thinking across Canada in terms of dealing with inmates and dealing with infectious diseases, so I think it is important to set a context to the thinking and that this is correctional thinking across the country to deal with this serious issue.

I understand we have a comprehensive policy in the area of infectious diseases. We have training in the area of infectious diseases and we consult with and are guided by the Department of Health when an infectious disease such as TB may be found. Our physician sees cases, referrals are made, so in that specific area, again, we are guided by our own Department of Health, by the physician who sees the cases, but the general policy of universal precaution is one which is used in our institutions and I understand is the current correctional thinking across the country. I raise that because there has been a question about where provinces may vary depending upon their own needs to modify a policy and what is in general the current thinking which may in fact be the most helpful in terms of these people who are professionals. We do send people, I understand, as well, to the health conference and it is on an annual basis to

also find out what the latest information and research is so that we can be well aware of it here in Manitoba for our benefit.

Mr. Kowalski: Corrections staff, at one time I know when I was starting the police force, one of the requirements was that you take a chest x-ray so you could show that you did not have TB. I do not know if that is one of the things that is done in Corrections now, but is there any allowance for staff who have a concern to be examined on a routine basis? Have there been a number of staff who have had positive tests for TB in the past year?

Mrs. Vodrey: Mr. Chair, I am told that to our knowledge and to the knowledge of the senior Corrections people here today, there has been no one who has had a positive test. Where somebody suspects that they may have been exposed to an infectious disease such as TB, they can be immediately referred to a doctor or see their own physician and just follow up right away.

* (1000)

Introduction of Guests

Mr. Chairperson: Before we proceed, may I direct the attention of honourable members to the gallery where we have from Heyes School, forty-five Grade 6 students under the direction of Mrs. Struthers. This school is located in the constituency of the honourable member for Swan River (Ms. Wowchuk).

On behalf of all honourable members, I welcome you here today.

* * *

Mr. Kowalski: I am not too sure of the correct names, but I understand at Headingley there were two inmate organizations, an inmate residents council, and then was it a native clan? What are the correct names of the two inmate organizations recognized by Corrections in Headingley?

Mrs. Vodrey: I am informed that in the past there were two committees. Those committees have been disbanded. They were disbanded about two years ago. The reason was that there appeared to be some affiliation with gangs and that these groups were not necessarily speaking for the general inmate population. Now the mechanism is

through a series of range representatives and that, when we want to find out what the view is on certain issues, they are canvassed unit by unit through these range representatives.

Mr. Kowalski: I imagine there is no sense discussing that further here at Estimates because I would imagine that would be part of Judge Hughes's review, possibly looking at that, whether that had any effect on the situation at Headingley prior to the riot.

I know the official opposition critic would like to move on to other areas, and I have many questions in other areas, so although with Adult Corrections we could on quite a lengthy time further on it, especially as I have further questions on Headingley, but I think it has been covered by the official opposition at length.

I just want to ask the minister one more question about Restorative Resolutions. Has the minister read the report by Melanie Nimmo, University of Winnipeg, dated March 9, 1995, entitled Official Attitudes Concerning Community Intervention in which it researches the community's acceptance of the Restorative Resolutions project?

Mrs. Vodrey: No, I have not read it, although senior Corrections officials tell me that they have read it. They have told me it is somewhat of a supplementary document that was passed along; to their knowledge, it does not make any specific recommendations.

Mr. Chairperson: Item 4.4. Corrections (a) Administration (1) Salaries and Employee Benefits \$639,900—pass; (2) Other Expenditures \$287,700—pass.

4.4.(b) Adult Corrections (1) Salaries and Employee Benefits \$27,636,500—pass; (2) Other Expenditures \$5,022,700—pass; (3) External Agencies and Halfway Houses \$336,800; (4) Less: Recoverable from other appropriations (\$80,000).

4.4.(c) Correctional Youth Centres (1) Salaries and Employee Benefits \$9,465,000—pass; (2) Other Expenditures \$984,000—pass.

4.4.(d) Community Corrections (1) Salaries and Employee Benefits \$7,376,600—pass; (2) Other

Expenditures \$1,285,700—pass; (3) Program Development \$1,228,000—pass.

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$54,182,900 for Justice, Corrections, for the fiscal year ending the 31st day of March, 1997.

We will now revert back to Resolution 4.2 Public Prosecutions (a) Public Prosecutions (1) Salaries and Employee Benefits \$5,840,800.

Mr. Gord Mackintosh (St. Johns): It has come to our attention that nonmolestation orders and that process can result in considerable harassment to—the circumstance we are aware of—a woman whose former partner continues to seek nonmolestation orders against her without any apparent basis. Of course then she suffers a financial cost in addition to the continuing harassment.

I am wondering if the minister has considered this difficult area to determine whether there can be some checks and balances put in so that there is an incentive and a clear policy and a value expressed that frivolous or vexatious nonmolestation orders cannot be tolerated. Whether that would include a consideration of significant cost being assessed against anyone doing this or whether given a history of pursuing such orders without a basis, there could be some prevention of further filing. I wonder if the minister could comment on that.

Mrs. Vodrey: I am told that this matter is probably best discussed when we get to the Courts appropriation under 5.(a) Court Services. So if the member can wait till staff comes then they may have a greater knowledge of this as a difficulty.

Mr. Chair, I would like to take a moment to introduce the staff who have now joined me from the Department of Justice; Mr. Pat Sinnott, the Executive Director of Finance and Administration, Mr. Mike Watson who is the Regional Director of Regional Prosecutions and Mr. Rob Finlayson who is the Acting Director of Winnipeg Prosecutions.

Mr. Mackintosh: I am disappointed the minister cannot deal with that issue here. I have one other question on, essentially, dealing with violence against women. We are becoming aware increasingly of breaches of probation

orders that do not result in consequences, whether it is at the police end and they view the matter not serious enough or at the prosecution end. Of course here we are dealing with Prosecutions. I know that probation is an alternative to jail, and sometimes you can understand why people are saying put these guys in jail alone, because they are frustrated with the responsiveness of the justice system to breaches of probation.

I am wondering if the minister has considered the department's policy on how it prioritizes breaches of orders of probation and how it will prosecute those.

Mrs. Vodrey: Mr. Chair, well, as the member knows, the laying of the charge is the responsibility of the police, and they would have to make that decision. However, I can tell you that from the Prosecutions side where the charge is laid, I am told that our approach is a very vigorous approach and that we are particularly concerned in matters of domestic violence. The senior staff who are here now assure me that that is the position and the practice for our Department of Justice.

Mr. Mackintosh: Is there a Crown attorney available to the police around the clock to deal with questions of charges in domestic violence matters?

* (1010)

Mrs. Vodrey: Mr. Chair, I am told that to start with in the city of Winnipeg, all the senior Crowns are available on that 24-hour basis, including the director, and that the police do phone and do make those calls for the assistance of the Crown. I am told that outside the city of Winnipeg, from the Director of Regional Prosecutions, that the same applies and that the police do have the phone numbers of the senior Crowns, and they do make those phone calls, and the advice of Crowns is available.

Mr. Mackintosh: How long has that policy been in place?

Mrs. Vodrey: Well, Mr. Chair, I have certainly had it made clear to me that Crown attorneys are not ever restricted by certain hours of work and that that has always been the availability to the police, to have the opportunity to speak to Crowns on a 24-hour basis, as needed.

Mr. Mackintosh: Has that policy been communicated to the City of Winnipeg Police Services?

Mrs. Vodrey: Mr. Chair, to the knowledge of the individuals sitting here with me, the answer is yes, that the phone numbers are circulated and that the police do call, so it sounds not only is the policy in place but the practice is being followed, as well.

If the member has a concern about it, if, in fact, he has heard that this is not the case or that there is some difficulty with this, then I would be happy to know about that, because, obviously, the people here, our intention is that the policy and practice be followed.

Mr. Mackintosh: I refer the minister to the evidence of Inspector Biener of the City of Winnipeg Police Services at the Lavoie inquiry where this issue was raised. I ask the minister whether she has now put in place, following my question on the first day of the session, a comprehensive mechanism to respond to the recommendations of Judge Collerman in the inquest report into the death of Sarah Dawn Kelly.

Mrs. Vodrey: Mr. Chair, yes, there is a process in place; individuals have been identified to follow up on the recommendations. The police, I am told, have agreed to co-operate, and, as the member knows, within that inquest report there were also some specific recommendations to be made to the federal government.

I took a copy of the report to the recent meeting of ministers of Justice, federal, provincial and territorial, and read into the record of that meeting the recommendations that came from the inquest report, including that pedophiles be placed on the high-risk offenders list or within the high-risk offender category, clearly known, and that peace bonds be extended beyond one year. I have not heard back yet what the federal government has decided to do on that, but I think it is very important to tell the people of Manitoba that that request was taken seriously and was taken directly to that meeting.

Mr. Mackintosh: Can the minister tell the committee whether any of the recommendations of the inquest report have been rejected at this point by the province, and when can we expect the recommendations to be fulfilled?

Mrs. Vodrey: To our knowledge, none of the recommendations have been rejected, and each of the recommendations has been specifically identified. As I said, who is going to take responsibility for that has been identified, and a time line has been identified for each of those recommendations. It appears that for many of the recommendations the time line is September 1, though there are recommendations in which the time line is July 1. I see some recommendations in which the time line is May '96 and also June 1996. Again, the time lines do vary depending upon the amount of research. I see that there are some in which there are time lines of November 1, 1996. I believe there is only one which is beyond that to December 1, 1996.

So, by and large, most of the recommendations are expected to be in place with the action taken by September 1. I believe there are just two which appear to be taking a little bit longer, and there is one in November and one in December.

Mr. Mackintosh: The minister is reading from a document. Would the minister share that document with the committee?

Mrs. Vodrey: No, Mr. Chair, that simply has taken the recommendations. It has identified who in our department will be working on it. It is simply a report to the minister to make sure that I have a very direct understanding of who will be in charge of what issues and that I am able to make sure that they are in fact completed. So it is considered advice to the minister.

Mr. Mackintosh: Has any change been made in the prosecutions policy or staffing with regard to auto theft in the last year?

Mrs. Vodrey: Mr. Chair, there is one Crown attorney who has now been specifically assigned to deal with auto theft. That person liaises with the Winnipeg Police Services and their auto theft unit and that is now in practice.

Mr. Mackintosh: It is my understanding that rather than one person dedicated, there are actually several that are doing this auto theft prosecution. Is my understanding correct?

Mrs. Vodrey: Mr. Chair, I am told that that individual does not do this alone, but that individual is the person who assesses and co-ordinates the cases and makes sure that they, again, have been assessed.

Mr. Mackintosh: Well, would the minister confirm though that auto theft prosecutions are done by several prosecutors?

Mrs. Vodrey: Mr. Chair, again, our commitment to the people of Manitoba was that there would be a Crown attorney who would, in this case, co-ordinate all of the cases, make sure that the case law was available so that there is a co-ordination, so that there is a liaison. Though other Crowns appear in court on auto theft, they go into court armed with the information, the case law that has been provided by this co-ordinator, with information that has been able to be supplied by this co-ordinator. So we have certainly turned our attention, as promised, to the area of auto theft.

Mr. Mackintosh: During the course of hearings on the Lavoie inquiry, the senior prosecutor in the Family Violence Court made several recommendations. Would the minister tell the committee whether that prosecutor had advanced those recommendations to the minister before appearing at the Lavoie inquiry?

Mrs. Vodrey: I understand that Justice Schulman has made it very clear that he is seeking personal recommendations from individuals appearing before the Lavoie inquiry, and he is seeking those recommendations in their personal capacity. Justice Schulman will then evaluate those recommendations and will provide recommendations to us then when he has had a chance to evaluate. So we are looking forward to Justice Schulman's report. Again, this province took the step of calling the inquiry, and we will be looking forward to the recommendations that come from the inquiry.

Mr. Mackintosh: Just to be clear, is the minister saying that the prosecutor had not advanced those recommendations to her before her appearance at the Lavoie inquiry?

Mrs. Vodrey: As I said earlier, the recommendations were advanced—in her personal capacity she was asked, based on her experience, what would she make as recommendations? That is part of the process of the

inquiry which I think will be quite helpful. Though the member may have been able to sit in, I was not able to sit in, but I will be looking for the evaluation of all the recommendations that were submitted and what Justice Schulman in the end would make as a recommendation to our government.

Mr. Mackintosh: I just want to be clear on this. The recommendations were generally excellent, but did the prosecutor either in her personal or professional capacity advance these recommendations to the minister?

Mrs. Vodrey: No. I have not had a document from that prosecutor who has advanced those recommendations. She was asked to think about them and bring them forward to the inquiry, and that is exactly what she did. To my knowledge, she did not, before she was asked to do that, bring them forward in a document to me as minister.

Mr. Mackintosh: Pass.

* (1030)

Mr. Chairperson: 4.2. Public Prosecutions (a) Public Prosecutions (1) Salaries and Employee Benefits \$5,840,800—pass; (2) Other Expenditures \$1,052,800—pass; (3) Witness Programs \$582,000—pass.

4.2(b) Office of the Chief Medical Examiner (1) Salaries and Employee Benefits \$402,900—pass; (2) Other Expenditures \$991,400—pass; (3) Pediatric Cardiac Unit Inquest \$500,000—pass.

4.2(c) Provincial Policing \$52,361,200—pass.

4.2(d) Law Enforcement Administration (1) Salaries and Employee Benefits \$565,300—pass; (2) Other Expenditures \$186,700—pass; (3) Grants \$60,000—pass.

4.2(e) Victims Assistance (1) Salaries and Employee Benefits \$511,400.

Mr. Mackintosh: Could the minister list the grants? I am looking at the Grants line, 373.9, which I understand is the Victim Assistance Program and Mr. Prohaska's responsibility. Could the minister list the grants for—the latest information on the grants that have been given from

that program? I believe this follows a similar question from last year.

Mr. Chairperson: I will just take this opportunity to inform the committee that we have an agreement in the House that we would pass everything by noon. We will need approximately 15 minutes to do that. So we will probably have to quit at about 11:45, just for the information of the committee.

Mrs. Vodrey: Mr. Chair, the grants for this year are to the Family Centre of Winnipeg, to Age and Opportunity victim services, to RCMP victim services, to Cornerstone Counselling, to Mediation Services and also funds for the program review of Victim Services in Manitoba. That is for the year '96-97.

Mr. Mackintosh: Is the program review grant related to the analysis of the RCMP victim services units program?

Mrs. Vodrey: Mr. Chair, no, that is a review. It is more global in nature. Though the RCMP program will be included in that, what we are doing is reviewing the services that are currently offered to victims across the province, and then we are also looking at comments that have been made about those services, how those services should be offered, what services should be offered, and we are, from that information, from that more global information, looking at developing a provincial strategy for victims across the province based on the most up-to-date information and evaluation that we have.

Mr. Mackintosh: Is there also a review of the relationship between Prosecutions and victims?

Mrs. Vodrey: Mr. Chair, if the member asks are the justice-driven programs also going to be a part of the review, yes, they are. We are looking at the relationship of the victim to the whole justice system, and we want to do this program review then to look at a further direction for our province.

Mr. Mackintosh: Is this the work being done by Wyman Sangster?

Mrs. Vodrey: No, Mr. Chair, though Wyman Sangster is doing work specifically with individuals and groups across the province who are wanting to develop

community participation or have ideas, but this is a program review which is being done.

Mr. Mackintosh: Who is doing the program review?

Mrs. Vodrey: Mr. Chair, the program review is being done by Prairie Research through a tendered contract.

Mr. Mackintosh: I ask whether that kind of work was within the spirit or the intention of the Victims Assistance Committee to fund. It sounds like this is a program review that would usually be in the course of public administration in the Department of Justice in the usual course, and I wonder why monies that could go for community programming are going to this expenditure. I pose that as a question. I would have to look at the mandates again, but I wonder if the minister would respond.

Mrs. Vodrey: Mr. Chair, I understand that The Justice for Victims of Crime Act allows for research to be done in relation to the victim. That is exactly what we are doing. We need to know what the requirements are from victims across the province, how the people of Manitoba see the role of victims, and then following that information we will have some further direction established in terms of how to meet the needs of victims in our province.

Mr. Mackintosh: Can the minister tell us what Cornerstone Counselling is?

Mrs. Vodrey: Mr. Chair, I can tell the member that through Cornerstone Counselling Services the grant was used to hire a domestic violence counsellor.

Mr. Mackintosh: Is that a Winnipeg agency or where is it located?

Mrs. Vodrey: Mr. Chair, we will have to clarify the location and what area that group operates within.

Mr. Mackintosh: Can the minister explain the reduction in the line Criminal Injuries and Medical Aid?

Mrs. Vodrey: Mr. Chair, as the member knows, this government extended the types of eligibility for psychological counselling services. About two years ago we extended the eligibility to include victims of sexual

abuse and also sexual assault, and as a result of that—I am told that some of this counselling is fairly new and that there is a great variety of range in terms of fees for the service. I understand the fees range from approximately \$45 up to over \$100, and also the length of time seems to be still under discussion in terms of what is the most effective.

So our government, which really does spend a very significant amount of money in the area of counselling, and in fact I understand we expend more than many other provinces, have moved in this year to look at saying that in the dollar amount that there would be a maximum claim of approximately \$2,000, and that the per hour rate for counselling would be topped at the maximum of \$90.

Now, that takes into account most availability to counsellors. As I said, the range is, by and large, from about \$45 to slightly over \$100; and, depending upon the hourly rate, it allows for a significant number of visits to that counsellor.

* (1040)

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

We are watching it for this year since we recognize that our expenditure was very significant and that it was, in fact, more significant than a number of provinces, but we certainly think that this is important. So, for this year, this is the step that we have taken, and, as I said, we are going to watch it for this year.

By the way, other provinces, like Saskatchewan, do have a cap on the amount of dollars available for counselling services. For instance, in Saskatchewan it is a cap of \$1,000.

Mr. Mackintosh: Does this account then for the reduction on that line?

Mrs. Vodrey: I am told that on the medical line this does account for the change.

However, as I have explained at other times, there are changes as a result of how payouts are delivered. There is now more of a lump sum payment than payment delivered by way of annuity. There have been some changes over the past years.

Mr. Mackintosh: What is the amount then that is affected by this capping policy? How much of that reduction is due to that initiative?

Mrs. Vodrey: On this line, Medical Aid, the change is \$125,000.

Mr. Mackintosh: We are aware of an incident where there was a claim submitted to the board, but the woman involved—it was a domestic violence issue—did not get an incident number, and, as a result of her investigations, it appeared that a formal report had not been written up regarding the incident. Eventually, the board determined that it would not accept the claim.

I am wondering if the minister has any concern about this policy and whether there can be a change, because I understand that, particularly before the mandatory charging policy at the City of Winnipeg Police Services, there was not as tight a policy on providing an incident number and writing up a report.

Mrs. Vodrey: Mr. Chair, I am told that the act has a two-year limit, that all claims must be verified. In order for that, the police have to do an investigation, provide a report. It does not necessarily mean the person has to have been charged, but there has to be a verification that something happened and that there was a victim.

The Acting Chairperson (Mr. Pitura): Section 4.2.(f) Criminal Injuries Compensation Board (1) Other Expenditures \$1,885,000—pass; (2) Less: Reduction in Actuarial Liability (\$100,000).

Mr. Mackintosh: Just a final question here, a follow-up to last year's questioning. Is there an ongoing review of the scope of the Criminal Injuries Compensation legislation to determine whether the scope should be broadened to include other offences and provide compensation on other bases?

Mrs. Vodrey: Mr. Chair, the Criminal Injuries Compensation Board, in terms of what is covered, will be part of the review as we are looking at victims services. One of the areas that will be looked at is, is there new legislation now identifying people as victims which was not there before? We are looking specifically, by way of

example, at stalking which is fairly newly incorporated into the Criminal Code.

Mr. Mackintosh: Pass.

The Acting Chairperson (Mr. Pitura): Item 4.2.(f)(2) Less: Reduction in Actuarial Liability (\$100,000)—pass.

Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$66,184,100 for Justice, Public Prosecutions, for the fiscal year ending the 31st day of March, 1997.

4.3. Justice (a) Executive Administration (1) Salaries and Employee Benefits \$131,900—pass; (2) Other Expenditures \$20,200—pass.

4.3. Justice (b) Manitoba Human Rights Commission (1) Salaries and Employee Benefits \$1,021,300.

* (1050)

Mr. Mackintosh: Did the Human Rights Commission itself recommend to the government that the education positions at the Human Rights Commission be targeted for cuts in the current budget?

(Mr. Chairperson in the Chair)

Mrs. Vodrey: Again, as the member knows, it is and has been a very difficult budget year, and everyone has provided some contribution. The Manitoba Human Rights Commission put forward some options, as well. This was an option put forward by the executive director, and the chair of the Human Rights Commission was aware that this was put forward.

Mr. Mackintosh: Would the minister confirm that there were many recommendations put forward as to areas where there could be cost savings and that this one was the one chosen by the government?

Mrs. Vodrey: In the process, there are often many recommendations put forward, many options put forward. Ultimately, they are not all accepted. In this case, this was one that was accepted, while others were not.

Mr. Chair, I would like to take a moment, as well, to introduce the staff who have just joined us: Mr. Ron Perozzo, who is the Associate Deputy Minister of Justice; and Mr. George Sarides, who is the Acting Executive Director of the Human Rights Commission.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

4.3.(b) Manitoba Human Rights Commission (2) Other Expenditures \$352,700—pass.

4.3.(c) Legislative Counsel (1) Salaries and Employee Benefits \$1,291,500.

Mr. Mackintosh: It has recently come to our attention that the government has contracted with Aikins MacAulay to provide legal services to MLAs, including members on this side. I would like to know what arrangement the minister has entered into with Aikins MacAulay.

Mrs. Vodrey: Legislative Counsel has retained Aikins MacAulay for legal advice for members in the area of conflict of interest. It was seen that it was going to be helpful to have independent advice for members rather than advice from government lawyers alone.

Mr. Mackintosh: It is important, of course, that the minister has just acknowledged that they are government lawyers, and we are in a difficult position on this side of the House, not having lawyers who indeed are entirely independent. Traditionally, the law officer of the Assembly has been treated as such. I think the whole function has been more departmentalized now, leaving this side of the House with getting legal advice from a firm that it did not contract with itself—it had no input into that contract—and from someone who does not have expertise in the matters of the Legislature that we had a long history of in this Chamber. Many here will recall the services of Mr. Rae Tallin.

I wonder what cost arrangement the minister has entered into with Aikins MacAulay for the provision of these legal services.

Mr. Chairperson: Order, please. Before we continue, could I ask the honourable members who want to carry on

their conversation to do so quietly or out in the hall or in the loge. Thank you.

Mrs. Vodrey: The arrangement, let me be clear, is not specifically with Aikins MacAulay. It is with a specific lawyer. The lawyer's name Eleanor Dawson. That arrangement was made because of her specific expertise.

The arrangement was made not for opposition, not for government, but was an arrangement for members, and it was an arrangement for members dealing with individual advice to that member. The law officer function is still retained by Legislative Counsel, and Legislative Counsel does take very seriously the need to maintain independence and confidentiality. It is in the matter of personal issues which Eleanor Dawson has been retained by Legislative Counsel for that reason.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

4.3.(c)(2) Other Expenditures \$343,400—pass.

4.3.(d) Manitoba Law Reform Commission (1) Salaries and Employee Benefits \$305,700—pass; (2) Other Expenditures \$118,900—pass.

4.3.(e) Family Law (1) Salaries and Employee Benefits \$526,800.

Mr. Mackintosh: The issue recently arose where there is a question as to the priority of pension monies attached under the new provisions of the legislation.

I wonder if the minister can advise the committee whether, in her view, those pension monies have priority vis-à-vis other claims against the debtor.

Mrs. Vodrey: Mr. Chair, let me take a moment to introduce Joan MacPhail, who is the Director of the Family Law branch.

In answer to the member's question, I understand that there was recently a newspaper article which attempted to deal with this subject, which is really a very complex subject, and I understand in that article the article was not dealing with a provincially regulated pension and it did not fall within that category. So it did not relate to the garnishment of a provincially regulated pension, and with

a provincially regulated pension it is only the enforcement branch that can do the garnishment and it is only the recipient who can receive the benefit.

There are different rules, I understand, for federally regulated pensions for RSPs.

* (1100)

Mr. Mackintosh: I appreciate that assurance. I also ask the minister whether she is aware whether there is any delay in the service of outstanding warrants for arrest for those who fail to appear in court pursuant to a court order.

Mrs. Vodrey: I am advised that that question is best covered in Courts under the maintenance enforcement area.

Mr. Mackintosh: What are the current staff years allocated to the maintenance enforcement office?

Mrs. Vodrey: That would fall under Courts under maintenance enforcement line. We are dealing with the Family Law line now, which is in Justice.

Mr. Chairperson: Shall the item pass? Pass.

4.3.(e) Family Law (2) Other Expenditures \$106,400—pass.

4.3.(f) Constitutional Law (1) Salaries and Employee Benefits \$585,400—pass; (2) Other Expenditures \$112,700—pass.

4.3.(g) Legal Aid Manitoba (1) Salaries and Employee Benefits \$6,002,200—pass; (2) Other Expenditures \$6,743,600—pass.

4.3.(h) Civil Legal Services, zero.

4.3.(j) The Public Trustee (1) Salaries and Employee Benefits, zero; (2) Other Expenditures, zero.

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$17,662,700 for Justice, Justice, for the fiscal year ending the 31st day of March, 1997.

We have already concluded 4.4, so we will move on to 4.5 Courts.

4.5 Courts (a) Court Services (1) Salaries and Employee Benefits \$2,780,200.

Mr. Mackintosh: Just for the information of the minister, it is our intention to deal with questions under Court Services at the concurrent stage and to pass the items now.

Mr. Chairperson: Shall the item pass? Pass.

4.5(a)(2) Other Expenditures \$1,113,700—pass.

4.5(b) Winnipeg Courts (1) Salaries and Employee Benefits \$7,222,500—pass; (2) Other Expenditures \$1,382,000—pass.

4.5(c) Regional Courts (1) Salaries and Employee Benefits \$3,896,500—pass; (2) Other Expenditures \$2,077,100—pass.

4.5(d) Judicial Services (1) Salaries and Employee Benefits \$7,415,500—pass; (2) Other Expenditures \$707,200—pass.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$26,594,700 for Justice, Courts, for the fiscal year ending the 31st day of March, 1997.

Mr. Chairperson: We will now revert to Resolution 4.1(a). The staff should leave the Chamber at this time. We will be dealing with the Minister's Salary.

Shall the item pass?

Mr. Mackintosh: No.

Voice Vote

Mr. Chairperson: All those in favour of the item, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Yeas have it.

An Honourable Member: On division.

Mr. Chairperson: On division. Item 4.1(a) is accordingly passed, on division.

Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,753,600 for Justice, Administration and Finance, for the fiscal year ending the 31st day of March, 1997.

This concludes the Department of Justice. We will now be moving to Aboriginal Justice Initiatives.

OTHER APPROPRIATIONS

Aboriginal Justice Initiatives

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for AJI. Does the honourable minister have an opening statement? Does the critic from the official opposition party have an opening statement? No? I would remind all honourable members that the committee debate on—there is no Minister's Salary.

* (1110)

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): I was just informed we were moving to the Estimates of the Status of Women and so I went to—that was the information I just received from members opposite. Now if there has been—in the time that I went to inform the staff—change, then I think that it is only fair, should there be a comment made by the minister on AJI, that that opportunity should be available. I was informed that we were not doing AJI at this time; we were doing Status of Women.

Mr. Chairperson: There were no comments made on—if I could just have the committee—for one minute.

For the honourable minister's information, we cannot vary the way the Estimates are being done. We would have to conclude AJI. There have been no statements

made on the AJI at this time. If the honourable minister so chooses, she can make a statement on it, but we were just going to pass through it.

The committee will recess for just five minutes.

The committee recessed at 11:12 a.m.

After Recess

The committee resumed at 11:14 p.m.

Mr. Chairperson: Committee, come to order. The honourable minister with the opening statement.

Mrs. Vodrey: Mr. Chair, I believe it is important at the start of the Estimates discussion for the Aboriginal Justice line that some comments be put on the record about this government's continued movement in the area of the AJI recommendations.

First of all, in the area of Public Prosecutions, the movement towards the First Nations Policing Policy with aboriginal communities has continued. There have been consultations which have occurred with Justice officials and representatives of First Nations communities. I understand that 26 communities are currently in the process of conducting the required consultation within their respective communities. As I know it is well known, the First Nations Policing Policy is a tripartite agreement in which it does require the agreement of three parties: the federal government, the provincial government and also the First Nations community.

We also have a DOTC policing which was negotiated under the tripartite agreement. We have AJI initiatives that we are pursuing in partnership and some with the federal government and communities and others with communities themselves. The Hollow Water Community Holistic Circle Healing is a unique and innovative approach. We also have developed a sentencing circle process for Waywayseekappo that involves community elders in sentencing recommendation process.

In the Justice division in the area of Legal Aid, I think members are aware of the northern paralegal project

where three paralegals fluent in Cree and English are based out of Thompson and The Pas. These paralegals fly into communities in advance of the court party to help improve the quality of services being provided by duty counsel and interviewing clients and filling out legal aid applications and interviewing witnesses and preparing criminal docket matters for lawyers.

We also have the Aboriginal Centre law office, the Aboriginal Legal Services of Winnipeg. Legal Aid, in conjunction with the Aboriginal Legal Services of Winnipeg, has set up an office in the Aboriginal Centre, and I am happy to talk further about that as we move along.

In the Courts area, I would just like to highlight the Aboriginal Court Worker Program. This is a service provided for native people who become involved in the criminal justice system who need assistance or guidance, and the program workers act as liaisons with police and counsel or probation services. They advise the accused of alternative courses of action and Legal Aid and contacting counsel, bail applications and also contacting relatives or social service agencies.

In terms of aboriginal magistrates and aboriginal magistrate recruiting, the department has 15 aboriginal magistrates who have jurisdiction over matters such as swearing documents, assessing fines according to the legislation and releasing or remanding into custody persons who are accused of having committed offences. Members are also, I believe, aware through Courts of the St. Theresa Point youth court and also through our Courts Division we are making efforts to recruit aboriginal employees, and that we do have aboriginal court initiatives where staff in Courts participate along with other members of the criminal justice system in a number of these Courts initiatives. The use of elders, sentencing circles, healing circles and the greater use of community involvement are becoming more commonplace.

In the area of Corrections, as I spoke about last year, we continue to involve both our staff in aboriginal training issues and also providing services for inmates in our institutions which deal with some of the special needs of aboriginal inmates, and the programming is quite extensive. We are also always making an effort to recruit aboriginal staff members, and then in the area of Corrections, as well, we have community participation

agreements with aboriginal band councils and there are 21 native bands that currently have agreements with Community and Youth Corrections branch for the delivery of community correctional services in their communities.

With that, Mr. Chair, I believe that does cover each of the divisions, and I will be happy to speak more extensively about the offender programming that we have, the awareness programming that we have at the Manitoba Youth Centre and also some of the efforts made with staff to make staff more sensitive to the needs of aboriginal people. Thank you, Mr. Chair.

* (1120)

Mr. Chairperson: Does the critic from the official opposition party have an opening statement? No? Shall the item pass? The item is accordingly passed.

Resolution 27.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,000,000 for the appropriations of Aboriginal Justice Initiatives for the fiscal year ending the 31st day of March, 1997.

This concludes this department. We will now move on to Status of Women.

STATUS OF WOMEN

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for Status of Women. Does the honourable minister responsible have an opening statement?

Hon. Rosemary Vodrey (Minister responsible for the Status of Women): Thank you, Mr. Chair. I am pleased to present today the working Estimates of the Manitoba Status of Women ministry for the fiscal year ending March 31, 1997.

Manitoba Women's Directorate is the department of government which works to ensure that the needs and concerns of Manitoba women are understood and considered by government in the establishment of its legislative policies and programs. The directorate carries out its mandate through the establishment of co-operative

partnerships with other government departments and jurisdictions across Canada, also the business sector, community groups and other external organizations.

The Manitoba Women's Directorate, through its participation in federal-provincial-territorial working groups on education and training, gender equality and the justice system and violence against women has worked with its counterparts across the country to address issues such as socialization of children and young women, violence against women, as well as maintenance enforcement and economic equality for women.

The Education and Training working group participated in the development of the video and print material called Raising Young Voices, an educational package to raise awareness among parents, teachers, principals and administrators of the effects of socialization of girls and women. This program has been designed so that educators and community groups can use the material for workshops and discussion groups with a view to minimize the sex-role stereotyping in raising and educating young people. The video was distributed to every high school in the province in January of this year with the co-operation of Manitoba Education and Training.

The directorate was also a member of the federal-provincial-territorial senior officials working group on violence against women and participated in the development of Beyond the Violence. It is a national listing of violence initiatives which was tabled at the Ministers responsible for the Status of Women meeting in May and it will be distributed in the coming months across the province.

The directorate has established partnerships with other departments of government and external agencies and this year partnered with the Royal Bank to present Money Matters, The A to Z of Finances for Women Explained. Money Matters has now been modularized and is available to interested groups for presentation either in single modules or for a full-day workshop.

The directorate worked in co-operation with Manitoba Justice to develop and distribute Stop the Violence, a resource guide for service providers. This guide will be a valuable resource for service providers dealing with the

tragedy of domestic violence. The directorate has taken responsibility for the distribution of this document.

In September 1995, I was honoured to be a member of Canada's delegation to the fourth UN conference on women held in Beijing, China. It was truly inspiring to be part of a meeting of women from all over the world, to hear women such as Benazir Bhutto, Prime Minister of Pakistan, and to speak with many delegates from countries throughout the world. One of the most important things I got from the conference was a sense of energy and dedication and the purpose of women from every corner of the globe.

I also realized although we as Canadians and Manitobans have goals that we have not yet reached, we are very fortunate people. For example, nowhere in Manitoba do we have a situation where girls are not allowed to go to school, where boys are given the food and girls go without. One thing that resonated throughout the platform for action that does have application for Canadians and Manitoba is the need for women to assume leadership and decision-making roles in all aspects of public and private life. As a consequence, we are concentrating on incorporating a gender perspective as an integral part of our decision making as government. For example, the Women's Directorate has worked in co-operation with Manitoba Education and Training labour market officials to ensure that the impact on women of changes to the Employment Insurance program has been considered by governments, both provincial and federal, as a part of their analysis.

On returning from Beijing, I met with the Beijing network in November 1995 and I was pleased to arrange a meeting for the United Nations Platform for Action Committee Manitoba with the cabinet ministers who deal directly with major issues raised in the platform for action, including training, poverty, health and child care, in April of this year. Ministers of Health, Family Services, Education and Training, along with myself, received presentations from—the group is now called UNPAC and what it means is the United Nations Platform for Action Committee, so it is just the first letter of each word. The dialogue between UNPAC and ministers has been very successful, and UNPAC has volunteered to act with a community resource to work with ministers towards the goal of equality for women.

We are continuing the Training for Tomorrow scholarship awards program for women. A total of ninety-six \$1,000 scholarships have now been awarded to women entering two-year diploma courses in math and science and technology-related programs at the province's three community colleges.

This government is committed to promoting the well-being of families and children. The economic well-being of Manitoba's single parent families, most of whom are headed by women, is all too frequently jeopardized by the failure of noncustodial parents to pay their maintenance enforcement maintenance payments.

Maintenance enforcement has been and continues to be a primary focus of our government. It is our belief that noncustodial parents must fulfill their obligations to their children. It is not acceptable to have families and children live in poverty because court-ordered maintenance payments are ignored. During the last session of the Legislature we passed legislation to send the message that paying maintenance is a payor's first obligation. The best interests of the family demand these payments be made.

Nowhere is this government's commitment to the women of our province more evident than in the efforts to address violence against women. As Minister responsible for the Status of Women as well as Minister of Justice, I am able to ensure that Manitoba's Justice policies and initiatives directly reflect the reality of women's lives. The Manitoba government has worked to develop a system that responds to the special needs of women in crisis and aids women who want to end the violence in their lives.

Manitoba does have one of the most comprehensive shelter-funding models in Canada with volume-sensitive per diem rates, follow-up counselling and children's counselling services. The new model was implemented in 1992, doubling operating grants and reducing per diem rates, thereby ensuring the financial stability of smaller shelters as well as 24 access. Funding to shelters has increased by 168 percent from 1987 to 1988 to the present time, an indication of our commitment to ensuring that women and children have supports when trying to end the violence in their lives.

In the area of criminal harassment and stalking, this has also been major issue for this government. I have lobbied the federal Justice minister, Allan Rock, to change the current legislation to be tougher on offenders who stalk their victims. Recommendations from Manitoba included notification of the victim upon release of the offender from jail, enhanced penalties for stalkers who violate protective orders and implementation of the reverse onus provision for bail. I am pleased to say that changes have been made to the federal legislation that reflect the tough recommendations made by Manitoba. They did not go as far as we would like but they have indicated some changes, and I believe that is in a bill before Parliament.

To further protect victims of stalking, we have recently made changes to the computerized names index in the Land Titles Office, so that the names of victims who are in possession of a nonmolestation order, a peace bond or a restraining order may apply for a protected name status. Only Land Titles staff with the highest security clearance will be able to use the name search on the protected name.

These initiatives clearly demonstrate this government's zero-tolerance stance on violence against women and its commitment towards making Manitoba a violence-free zone. That is a commitment to Manitobans that I take very seriously.

Recognizing that hopes for a prosperous future for young Manitobans is based in part upon equipping our children with the skills they need to be productive and healthy citizens in the future, the Women's Directorate has sharpened its focus on promoting the development of healthy young women and young people. We believe that equipping our young women with the skills they need for the future must reflect a holistic approach which encourages them to lead positive lives. We want to encourage them to do things such as be active, stop smoking and refrain from early sexual activity. We want to encourage young women to replace unhealthy behaviours with healthy ones and towards that end, Manitoba Status of Women has launched Take the Challenge.

Take the Challenge is a comprehensive initiative still in its developmental stages which is designed to address issues affecting most teenage girls. Its goal is to provide

positive call for action for girls to assist them in making responsible and healthy life decisions. The directorate has sought out partnerships with stakeholders, service deliverers and community organizations to maximize the effectiveness of a major campaign to bring about attitudinal change.

The first part of Take the Challenge was unveiled in 1996 International Women's Day celebrations and it focuses on the benefits of physical activity for girls. The directorate, together with Manitoba Sport and the Department of Health, provided \$4,000 to help the Manitoba Physical Education Teachers Association hold the very successful and hands-on training conference. The workshop was held May 1 to 3, and it brought together 30 teachers from across the province to examine issues contributing to the low participation rate of young women in physical education activities and to develop strategies to encourage them.

To take this message directly to young women, the directorate developed a complementary poster called Do It for You. This poster will be distributed to junior and senior high schools across the province. During the development of the poster, the directorate formed a new partnership with the Canadian Association for the Advancement of Women in Sport and Physical Activity. That is called CAAWS. This organization asked to purchase 1,000 posters which it will distribute across the country and, better still, CAAWS asked to borrow the Do It for You design to title its four-and-a-half minute motivational video and it has credited Manitoba. The poster, the video, the prototype T-shirt emblazoned with full-colour image of the poster on it were unveiled at CAAWS's recent Breakthrough awards dinner in Ottawa where Manitoba received national recognition for its Take the Challenge initiative.

The directorate will be establishing partnerships with a number of organizations to develop further segments of Take the Challenge relating to other issues affecting teenage girls. In addition to its research and analysis function it performs within government, the directorate provides an outreach function to the women of Manitoba. The outreach staff has been a source of information, referral and support services to women's groups, as well as to individual women throughout the province. Members of the outreach staff are based in Portage la Prairie, Thompson and Winnipeg to ensure truly

province-wide service. Staff of the unit have visited a number of rural and northern communities during the past year including Swan River, Cranberry Portage, Russell, Domain, Brandon, Souris, to name but a few.

A toll-free women's information line has been established in order to provide women from any part of the province with easily accessible information on programs and services within government and the community. During the past year, two expanded issues of the popular About Women newsletter were produced and distributed to interested Manitoba women. Through the Profiles on Women newsletter segment, several prominent and successful Manitoba women were featured as a tribute to the contributions of all Manitoba women. Through this ongoing feature, the directorate will continue profiling the successes of Manitoba women in About Women.

Mr. Chair, I just also have a couple of comments to make on the Manitoba Women's Advisory Council which is an arm's-length body appointed by government to advance the equal participation of women in society and to promote changes in social, legal and economic structures to that end. In appointing members to the council, the Manitoba government endeavours to select persons who are representative of various geographic and ethnocultural and socioeconomic sectors. In August 1994, a council consisting of 13 new members, two reappointments and a new chairperson was appointed. Currently, the council membership is representative of urban, rural, northern women, Francophone and aboriginal women and visible minority women.

These members are from a variety of backgrounds and bring to council a well-rounded perspective on areas of concern to women including health, business, education, immigration, paid and unpaid labour, parenting, seniors, agriculture, youth and the justice system.

Mr. Chair, I have a listing of the names of the members, and I will table that during the Estimates or provide it to the member immediately following.

The council's role is to promote equality of opportunity for Manitoba women, and community liaison work has been and continues to be a top priority of this advisory council. The following are examples of some of the statistics compiled in the 1995-96 fiscal year ending

March 31, '96. Council liaised with over 100 community organizations, participated in or attended more than 60 workshops, meetings and conferences pertaining to issues of concern to women, provided expertise, co-sponsorship, committee representation or consultation for many community events and conferences pertaining to issues of concern to women.

A major council liaison project was undertaken with the Manitoba Bar Association gender issue section and it highlights how council brought the community to the process of judicial selection. Council facilitated this by mailing and faxing out information and resources to all qualified women encouraging them to apply for judicial appointment, as well as launching a successful federal lobbying campaign. The result was that four women were appointed to the bench.

As well, council participated in a grassroots campaign to raise funds to fight an important legal battle before the courts regarding the issue of confidentiality and the counselling records of sexual assault victims. A committee of women active in the community joined council in initiating a mail campaign to raise funds to defray some of the court costs involved in this precedent-setting case. I followed that up by raising that at the federal-provincial-territorial Ministers of Justice conference and, most recently, the conference for the ministers for the Status of Women, and have prepared a letter to the community to that effect.

Council has also instituted bimonthly open-house events to actively promote partnerships and networking among women and women's organizations. The first three functions marked important events or topics of concern to women: First, the honouring of Nellie McClung on the 80th anniversary of women's right to vote, the day for elimination of racial discrimination, and the issues surrounding women's unpaid work as tracked by the census and Canada Pension Plan reforms. I am very concerned about the Canada Pension Plan reforms and prepared to talk about that further during Estimates.

In the area of women's health, council has facilitated and co-sponsored a number of events pertaining to women's health such as the conference on women and tobacco called Lifting the Smoke Screen. Partners for this conference included Women's Health Clinic, Manitoba Health, Health Canada, the Federation of

Medical Women in Canada, Native Women's Transition Centre and Women Business Owners of Canada. The goal of this collaborative effort was to mobilize and challenge women's organizations and government to think about tobacco as a women's issue.

The council has also undertaken active planning and an advocacy role for the development of the prairie region centre for excellence for women's health. As a result of this initiative to work together in the planning stages of the centre, organizations such as the Manitoba Women's Advisory Council, the Women's Health Clinic facilitated the development of stronger partnerships with other community groups and academics. As well, conferences and presentations and meetings regarding health were attended by council with the various topics being discussed such as midwifery, new reproductive technologies and breast cancer.

In education and training, council has been active in advocating for individuals and accessing the council office for assistance and referrals. One of the major areas of concern has been the number of women phoning who require assistance to upgrade their job readiness skills. Council has also worked directly with students on several occasions.

One example included liaising with Francophone students regarding French entrepreneurial programs. Another student-related initiative undertaken by council included three separate corporate liaison projects with the Faculty of Management students at the University of Manitoba. This led to the development of a council brochure, a needs assessment survey and an upcoming newsletter for the fall of 1996.

As a result of the work and the consultation with both students and the women's community, council has had its belief in the importance of ongoing education of young people about equality issues and the work of council reinforced.

* (1140)

Other areas that have been considered by council are women in politics, immigrant, Francophone and aboriginal women's issues, and that has been a high priority for this current Advisory Council. They have been actively involved with the Filipino community

through participation and discussion groups on topics such as elder abuse, family violence, healthy aging and domestic workers' issues.

The area of violence against women has been another major focus of this present council. They brought the issue to the forefront of the community with their liaison work, and the current council activities in relation to this include involvement and participation in cross-cultural committees on domestic abuse, the coalition opposing violence against women and maintaining ties with women's resource centres. The social policy review was another very important facet of the council's work. They have taken a proactive stance in response to concerns expressed by the women's community regarding recent social policy changes or prospective reforms.

Then they have been active with the fourth World Conference on Women. Council undertook a pivotal role and they facilitated the biweekly meetings on site for the Beijing network. As a result of those meetings, over 30 women from grassroots organizations attended the conference.

There has also been consultation with rural women and they have also established further future directions for themselves, a reference library and continue to provide assistance to the community.

I am very proud, Mr. Chair, of the successes of the Advisory Council and the Women's Directorate both, and during the coming year I am confident that both organizations will continue their work to ensure equal opportunities to Manitoba women in all aspects of our society.

Mr. Chairperson: We thank the minister for those comments. Does the official opposition critic, the honourable member for Wellington, have an opening statement?

Ms. Becky Barrett (Wellington): My opening remarks are being read into the record by myself on behalf of the member for Osborne (Ms. McGifford).

I want to begin by telling this committee that 1995-96 has been one of those years that supports the thesis of Susan Faludi's book, *Backlash*, that is, put simply, women are losing the battle for social equality and social

justice, for full and equal participation in all facets of society. Make it clear that the responsibility for the declining status and income of Manitoba women does not rest with the staff and the ministry of the Status of Women, but with a government whose agenda is to attack programs and policies which enhance women's status and the quality of our lives. We know the common response to this: blame the federal government for the cuts in CAP and transfer payments and the creation of the CHST, and of course their scurrilous policies are regressive.

But actual federal revenues to Manitoba increased last year because of our own weak economy and the increase in equalization payments. Manitoba Conservatives, led by the Minister of Justice, who is also the Minister responsible for the Status of Women, flew to Ottawa to oppose gun control but stayed at home for the committee hearings on the social transfer. To oppose gun control unequivocally and say nothing about the block transfer which will have the greatest impact on women seems to me a dubious stance for the Minister for the Status of Women to take.

I would like to point out as well that the backlash against women in Manitoba began long before the cuts from '96-97 in federal transfer payments. I would like to share some of those statistics.

One, there has been a steadily declining budget and staff years in the ministry responsible for the Status of Women, from 15 staff years and a budget of \$923,900 in '92-93 to 12.13 staff years and a budget of \$906,400 currently, which does not account for inflation, which must be at least 8 percent over this cumulative period at an inflation rate of 2 percent a year. This does not sound like a commitment to the Status of Women.

Secondly, before 1996-97, there were regressive changes to social assistance, like changes to CRISP and the repeal of the Manitoba cost-of-living and property tax credits, which have an especially heavy impact on single-parent families, 85 percent of which are headed by women.

Third, a lack of legislative initiatives regarding part-time workers and prorated employee benefits, the elimination of the pay equity office and the impacts on women who form the majority of this workforce.

Four, a cap on subsidized child care cases and increasing the cost to parents of subsidized spots from \$1 a day to \$2.40 a day.

Five, cutting the Access programs. These programs played an important role in providing many women from remote communities a post-secondary education.

I could continue and provide more examples of the way this government's policies have disproportionately impinged on the lives of women in areas like health, justice and housing, but I will now pass on to address more specifically the regressive policies of this forthcoming year, 1996-97.

I would like to put on the record the important question of where the Minister for the Status of Women was when these issues and decisions were being addressed and made. First, the plan to privatize home care which would mean layoffs and a 40 percent reduction in salary for workers, 98 percent of whom are women and a large majority of whom are immigrants. This appears a strategy to forget the most vulnerable of our workers, immigrant women. This plan is on hold for just two years, and we hope that the second time it arises the Minister responsible for the Status of Women exhibits more backbone on behalf of Manitoba's women.

Second, the decrease in welfare rates for single parents with children over six, especially the inflexibility of the changes. I have a woman in my constituency with two children over six, one seven and one nine, both of whom are asthmatic. This woman asked me if the government expected the nine-year-old asthmatic to care for the seven year old, and I had to say that I guess they did since the same government had frozen the number of subsidized daycare spaces, making it virtually impossible for newcomers to find subsidized spaces.

A second point is the difficulty of untrained, often unskilled, ill-educated women to access employment in a depressed labour market. Under this category the Taking Charge! program will deal with 700 clients a year. They have a waiting list and an entrance test. We do not have the statistics on the likelihood of students finding employment, and I think it would be incumbent on a single parent not to hold their breath about getting into the program, and once into the program, getting a job.

Secondly, the Workforce 2000 project housed at the Manitoba Fashion Institute is preparing workers for the garment industry, but the manual dexterity test eliminated approximately 80 percent of the applicants. This was a figure from the program's own director.

Third, it does not seem that the training and education programs which would train women and allow them to leave welfare are in place nor are the support programs necessary. Reductions in welfare are a direct assault on the poor and, in a year when the minister received an 11 percent increase in her own salary, are disgraceful.

* (1150)

The 2 percent cut to Family Dispute. There was a corresponding 2 percent cut in '93-94, so in the past three years there has been one year of no cuts which coincidentally was an election year. Again, assuming a 2 percent annual inflation rate, the actual reduction in monies available to Family Dispute Services programming is in the order of 10 percent.

This means of course a 10 percent cut to Family Dispute funded services, and workers there are in many cases being asked to accept a 2 percent wage cut. At the same time, the minister received an 11 percent wage increase.

At the Lavoie inquiry into the murder-suicide of Roy and Rhonda Lavoie, the co-ordinator of the EVOLVE program testified under oath that these cuts would mean more worker burnout and would have repercussions on the organization's ability to deliver quality programming—so much for this government's commitment to ending violence against women.

Five, I would like to mention briefly the threat to public education, the cuts by 2 percent for the past several years to the public education system and this government's continued onslaught against teachers, specifically the Minister of Education's (Mrs. McIntosh) attempt to hamstring teachers by making sweeping changes to the collective bargaining process. I would like to include this here because the majority of public school teachers are women who are fortunately making a decent liveable wage. This government's response is to attack, and the Minister for the Status of Women offers teachers no support.

Six, I would like to put on the record that there are many blatant examples of sexism at work, and in the Minister of Health's (Mr. McCrae) failure to appoint even one woman chair to the 10 regional health boards. Furthermore, we have repeatedly asked the Minister of Health for a list of appointments to the 10 boards, and he has stammered, delayed and prevaricated. The list promised last February is still not available, at least to me.

The obvious question is who will look after women's health needs in rural and northern Manitoba since when left to men, the result historically has been dismal. Women's special health needs have been ignored. Of course the question is again, where was the Minister responsible for the Status of Women when this decision was made.

In summary, I would like to state that the cumulative impact of these various policies is a province where women are asked to bear a disproportionate share of cost cutting and where women's status is once again being eroded. Feminists know that times of economic stress and one accompanied by regressive sharp swings to the right and by attacks either overt or covert on the economic social, and cultural lives of women—this is most certainly the case in Manitoba as this government, no doubt fuelled by its majority and by regressive policies in other jurisdictions, steps up its ideological drive to privatize and to cut programs.

À la Roger Douglas, the right-wing leader from New Zealand, the Filmon government basically ignores the marginalized and minority groups, that is, and to large extent, women. The sad truth is that the Minister Responsible for the Status of Women either follows suit or has no clout with her cabinet colleagues. These circumstances are reflected in this government's policies and legislation which disregard the realities of women's lives.

Mr. Chairperson: I thank the honourable critic.

We were on item 22.1. Status of Women (a) Manitoba Women's Advisory Council (1) Salaries and Employee Benefits \$166,700—pass.

I would just like to remind the committee that we have had agreement that we will have the resolutions all

passed by twelve o'clock. I have a number of resolutions yet to put through. so just a couple of short questions.

Mr. Kevin Lamoureux (Inkster): I just have a couple of questions.

Mr. Chairperson: Order, please. We will need the minister's staff in if we are going to be asking questions. That is the other problem we are going to have.

Mr. Lamoureux: If it is the will of the committee, I do not believe that I will need staff from the minister to come in for the type of questions that I have to ask. I will just pose, and if the minister feels that it is necessary to have them come in, she can call them in, if that is okay with the Chair?

Mrs. Vodrey: I am prepared to hear the question. If there is any detail, I will ask my staff to come in.

Mr. Lamoureux: Mr. Chairperson, over the health care discussions and debates that we have had over the last little while, there has been a great deal of debate in one area in which we believe there was a fairly significant impact on an issue which is very much a women's issue dealing with the home care services and the privatization of home care services. In fact, internally, from within our party, our own women's commission had conducted a panel discussion and come up with a number of thoughts and ideas about it.

One of the things that was discussed between me and members of the panel on an individual basis was what role did the Minister responsible for the Status of Women play, if any role, in the whole privatization of home care services. I would be interested in hearing from the minister in terms of what her role was in this issue, if in fact she had any role.

Mrs. Vodrey: Mr. Chair, as the member knows, these are government decisions. These are not a single minister who simply makes a decision in isolation. That is true for all decisions, all Justice decisions, all other decisions in that ministers work together as a cabinet and a caucus, and in that cabinet and caucus we have the opportunity to make decisions as a government. I think that is really the best way to deal with it is to say that all members, these are government decisions. The member clearly does not agree with the decision, and that has been clear during the

course of the debate, but I believe the Minister of Health (Mr. McCrae) has provided our government's reasoning in this area, and the Minister of Health has provided, I believe, our government's position.

I can just say to the member for Inkster that perhaps this is an unusual notion, but decisions are made by government as a whole. There is participation and decisions are reached, and he may not agree with this one.

Mr. Chairperson: I thank the honourable members. As previously agreed, I am going to require the last three minutes to conclude the department.

I have this resolution and a number of other lines to pass.

Item 22.1. (a) Manitoba Women's Advisory Council (1) Salaries and Employee Benefits \$166,700—pass; (2) Other Expenditures \$110,000—pass.

22.1(b) Women's Directorate (1) Salaries and Employee Benefits \$479,500—pass; (2) Other Expenditures \$96,200—pass; (3) Grants \$54,000—pass.

Resolution 22.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$906,400 for the Status of Women for the fiscal year ending the 31st day of March, 1997.

This concludes the Status of Women.

CAPITAL SUPPLY

Mr. Chairperson (Marcel Laurendeau): The final resolution for consideration is for Capital Supply.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$142,050,000 for Capital Supply for the fiscal year ending March 31, 1997.

That concludes the work of this committee. Committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being after 12 noon, this House is adjourned and stands adjourned until 1:30 p.m. this afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 6, 1996

CONTENTS

ORDERS OF THE DAY

(Continued)

COMMITTEE OF SUPPLY

(Concurrent Sections)

Culture, Heritage and Citizenship	3317
Industry, Trade and Tourism	3345
Other Appropriations:	
Decentralization	3369
Aboriginal Justice Initiatives	3394
Sport	3377
Legislative Assembly	3377
Justice	3378
Status of Women	3395
Capital Supply	3403