



Third Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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



Vol. XLVII No. 19 - 10 a.m., Thursday, March 27, 1997

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

| Member | Constituency | Political Affiliation |
|----------------------------|--------------------|-----------------------|
| ASHTON, Steve | Thompson | N.D.P. |
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| CERILLI, Marianne | Radisson | N.D.P. |
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| FRIESEN, Jean | Wolseley | N.D.P. |
| GAUDRY, Neil | St. Boniface | Lib. |
| GILLESHAMMER, Harold, Hon. | Minnedosa | P.C. |
| HELWER, Edward | Gimli | P.C. |
| HICKES, George | Point Douglas | N.D.P. |
| JENNISSEN, Gerard | Flin Flon | N.D.P. |
| KOWALSKI, Gary | The Maples | Lib. |
| LAMOUREUX, Kevin | Inkster | Lib. |
| LATHLIN, Oscar | The Pas | N.D.P. |
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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, March 27, 1997

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Gang Action Plan

Mr. Gord Mackintosh (St. Johns): I would like to present the petition of Debi Spence, Klaus Tibelius, Elmer Schartrand and others praying the Legislative Assembly of Manitoba urge the Minister of Justice to consider using this action plan, the NDP 18-point plan to deal with gang crime as a basis for provincial policy on organized criminal gangs.

READING AND RECEIVING PETITIONS

Gang Action Plan

Madam Speaker: I have reviewed the petition of the honourable member for St. Johns (Mr. Mackintosh). It complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

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

THAT the increase in violent crimes in Manitoba since 1990 has been more than three times as much as the Canadian average; and

THAT crime can only be effectively dealt with through both prevention and suppression; and

THAT the tough talk of the Manitoba Justice minister has not been matched with action; and

THAT Manitobans want a positive, comprehensive response to crime and gang crime that provides alternatives for youth; and

THAT the New Democratic Party has put forward an 18-point plan to deal with gang crime; and

THAT this plan is divided into elements focused on both the justice system and families, schools and communities; and

THAT this costed plan has been subject to widespread consultation and has been praised as a detailed plan to fight youth crime that is well thought through and constructive.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Justice to consider using this action plan as a basis for provincial policy on organized criminal gangs.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's gallery where we have this morning His Excellency George Bullen, High Commissioner for the Eastern Caribbean States. On behalf of all honourable members, I welcome you this morning.

Also seated in the public gallery, we have eight visitors from the Applied Linguistics Centre under the direction of Mrs. Ruth Klippenstein. This group is located in the constituency of the honourable member for St. James (Ms. Mihychuk).

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

ORAL QUESTION PERIOD

Labour-Market Training Federal-Provincial Agreement

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the Premier. The

Charlottetown Accord, which included a devolution of labour market training, was rejected by Manitobans in a referendum or plebiscite a few years ago. The provincial government has been negotiating with the federal government on the devolution of the human resources sections of manpower training.

* (1005)

I would like to ask the Premier what mandate does he have to proceed to negotiate an agreement with the federal government from the people, first of all. Secondly, can he confirm that the cabinet of Manitoba has approved an agreement and the federal cabinet of Canada has also approved an agreement on devolution of power in this area?

Hon. Gary Filmon (Premier): It is interesting the manner in which the member opposite phrased the question about the Charlottetown Accord, having been defeated or at least denied by the people of Manitoba. The member opposite, as Leader of the New Democratic Party, and his party supported the Charlottetown Accord and all of the contents, including that devolution of labour authority.

The whole process of events that has been carried out by federal and provincial governments ever since has been to try and disentangle responsibilities for delivery of various services in which there is clearly an overlap or a duplication between the federal government and the provinces. In good faith we have been working towards that disentanglement on a whole series of fronts—very up front about it. I mean, they have been named constantly in discussions that I have had in First Ministers' meetings, in annual Premiers' conferences. It is not a surprise to anybody.

In that context, cabinet gave a mandate to the minister responsible for labour market training, and we are getting very, very close to an agreement. I might say that this is the product of, I think, serious discussion, serious negotiation, but there has not to my knowledge been anything signed at this point. There is no question that we are working out a lot of the issues that could lead to a signing.

Mr. Doer: My question again is to the First Minister. In light of the commitment today to be up front on this issue, I would ask him to table the terms and references of the devolution agreement with the federal government. Can the Premier confirm that the devolution agreement is similar to the one negotiated by the provinces of Alberta and New Brunswick, which, unfortunately, the agreements between New Brunswick and Alberta include only a three-year commitment for support in terms of specific dollars? They only include a three-year agreement which again raises the whole question of offloading of the federal government onto the provincial government in these vital federal areas of jurisdiction.

Mr. Filmon: I do not think it would be in anybody's interest to table drafts that are for the purposes of negotiation. What I will say though is that we are all concerned about the possibility of federal governments, this or future federal governments, offloading responsibility on the provinces. I mean, it has been happening.

The responsibility for social services to aboriginals living off reserve has already been just dumped, offloaded by successive governments. The Mulroney government did it first, and we objected to that. It was carried on despite the fact that the Liberals criticized that. It has been carried on by the federal Liberal government of Prime Minister Chretien now, and that has cost us over \$100 million as a province over the last number of years. This is the kind of thing that we all have to be vigilant about, but in the end what we also have to be aware of is that we want to be able to create a Canada in which we serve the best interests of all Canadians, in which we do our best to eliminate overlap and duplication and make more efficient the delivery of services that are needed.

We also know—and I know the member opposite accepted the argument, in fact, put forth the argument—that we have a greater knowledge of and awareness of our specific labour market demands here in this province. We know where the skill shortages are. They do not know that in Ottawa, and a separate bureaucracy from Ottawa is not going to make it better for us to be able to train and develop our labour market to meet the skill shortages and the economic opportunities of our province.

So I believe we are working on the right thing. I believe that progress is being made. I believe that in the end the goal will be, for the best interests of all Manitobans and all Canadians, to get out of this overlap and duplication that has evolved over more than a hundred years in our country.

* (1010)

Mr. Doer: The Premier never answered the question on the three-year term, which was my specific question.

We have been informed that the agreement has been approved by both cabinets but not signed, as the Premier has indicated. We, too, are concerned about what the impact will be on our local communities. Can the Premier confirm that the staff reductions from the federal government to the provincial government will be from 143 positions to 118?

Can the Premier inform this House what will the impact of those changes on human resource officers and training officers be on the communities of Thompson, Selkirk, Brandon, Portage, St. Boniface, Morden, Steinbach, Dauphin, Swan River, The Pas, Flin Flon and the Winnipeg offices? They, too, Madam Speaker, work at the grassroots with people in terms of resource training and development on the human resource side. Can the Premier please indicate to the House what are those specific impacts on this devolution of power agreement?

Mr. Filmon: Madam Speaker, I do not have specific figures at my fingertips. As I indicated, the agreement has not been signed, and obviously at such time as any agreement is made public, then there will be an opportunity for discussion of all the possible impacts, positive and perhaps negative, although I believe that it is a positive initiative and a positive agreement that will ultimately create better opportunities for labour market development for us as a province.

Labour-Market Training Federal-Provincial Agreement

Ms. Jean Friesen (Wolseley): Madam Speaker, the government of Manitoba has, with no public discussion, no public input, in secrecy, behind closed

doors, accepted the offload of the federal government in labour market training.

Nova Scotia rejected it. Newfoundland negotiated a co-management agreement that is long term and it involves both parties. P.E.I. as well as the Yukon are also negotiating co-management agreements.

I want to ask the Minister of Education why was she afraid of asking and listening to Manitobans on an issue of constitutional significance of jobs and of post-secondary training.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, the member is incorrect in implying that there was some fear attached to in camera negotiations that go on between federal and provincial jurisdictions across this country. I can assure the member that negotiations between the provinces and the federal government are being done bilaterally, province by province with the federal government, looking for solutions that are made to order for each particular province. They may have characteristics in common, but the solution that is finally put in place for Manitoba, in terms of its relationship with Ottawa in this regard, will be a made-in-Manitoba solution designed to best meet the needs of the people who live in this province and to have a good working relationship with Ottawa, which will be providing funding for the programs that we will then deliver.

Ms. Friesen: Madam Speaker, I see the same secrecy continuing. I would like to ask the minister, now that we know that the cabinet has approved, approved but not signed—we know that the cabinet has approved an agreement—will she tell Manitobans whether that will enable them to receive the same bilingual services that the federal government has provided.

She has agreed to something. What has she agreed to?

Mrs. McIntosh: Madam Speaker, the member can indicate that she is conversant with the happenings in cabinet, and I say that she—I know not from whence she gathers her information.

I can tell you that we have been negotiating for many months now, that we are close to being able to get an agreement with Ottawa. One of the things, of course, that we are looking for in terms of French language services is that services that people currently expect will be maintained, perhaps even enhanced, because they are important to the people who live here in this province. That is the type of thing that will be kept foremost as we continue the discussions towards conclusion, that the needs of the people of Manitoba be dealt with in a very positive, proactive way that will see improved service and not loss of service.

Ms. Friesen: Madam Speaker, could the minister confirm that the policy of her government has been to cut longer-term training such as New Careers and to substitute short-term training programs, which the Manitoba Chamber of Commerce refers to as low or no cost and no commitment required? Is this what we can anticipate when the federal government has offloaded onto Manitoba labour service programs?

Mrs. McIntosh: The member asked two questions. I believe she is only permitted one. I will answer her first question because I am only allowed to answer one. Her first question was, can I confirm that we are going to low-paying, short-term jobs? No, Madam Speaker, I will not confirm that.

A.E. McKenzie Co. Ltd. Status Report

Mr. Leonard Evans (Brandon East): Madam Speaker, on Tuesday, December 20, 1994, the minister responsible for McKenzie Seeds attended a joint conference with officials of Regal Greetings & Gifts announcing the sale of McKenzie Seeds to Regal. Further, it was announced that the government will continue to hold \$4.2 million of preferred shares in McKenzie for up to seven years in order to provide job security and ensure that the operation remains in Brandon. Since then, its newly appointed president has left without yet being replaced, while more senior direction is coming from Regal in Toronto. Two vice-presidents have left, and their positions are being abolished. The job of consumer products marketing assistant has been eliminated, and at the same time the marketing and sales office has been transferred to

Toronto and a new position of new product manager is being established in Toronto.

* (1015)

Madam Speaker: Order, please. Does the honourable member have a question, please.

Mr. Leonard Evans: Can the minister tell the House whether this shift in operating control of McKenzie to Toronto and Regal Greetings in Toronto and the loss of positions in Brandon is in keeping with the intent and the spirit of the government's sale agreement with Regal Greetings?

Hon. Harold Gillehammer (Minister of Labour): Madam Speaker, my honourable friend has not brought up McKenzie Seeds for a number of years. Certainly he is correct that in 1994 this company was bought by Regal Greetings & Gifts. We had set out at that time six preconditions to the sale which were universally agreed upon. Those conditions have not been violated, and I am told that the number of employees at the Brandon plant has actually been enhanced.

Madam Speaker: The honourable member for Brandon East, with a supplementary question.

Mr. Leonard Evans: I would advise the minister to go to Brandon and talk to some of the employees who are worried about getting—

Madam Speaker: Order, please.

Mr. Leonard Evans: Can the minister tell us how the government is monitoring developments at McKenzie Seeds to ensure that the new owners are truly maintaining the agreement to keep jobs and the control of the operation in the city of Brandon and, specifically, who is on the board of the company representing the government's interests?

Mr. Gillehammer: Madam Speaker, I am truly disappointed in the member for Brandon East. When we discussed this a number of years ago, I can recall vividly him indicating that Brandon was not a good place for people to do business. That, of course, is consistent with what we have heard from some of his

colleagues about other operations within the province of Manitoba, whether it is—

Point of Order

Mr. Leonard Evans: On a point of order, Madam Speaker, the minister is making allegations about statements that I made that I said Brandon was not a good place to do business. I never said that. I would never say that. The minister should withdraw that remark because it is not true.

Madam Speaker: Order, please. The honourable member for Brandon East does not have a point of order.

* * *

Madam Speaker: The honourable Minister of Labour, to complete his response.

Mr. Gilleshammer: Madam Speaker. Had I known my honourable friend was going to raise this issue, I would have brought along the clippings from the Brandon Sun where he was quoted as saying that, among a number of other things.

I want to say to the member for Brandon East that the preconditions—

Point of Order

Mr. Steve Ashton (Opposition House Leader): A point of order, Madam Speaker. Under Beauchesne we understand that ministers do not have to answer questions if they do not want to answer questions, but we do have restrictions on ensuring that whatever answers are in place do have some relevancy to the question.

I would suggest, Madam Speaker, you call this minister to order. If he can do nothing better than to call into account the credibility of one of the longest-serving members of this House who has always fought for Brandon, I would say he should withdraw those disgusting comments.

Madam Speaker: The honourable government House leader, on the same point of order.

Hon. James McCrae (Government House Leader): Madam Speaker, on the same point of order. The honourable members ought to know, or be at least reminded on this occasion, that matters related to the A.E. McKenzie company are outside the administrative competence of the Minister of Labour in any event. So, while we are talking about points of order, it may well be an appropriate point to make at this time.

* (1020)

Madam Speaker: The honourable government House leader, I believe, raised an additional point of order or a different point of order, so I will take both points of order under advisement and report back to the Chamber.

* * *

Madam Speaker: The honourable Minister of Labour, to quickly complete his response to the question asked.

Mr. Gilleshammer: Madam Speaker, my honourable friend was asking some detail about the corporation. I would suggest that perhaps he talk to one of the board members. He perhaps knows Mr. Ray West, a long-time resident of Brandon, who was named Man of the Year a few years ago by the Brandon Chamber of Commerce, and I would suggest that, if the member for Brandon East is in Brandon at some time, he should contact Mr. West.

Mr. Leonard Evans: Well, not only is the minister being loose with the truth making false allegations, but he is being flippant. He is being flippant. He does not give a damn.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Brandon East was recognized to pose a final supplementary question.

Sale Agreement Tabling Request

Mr. Leonard Evans (Brandon East): In the name of open government, will this minister now make available to this House a copy of the government's agreement with Regal Greetings and MDC, as was done in the sale

of the Manitoba Data Services by the former Minister of Finance? In the name of open government, please table a copy of that agreement.

Hon. Harold Gilleshammer (Minister of Labour): Madam Speaker, I would indicate again that the preconditions were built into the agreement and have been lived up to. I was told as recently as this morning that there are at least 10 additional staff positions at the operation in Brandon and an increase in payroll of almost half a million dollars since the time that Regal Greetings & Gifts bought McKenzie Seeds.

I will review the discussions we had when we last met dealing with the annual report and see that all the commitments we made there have been met.

Home Oxygen Supply Service Rimer Alco Contract

Mr. Dave Chomiak (Kildonan): Madam Speaker, despite the fact that no government report recommended the privatization of home care, the government has gone ahead to privatize a portion of home care. It is ironic that on the Rimer Alco deal the government justifies Rimer Alco on the basis that they do not want to fragment service, yet the government is fragmenting service by privatizing some portion of—with the public portion. [interjection] I hope the Premier (Mr. Filmon) who speaks from his seat will answer the question as well.

Madam Speaker, my question to the Minister of Health: since this is a multimillion-dollar venture, will the minister—and since these are public dollars that are going to private companies—today provide us with the cost of the contract, the number of employees from Health that are going to be affected by that contract, the profit margin and the number of patients affected?

* (1025)

Hon. Darren Praznik (Minister of Health): Madam Speaker, the value of this particular contract—and, as the member may not have pointed out, this was the lowest bidder. It was the only bidder, in fact, that resulted in a reduction of costs to our system. As was discussed when this matter was debated very thoroughly in the last session of the Legislature, we

would only award no more than two quadrants of the city to a particular company for new entrants into the system. Many of the details with respect to employer relations were part of an agreement reached with the union of the affected employees, the Manitoba Government Employees' Union. The value of this contract is approximately \$5.6 million.

Mr. Chomiak: Madam Speaker, this matter was never debated in the Chamber of the Legislature in Manitoba.

My supplementary to the minister: since the government promised that they would provide the standards and ensure the standards were enforced and they would be published so that patients would not be affected by this privatization, will the minister now table the standards that that company will be required to uphold and the criteria under which it will be dealing with patients?

Mr. Praznik: Madam Speaker, absolutely. It was a commitment that my predecessor made, and I pleased to do that today.

Mr. Chomiak: A new question to the Minister of Health, Madam Speaker.

The government has awarded a \$5.6-million contract to a private company. Can the minister indicate the comparison between—will he outline for us what the profit considerations are from Olsten and what the comparison is of the rates paid to their employees versus the rates that will be paid to the employees of the government and the other contracted agencies, namely, the nonprofit VON, and what the comparisons are with respect to the service that is delivered?

Mr. Praznik: Madam Speaker, to answer that question, I believe it is appropriate to put it in the context of the process in which bids were entertained. As the member will probably recall from discussions with the previous Minister of Health in August of last year, proposals, a solicitation of interest was put out. Nine organizations were short-listed from that.

Of those short-listed proponents, they were asked to provide requirements for formal proposals or they were asked to put in formal proposals to provide home care

service in the Winnipeg region. In December, those were received.

Of the nine short-listed, I believe that five met the quality requirements. Three of those had other difficulties in which they decided not to pursue the contract. Three remained; their bids were opened. Only one of those bidders resulted in a saving from the estimated cost of delivering our own system. Madam Speaker, that is about a half-million-dollar saving on the two quadrants.

Regional Health Authorities Elected Representatives

Mr. Kevin Lamoureux (Inkster): My question is also for the Minister of Health. It is to follow up with respect to the regional health boards. In Saskatchewan, it was clearly demonstrated through the way in which they had their elections that less than, I believe, 15 percent of people actually showed up for the actual vote.

My question to the Minister of Health is will the government acknowledge in the election of regional health authorities that maybe the best way to administer that is at the same time that we elect our municipalities. We would call on the minister to make a commitment that the next municipal election will also have on the ballots regional health boards being elected.

* (1030)

Hon. Darren Praznik (Minister of Health): I think the average turnout in municipalities across this province is in the order of a third turnout. It varies across the province, but it is not as high as provincial and federal elections.

The real key issue in going to an elected system—I have said that to municipal officials, I have said that to regional health authorities, I have challenged him and members of the New Democratic Party—is what mechanism would they recommend to ensure that there is a direct taxing authority of some sort for those health authorities so that they can be responsible to the taxpayers and their electors.

In any democratic system you have to have that responsibility to return to the electors, to the taxpayers, for the results of your decisions. I have yet to hear of a model that the Liberal Party or New Democratic Party is prepared to argue publicly should be part of that elected system.

Mr. Lamoureux: We would disagree with the government with respect to taxation rights.

Madam Speaker: Order, please. Question.

Mr. Lamoureux: My question to the minister—and, quite frankly, I would be prepared to debate him anywhere the Minister of Health would feel most comfortable—is specifically will this government commit to an election of regional health boards at the next municipal election. People are going to the polls at that time—providing the additional ballot, so this way people will have a direct vote for these regional health care boards.

Mr. Praznik: It is very interesting this position from the Liberal Party. They are suggesting that, without having the right to raise its own revenue, these boards, quite frankly, if they were to be elected then, would have no ultimate financial responsibility for the decisions.

All they would be setting up across the province—it is not direct involvement—they would be setting up that standard, classic debate of one group saying we want to deliver these services; we are really not accountable because we do not have to return to the taxpayers who pay the bill, so every one of our mistakes is someone else's fault.

I think what has made our school boards more responsive and effective, our municipalities responsive and effective, is that they have some responsibility to their taxpayers and have to return to their taxpayers not just for election but also to levy a tax bill. That right and that ability is absolutely critical I think to the effectiveness of any elected boards. We are not adverse to that, but let us get into the real discussion, which is how we develop that mechanism.

Mr. Lamoureux: My question to the Minister of Health is why does he persist in using the taxation

rights as the issue in order to prolong indefinitely the need to have an elected regional board as opposed to a politically appointed board. Why does the government not commit to elected regional boards?

Mr. Praznik: If the member for Inkster wants to attack the whole concept of governments, we are elected, members opposite are elected by their constituents, members of Parliament are elected. He is attacking the principle that we as elected members and trustees of the public, who have the responsibility to go back to the taxpayers for the results of our decisions, do not have the right that somehow, when we appoint boards to administer services, we have to go to the taxpayers to fund. If he is attacking that principle, then I would like him to attack as well the principle of all the appointments that his federal Liberal colleagues have made, including that of his former Leader to the Senate of Canada.

Madam Speaker, I am not asking to do that because I think that is unrealistic and unfair to the Government of Canada. They were elected to discharge the duties. They will be responsible to the voters for whom they appoint. We have never said that we are adverse to elected boards. In fact, we have included that provision in the legislation. All we have said is there has to be a tax and responsibility, and let us get into that discussion and not try to hide from it.

Spring Flooding Advance Preparation

Mr. Gregory Dewar (Selkirk): Madam Speaker, my questions are for the Minister of Natural Resources. Last night, over 200 area residents attended a public meeting in Selkirk to discuss preparations for potential spring flooding. One of the many concerns raised at the meeting was advance notice of the opening of the floodgate. My question is to the minister. Can the minister tell Manitobans what the government is doing to ensure that there will be as much advance notice as possible this year?

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, certainly I would assure the member that the ministry is aware of the concern and will make sure to do everything possible to make the public aware of anything that is about to happen.

Mr. Dewar: Madam Speaker, that answer is cold comfort to those individuals faced with the potential flood.

My supplementary question to the same minister: can the minister tell the House what additional monitoring is being added this year in order to avoid a repeat of last year?

Mr. Cummings: Madam Speaker, we are dealing with the forces of nature, and in co-operation with EMO we have undertaken to make sure that public information is readily available, and advance warning on the issues such as the member raises is of primary importance. If he wants a time and a day and an hour, obviously, I cannot give him that.

Mr. Dewar: Madam Speaker, my final question: could the minister tell the House whether he has made a decision on bringing in a hovercraft to break up the ice, as I and others have recommended to him over two months ago?

Mr. Cummings: Madam Speaker, this is a serious matter when people's well-being, safety are at stake, and I do not think either the member for Selkirk or myself is trying to one-up each other on who has the best ideas as to how to deal with the issue. He is as well aware as I am with the information that was made available at the meetings, and that is that we intend to look at carefully and bring in people who have experience in this practice to advise us if it in fact can work under Manitoba conditions. If it is their advice that it will work, then we will attempt it.

New Home Buyers City of Winnipeg Tax Credit

Ms. Marianne Cerilli (Radisson): Madam Speaker, we have concerns about the proposal passed by the City of Winnipeg yesterday to give a property tax break to new homes built on the periphery of the city, that even though there is a small incentive for infill over new lands, the report makes clear that the majority of new homes under this program will be on the outlying areas of the city.

I want to ask the Minister of Urban Affairs and Housing if he will confirm that he supports this report.

Does the minister not agree that this program will not address the problem of a stagnant city population spreading out over a larger area, further increasing the burden on the majority of property taxpayers in Winnipeg?

Hon. Jack Reimer (Minister of Housing): Madam Speaker, I find it ironic that the question and the criticism of what the city is trying to bring forth to stimulate an economy, to try to bring forth the creation of jobs through the housing industry is being overly critical.

The program that has been outlined by the City of Winnipeg is an incentive to increase not only the homes in the new development, but another component of it that I feel the member may not be aware of is that there is a component for infill housing also. I feel that this is a tremendous incentive for people to purchase homes as first-time buyers. They can look at savings upwards of almost \$8,500 over three years if they combine the various rebates not only because of the rebate on the provincial side but on the homeowner side. These are incentives that are going to create jobs, that are going to give first-time buyers the opportunity to be homeowners here in the city of Winnipeg. I believe this was an excellent initiative by the City of Winnipeg.

Ms. Cerilli: Does the minister not realize that there is more than one and a half times more jobs created in renovation and retrofitting? Does the minister not agree that new homes built either just inside or just outside the city of Winnipeg line with no plan for existing urban home retrofitting and renovation will just further contribute to the decline of the urban core of Winnipeg?

Mr. Reimer: The member is referring to a home renovation program. This government had a tremendously successful home renovation program over the last few years, which added to the enhancement of a lot of homes in the city of Winnipeg. The new program that has been initiated by the City of Winnipeg is an add-on for the stimulation of the business. I find this very ironic that, with the initiatives that the city is trying to bring forth, there is a criticism of people wanting to own homes, to take advantage of the home ownership, to take advantage of the first-time

homeowners. This, Madam Speaker, I find very, very unfortunate.

The home renovation program was a program that was very successful. In fact, it was that side of the government that voted against it. You cannot have your cake and eat it and be part of the recipe.

* (1040)

Ms. Cerilli: Madam Speaker, my supplementary to the minister is will he make any requirements in this program for developers to complete existing housing developments, such as Harbour View South in my own constituency, rather than allowing new lands to be started for new housing developments on the periphery of the city. Will they complete the existing housing developments so they qualify for services rather than opening up new lands in the periphery of the city?

Mr. Reimer: The indication that I have from the City of Winnipeg is that the program is geared to new development. I believe it does not cover the additional new development as she has pointed out. It is in regard to homes in the development areas of the city of Winnipeg. It involves the homes that are in the infill area of the city of Winnipeg. So it has its expansive nature that a lot of the area's various components can be complied with. The homes that were going to be constructed are homes that the Home Builders' Association can take advantage of with this program. The homeowners will benefit from it. There will be a tax rebate of upwards of, as I mentioned before, \$8,500 over the next two years. So, Madam Speaker, it is a good thing.

Law Reform Commission Termination

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice, when the Pawley government appointed departmental staff to do the work, take on the work, of the Law Reform Commission, the Conservatives screamed bloody murder and in the 1988 election ran committing to restore the commission and enhance its independence. Then in '89 the Attorney General introduced legislation in this House that he said would, and I quote, protect the commission as far as possible

from any attempt by any future government to destroy the effectiveness of the commission.

My question to the minister: Given that the government is now committed to entirely abolishing the commission, would the minister admit that there is something wrong with this picture?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, the issue is a difficult one, and it indicates the dilemma that we face at times when we are met with the budget restraints that have been imposed on us by the high-spending days of the Pawley government.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Justice, to complete his response.

Mr. Toews: The choice that we as a government had to make at this particular point in time was whether we continue the Law Reform Commission or whether we put those resources into public safety and community issues. My preference was into public safety, and I find it strange that the member for St. Johns would not support us in that respect.

Madam Speaker: Time for Oral Questions has expired.

Point of Order

Madam Speaker: The honourable member for St. Johns, on a point of order.

Mr. Mackintosh: It just shows you cannot be part of the cake if you eat the recipe.

Madam Speaker: The honourable member for St. Johns does not have a point of order.

NONPOLITICAL STATEMENTS

Madam Speaker: Does the honourable member for Brandon East—order, please. I am having difficulty even recognizing the honourable member for Brandon East, and I wonder if those members that are engaged

in conversations would do so either in the loge or outside the Chamber.

Brandon Royal Winter Fair

Mr. Leonard Evans (Brandon East): Madam Speaker, I wonder if I could have leave for a nonpolitical statement.

Madam Speaker: Does the honourable member for Brandon East have leave to make a nonpolitical—leave has been granted.

Mr. Leonard Evans: Madam Speaker, I would like to take the opportunity to urge all members of the House to attend the Royal Winter Fair in Brandon, which is scheduled for Tuesday, April 1.

This is a long-standing tradition of the House to adjourn for that particular day so that members can take their families and friends to attend one of the finest shows of its type anywhere to be found in Canada or, indeed, North America. It is indeed a first-class show, and among other things there is a wonderful horse show that we are usually privileged to see in the evening. My only complaint is that, at the same time as the horse show is going, there is a great CKLQ old-time fiddlers' contest that I like to hear, as well as, I know, others. So there are a lot of things going on to be taken in, and I would surely hope that each and every one of us will do our best to attend on Tuesday, April 1. Thank you.

Chamber of Commerce Award Presentation

Hon. James McCrae (Minister of Environment): Madam Speaker, might I have leave to make a nonpolitical statement?

Madam Speaker: Does the honourable Minister of the Environment have leave? [agreed]

Mr. McCrae: Madam Speaker, last evening the Deputy Premier (Mr. Downey) and the Minister of Rural Development (Mr. Derkach) and I, and hundreds of others from the Brandon area attended the annual Chamber of Commerce dinner. At that dinner there was an award presented, the annual presentation of an award for the business person of the year.

* (1050)

This year, the Chamber of Commerce, in its wisdom, significant wisdom I might say, decided to make that award to Mr. Stuart Craig of the Craig broadcasting company. The contribution of Mr. Craig and his father and his family, not only to the community in Brandon but through their efforts throughout Manitoba and now well beyond and all across western Canada, is well known to everyone, I am sure, in this Chamber. I just wanted to call this matter to the attention of honourable members, because I think it is a well-deserved recognition of the work of the Craig family in general and Stuart Craig in particular of their contribution to our cultural life, to our ability to know what is going on in the world today through news broadcasts done by Craig broadcasting company. I just thought that honourable members would like to be aware that this citizen of Brandon has distinguished himself not only in our area but nationally, and I believe in the future more and more internationally. A very successful story for Manitoba and congratulations go to Mr. Stuart Craig.

Mr. Gary Doer (Leader of the Opposition): May I have leave for a nonpolitical statement?

Madam Speaker: Does the honourable Leader of the official opposition have leave for a nonpolitical statement? [agreed]

Mr. Doer: Madam Speaker, I would like to join with the Minister of Environment in paying tribute to Stuart Craig and recognizing his tremendous contributions to Manitoba.

Before I was elected, I had the opportunity to participate in letters of support to the CRTC for the Craig network to establish the MTN or Manitoba network. I think all of us feel in this House and all of us feel in public affairs and debate that there is often a tremendous void in coverage in communities outside of the so-called Perimeter Highway. I think to some degree we tried to meet that. The Pawley government tried to work with the former federal government to meet those challenges by establishing some native communication systems in northern Manitoba to start getting the video and voice messages of people in those

communities that would deal with the unique nature and the unique challenges of those communities.

I think it is also similarly true that the Craig family, with the establishment of the MTN network and the work in Brandon, has been able to get a lot more of the stories of Manitoba communities, of the diversity of Manitoba communities and the diversity of stories across to all Manitobans, and for that I think every member of this Chamber, no matter what our political stripe, is indebted.

I am pleased to see that many local communities in the Craig system have their own networks and access to those networks, and I have always found that the media network, the Craig networks have always been very fair to all political parties in having the opportunity to speak directly to the viewers or to the people in the other forms of media.

I think it also very interesting to note that in Alberta, the Craig family has been awarded the licences in Alberta, but he was competing against another Manitoban, Izzy Asper. I think when we look at what these two business people have done in terms of establishing communications across Canada, I think we are to be very proud.

Having said that, Madam Speaker, I also think we have to redouble and triple our efforts to ensure that we have a nonprofit public broadcasting network that also will provide, not competition, but the balance. We always talk about balance in here, I think we also have to, in paying tribute to Mr. Craig, remember that we need balance in our broadcasts and balance in our coverage. It is interesting that the TV station in Brandon is a private station but also receives the national feed from the CBC, both in their local news coverage and in their evening news coverage.

So I want to pay tribute to Mr. Craig, wish his family well and also pay tribute to the ability of all Manitobans to have access to public and private broadcasting.

Global Change Game

Mr. Tim Sale (Crescentwood): A nonpolitical statement, Madam Speaker.

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

Mr. Sale: Madam Speaker, I rise to pay tribute to a group of Manitobans who have developed over the last five years an environmental education project called the Global Change Game. These young people, for the most part, were graduates of the universities of Winnipeg and Manitoba, some in natural resources and some in other areas. They took it upon themselves to develop a game that involves simulating the world's current environment and playing forward into the future with assumptions about global arms, pollution, health care, feeding, resources, et cetera, with largely high school students, although many adults and university students have also played the game.

Madam Speaker, they have toured this game across Canada from Victoria to St. John's, Newfoundland. They have had the support of the Mennonite Central Committee, Via Rail Canada and other corporate sponsors to make this game available.

I have had the honour and opportunity to have the game played twice in two high schools in my constituency, in Kelvin and Grant Park. In both cases, approximately 90 young people took a morning to find out how complex it is to think about public policy in managing the environment of our world in the kind of conditions it finds itself in.

Madam Speaker, recently this group of young Manitobans were the winners of the Sustainable Development awards in the category of education. The game is now on tour in eastern Canada. By the end of this year, more than 400 high schools across the country will have used this game. I commend it to honourable members of both sides of the House as a marvellous educational opportunity in environmental and other policies moving us towards a more sustainable world.

The Global Change Game can be located easily in the phone book, and I hope other members will take advantage of it for their high schools.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable

Deputy Premier (Mr. Downey), that Madam Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to continue considering Bill 10.

Motion agreed to, and the House resolved itself into a Committee of the Whole to continue to consider Bill 10 with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair.

* (1100)

COMMITTEE OF THE WHOLE

Bill 10—The Interim Appropriation Act, 1997

Mr. Chairperson: Order, please. We have been considering Bill 10, so we are resuming consideration of the bill. Is the House ready for the question?

Some Honourable Members: No.

Mr. Chairperson: Okay. In that case, we will recess for just a second, okay?

Order, please. The committee will come to order. We are resuming consideration of Bill 10.

Mr. Steve Ashton (Thompson): Mr. Chairperson, I realize we have some ministers who will be in shortly to answer questions. I wanted to put some issues on the record, and I will raise this with ministers perhaps via way of Hansard rather than waste any of the valuable time for Interim Supply. They are to do with northern Manitoba, and I wish to deal with some transportation issues which I wish to put on the record to deal with. I want to, first of all, indicate that we will be pursuing these issues further during Estimates, but I think members opposite can understand that our transportation links are vitally important for northern Manitoba.

I want to start with the issue of highways. I want to note, by the way, there has been some progress on some of the specific projects that I have certainly been raising, as the member for Flin Flon (Mr. Jennissen) has raised this year, particularly 391 which has been announced. There has been some priority given to 391

and also the access lane for Wabowden, and I am very pleased in both cases. These were issues that were raised by the communities affected. These issues were raised at the meeting which the then Minister of Northern Affairs and the current Minister of Health (Mr. Praznik) attended in Thompson in 1995. In fact, I raised the specific projects at that time. I have raised them in writing with the minister.

I want to remark on that because I do think there is some positive response to the communities and some of the issues that we have raised. I know I have been very critical on highways, but I want to put that on the record initially. I am somewhat disappointed that essentially what has happened is that the government is still not recognizing the need to go back to the kind of allocation for northern Manitoba that existed prior to 1988 and, in fact, even in their first term as a minority government. Under the NDP, northern roads received close to 25 percent of the budget in given years, and that should not be a surprise given the needs in the North, given the fact there are many communities do not have a road.

I am quite disappointed that, even though the spending on highways in northern Manitoba this year is somewhat increased, it has dropped as low as 5, 6 percent according to the minister's own figures a couple of years ago in various years, and I still believe that the minister is using formulas which do not indicate the need. He has talked about the percent of the road network that is in northern Manitoba and allocating a percentage for construction that reflects that. I would suggest that we should also include the percent of roads that are not there, that should be there. I want to put on the record that communities in my constituency, such as Thicket Portage, Pikwitonei, Ilford, and York Landing have no roads, and I have raised the specific concerns with them.

I want to put on the record, and I will be raising this directly with the minister, concern about Thicket Portage. Because of Repap's logging activities, the road will be very close to the community of Thicket Portage. I think there is an opportunity to establish an all-weather road. It is going to require some commitment from the government to maintain the road and to provide the access.

I want to suggest that that should be a priority for the department. I think there has to be consideration for Pikwitonei, as well, and both these communities, of course, are on the rail line. While we are hopeful that rail service will continue with the OmniTRAX company, I think anyone can see that there are some very real concerns.

York Landing and Ilford: York Landing has been attempting to get all-weather road access into Split Lake, which gives it access to the provincial highway system. Ilford actually had a road that was on the books. In 1977, it was cancelled by the Lyon government when it was elected. What is interesting on that is, I think, it was a lost opportunity at the time. After that, the communities did pursue other projects and options. I looked at the member for Arthur-Virden (Mr. Downey), who was a member of that government, and he will remember that. It was cancelled in 1977 and it is unfortunate, the road between Ilford and York Landing which would have given the people of Ilford access to the ferry which runs between York Landing and Split Lake. I just wanted to put that on the record.

I want to indicate in advance, too, that we will be raising some questions about the future of the rail line and the port. I have met with some of the officials from OmniTRAX, and I want to indicate that there is still a lot of concern on the Bay Line about the future of our transportation links. The bottom line is we are very concerned about that. My communities in northern Manitoba, the communities I represent, are very concerned about that. I was just, for example, in Thicket Portage, and people are very anxious to find out what is going to happen in terms of long-term rail service.

I want to indicate there are some real opportunities, I believe, in some of the communities in northern Manitoba for economic development, and I want to throw this out as a challenge to the government. I am prepared to provide a whole series of ideas that really reflect what I am hearing in the communities about ways in which we can deal with economic development in northern Manitoba. I think there has to be a recognition from the government of the unique circumstances in Northern Affairs communities and First Nations communities. The bottom line is we have to, we absolutely have to, I think, put a major, major

commitment in and, quite frankly, I am not sure if that commitment is in place.

I have other issues I wish to deal with, but one of the ministers is here, the Minister of Rural Development (Mr. Derkach), and I know there are some questions. I will put those remarks on the record, forward them to the Minister of Highways (Mr. Findlay), and hopefully the Minister of Highways can respond to me, if not at this committee, in writing.

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I have a series of questions for the Minister of Rural Development. I would just like to get some background on the current situation facing a number of the companies that Manitobans have invested in and that our government has supported through the Grow Bonds Program.

First of all, I wonder if the minister could indicate whether the dividends or interest payments are current for the following companies, and I will list them for him. First of all, the list is as printed awhile back so the order is more or less in the order that the bonds were issued, although not entirely. It is close.

First of all, the Rimer Alco company, are they current with their dividends and/or bond interest, Care Corporation, Gilbert International and RCS Greenhouses.

* (1110)

Hon. Leonard Derkach (Minister of Rural Development): Mr. Chairperson, I would like to indicate that I would certainly be pleased to research the status of the dividends as they might exist as of this particular time. I cannot honestly indicate on each and every one of these whether they are current with their dividends, unless we go back to the bond corporations and ask that question, but we certainly will pursue that information and make that available.

Mr. Sale: Mr. Chairperson, that answer is precisely the problem that the Auditor pointed out when he did, I think by all agreements, a devastating report on the handling of the Woodstone Grow Bond. He pointed out that the government had failed to implement any kind of reasonable oversight of the bond, failed to

ensure that the Grow Bond corporations, in the case of the Woodstone corporation, actually fulfilled the regulations which the minister knows and has some responsibility to enforce.

So when the minister stands up and tells the House that he does not know if companies that are supposedly under some kind of scrutiny in his department are even current with the Manitobans' dividends or interest payments who invested in them, I find that a shocking admission of the minister's either incompetence or cavalier attitude towards the investment of many, many millions of dollars.

The Minister of Rural Development (Mr. Derkach) has stood in this House and bragged about how many millions of dollars have been levered by the investment of \$8 million in Grow Bonds. The minister has never stood up and said that some hundreds and hundreds of Manitobans lost \$6.6 million in the Woodstone operation. It was levered all right. It was levered right down the drain. Manitobans have lost—that is the amount of creditors, the total value of the creditors for the Woodstone corporation—\$6.6 million.

An Honourable Member: Of our money.

Mr. Sale: Of Manitobans' money. [interjection] No, of Manitobans' money.

Mr. Chairperson, through you to the minister, you brag about how many dollars have been levered by Manitobans' investments. What you do not tell Manitobans is how many dollars have been lost by virtue of your failure to provide oversight of the corporations in which you have invested.

I say for the record that the Care corporation of Winnipeg is not current in its payments. The minister may wish to take that information and research it further. He has letters on file from a number of bondholders in the Care Corporation, one of which is a gentleman in Victoria who holds \$50,000 of bonds. He has not been paid. As of last July, he has still not been paid. He has been told by a senior official of the minister's department that that official thinks there are enough assets in the company to pay off all the bonds when the company is put into bankruptcy. Now that is a pretty devastating statement from a deputy minister to

come to a bondholder. In other words, we have got another company here that has failed to pay its bonds.

The Waskada greenhouse was in the news a number of times as they attempted to get refinancing to stay in business, and apparently they have got some money to put the next crop in. Surely to goodness, the minister has had at least one meeting with his officials in the last little while, while there were concerns about this greenhouse, and has asked them is the company current with the bondholders. Is our Grow Bond at risk? Did he ask that question of his officials? If he did, what was the answer? If he did not, why is he the minister? What is his role if it is not to have some oversight of companies where there is some risk and to be able to take whatever kind of remedial action is available to him, or does he just watch as these companies fall one by one?

Mr. Derkach: I have to indicate that I am appalled and so are Manitobans appalled at the approach that this particular member has taken with rural companies and with rural Manitobans. It is a shameful and a disgusting approach that has been taken. He takes this high-handed approach as though, I know it all and let me tell you how we should formulate these companies and let me tell you how we should save them. He has got all these answers, Mr. Chairman. He goes out to the public, and he makes statements that are absolutely untrue. He makes statements that are absolutely false, misleads companies, misleads—

Point of Order

Mr. Chairperson: Order, please. The honourable member for Crescentwood, on a point of order.

Mr. Sale: The minister is both imputing motives and making accusations in terms of use of truth and falsehood. The minister ought to withdraw those statements and continue the debate in an orderly manner, Mr. Chairperson.

Mr. Chairperson: Order, please. The minister was pushing the line a little bit on some of his statements. I would ask him to withdraw that one portion that was directly imputing motive to the member.

Mr. Derkach: Mr. Chairman, if I have offended you in terms of the language that I have used, I will withdraw that.

Mr. Chairperson: I thank the honourable minister for that.

* * *

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

Mr. Derkach: Mr. Chairman, I have never seen such sloppy research as has been done by this member for Crescentwood. All you have to do is look at the statements that were absolutely strangers from the truth with regard to the comments he made about Woodstone in the initial stages.

One of the issues that was at stake with Woodstone, when Woodstone was having its financial difficulties, was the fact that we had a company that was trying to refinance its company, so that jobs could be preserved in the community of Portage. The member of Crescentwood's solution to that was close the company in Portage and move it to Winnipeg. That was going to be his solution to preserving those jobs in Portage. Then he stands up in the House and he says why is the minister not protecting these jobs in Portage. I think his credibility is well known in the rural parts of this province and indeed in this entire province, and it certainly is not held in high esteem.

Mr. Chairman, I have to talk about Rimer Also for a minute, another rural company that this member has attacked for no reason at all. Here is a company that is employing rural Manitobans, giving jobs to families in rural Manitoba, and it has bid on a contract, a contract worth something less than \$2 million, I believe. In addition to that, they were requested to bring a bond forward that was worth about \$1.7 million, I believe, and they were able to secure that bond.

This member made a statement in the House that this company was insolvent. That was an absolutely false statement. He misled, whether willingly or unwillingly, rural Manitobans and Manitobans right through this province about this company's state. Why? Why are you attacking rural Manitobans, rural companies,

people who are trying to make a living for their families, by spreading this kind of false information throughout the province?

Now, he asked the question about whether or not dividends are current on specific companies. I indicated to him that, as of today, we do not know that. We can find that out. My staff keep in touch with companies at all times, Mr. Chairman, but we do not know the day-to-day dealings with these companies.

One of the other things that has to be acknowledged is client confidentiality. Does this member know anything about that? Does he know anything about client confidentiality?

Today he brings another statement to this House that is absolutely a long way from the truth. He says that we put \$6 million of taxpayer money at risk with Woodstone Foods. That is wrong, absolutely wrong. The guarantee that this province put on the table was for some \$970,000 with regard to the Grow Bond. It is understood by Manitobans throughout that this is a Venture Capital program, and there will be plants that will, in fact, fail. It is unfortunate but that happens in business.

An Honourable Member: Half of them?

Mr. Derkach: Half. Now he makes another rash statement, another untruth, Mr. Chair, because he says half of them are now going down.

Mr. Chairperson: Order, please.

Mr. Derkach: Mr. Chair, I apologize for using that term.

Mr. Chairperson: Order, please. I would ask the honourable member to retract that statement. He already has, I think.

The honourable member to continue.

Mr. Derkach: Mr. Chair, how can anyone stretch the truth in that way by bringing to this House a statement that says half of the Grow Bonds are going down or fail? Where does he get his information? All of these

companies are in rural Manitoba. So what is he doing? Is he helping these plants that are trying to struggle to survive in the rural part of our province, that are employing people in the rural part of our province?

My department works very hard with every one of these companies, and, yes, there are companies that are having difficulty. There is no question about that. We are working with the communities and working with the companies and working with individuals. We are trying to find partners in some of these instances to try and ensure that jobs for these families, these communities can be sustained and can be secured for the long term.

I also have to tell the member, although he does not acknowledge this and would never admit to it, in 1994, it was this minister and this department that asked for the Auditor to come in and take a look at the processes that we were undertaking with respect to Grow Bonds, to give us some idea of whether or not this new program was following procedures as we should in normal business practice. There were recommendations that were made by the Auditor at that time, and those recommendations were followed, and when we asked once again, yes—and the member for Crescentwood (Mr. Sale) shakes his head. Well, he is wrong again because when we asked for the audit in 1996, the Auditor very clearly stated that the recommendations that were made in 1994 had been progressed with by the department and indeed had been implemented. Once again he made other recommendations, and those are being followed up. They are not going to be ignored.

* (1120)

An Honourable Member: They have been so far.

Mr. Derkach: Now he makes another statement. He says, they have been so far. He does not know of what he speaks, but that is not unusual for this member because that is the way he approaches everything, whether it is finances, whether it is Rimer Also, whether it is Woodstone, or whether it is any other rural company in Manitoba. He comes in with half-truths, puts it on the record, and then expects Manitobans to, in some way, believe that he is, in fact, telling Manitobans the realities of the situation.

Well, Mr. Chair, I want to indicate very clearly that, in every one of these situations, my staff are current with regard to the status of all of the companies. If you ask me today to disclose whether or not Rimer Also, Care, Gilbert International, RCS Greenhouses are current with their dividends, I said I would go back to my department to ensure that whatever I put on this record is not indeed false, that the information that I bring back here is going to be accurate. Surely, the member wants the information to be accurate and he wants it to be up to date, or does he just want us to make statements so he can get up in the House and then contradict them or in some way destroy the credibility of another company?

These are very important companies to this province. The people that work in them contribute to the economy in a very real way. They sustain their families on these jobs, and whether they are in Arborg or whether they are in Portage la Prairie or in Waskada or whether they are in Morden or Killarney, they are all important. Yes, there will be times when these companies experience difficulties. It should be known that indeed if these companies were all flush before they came for funding to us, they would go to the banks, so it has to be recognized that the programs that they have, whether they are Grow Bonds or other programs that governments extend, are indeed Venture Capital programs, where there is risk and anytime we have risk we know that a company may fail.

Look at the national statistics with regard to Venture Capital companies. What do the national statistics tell you? The national statistics tell you that six out of 10 companies will fail; two of the four that will survive will have great difficulty; two will probably do well. Well, I have to tell the member opposite we are far above that level of success at this point in time, and I am hoping and praying that we can continue that way. We will do everything we can to ensure that we explore every possible opportunity in the projects that are having difficulty. I have never said that all of our Grow Bond companies are flush and are not having difficulties. There are some that are having difficulties, but Mr. Chair, this is not the place to debate companies on a one-to-one basis. Client confidentiality has to be respected, and if the member were honourable and wanted to know some information, he would call my office—

Mr. Chairperson: Order, please. I would ask the honourable minister to retract that statement. All honourable members are honourable.

Mr. Derkach: I am sorry.

Mr. Chairperson: I thank the honourable minister. The honourable minister, to conclude.

Mr. Derkach: If this member had indeed a serious tone about how he approaches these matters, he would call my office, we could sit down, and we could discuss, as we have with the member for the Interlake (Mr. Clif Evans), who is a critic for Rural Development. When he has an issue, we do sit down and we do talk about it, and maybe we will not agree, maybe our philosophical approach will be different to a problem, but, indeed, at least then we have the information on the table as much as we can disclose. I would be happy to do that with the member for Crescentwood (Mr. Sale), but, indeed, he has to express a willingness to be able to do this so that indeed our interests then could be for the betterment of the companies that are operating in this province, Mr. Chairperson. Thank you.

Mr. Sale: Mr. Chairperson, I would suggest that the minister tone down his rhetoric and look at some of the realities. First of all, he just finished pointing out that, in fact, on a national basis some six out of 10 Venture Capital funded corporations do fail, and that, as he said, two out of the remaining four will have great difficulty. So, when I say that it would not be unreasonable to expect that we might lose half of these companies at some point, his own statistics are suggesting that I am not far off the mark. In fact, I am being conservative in terms of the total risk, and I would sure not, you know, mind being conservative in terms of that kind of risk.

Let me direct the minister to his own comments about the Woodstone fiasco. The minister stood in this House, and so did the Minister of Finance (Mr. Stefanson) assert, that all the audit would serve to do was to point out that all was well, that there were no serious problems with this company, and that we were fearmongering, et cetera. Well, I just draw the minister's attention to the fact that in January of 1995 before the April election, the minister's department had data that showed that the company that year on sales of

\$5.7 million—not up from the previous year, as was promoted and promised—lost \$1.4 million on sales of \$5.7 million. The bank indebtedness increased. Their sales decreased. Their inventory increased, and he and/or his staff did nothing.

He has a regulation in his Grow Bonds legislative package that requires—it is not permissive; it is not something that he can or cannot do depending on his whim—that 170 days after the end of any fiscal period, audited financial statements will be sent to all Grow Bond holders. No Grow Bond holder in the Care Corporation in Teulon which I have been able to contact, and no Grow Bond holder in Woodstone which I have been able to contact, ever received an audited financial statement about the companies in which they held money, held bonds—nobody.

The minister knows this is a regulation, and he knows that his own officials have sat still while corporation after corporation broke the regulations. He has a sworn duty to maintain these regulations. They are not options. After the 1994 audit said you have to do some things to strengthen what you are doing in this program, a few things were done. The minister is correct. Why, after four years of operating this program, are the regulations not enforced routinely company by company? But they are not.

Now, the minister makes hysterical allegations that my concern about Woodstone and Care and Rimer and all the others that are out there, including Crocus which the minister now owns through the Manitoba Development Corporation, he makes the allegation that I raise these questions or my colleague from the Interlake raises these questions because we somehow do not care about jobs. The absolute reverse is the case because the minister knows from his own officials—if he does not, I would suggest he talk with Mr. Sweatman; perhaps he should talk with him more frequently—that when a Venture Capital investment is made by any good Venture capitalist, whether it is the Crocus Fund or Vision Manitoba or whatever it is, one of the things those Venture capitalists do is they get involved with the companies that they have invested in.

They mentor them and they support them. They monitor them. They look at their cash flow and they watch their sales. They look at their marketing

strategies, and they ask questions about how the business plan is going. They do not turn a blind eye. They do not defeat the ability of shareholders or bondholders to have information they need on which to judge how the company is doing. They do not have annual meetings that, effectively, put friends of the company on the board of the bond corporation so it will not ask questions, which is what happened in the case of Woodstone.

* (1130)

Mr. Chairperson, members on this side of the House are deeply concerned about jobs in rural Manitoba, as well as in urban Manitoba. What we are seeing happening is that jobs are failing and being lost because this minister and his department do not do the mentoring, do not do the supporting. They do not do the work with the corporations. They throw their hands up and say, oh, that is the local bond corporation's problem. Well, the local bond corporations are made up of volunteers, very well meaning often and very competent members often, but they are not paid to babysit the corporations in which they have invested. In fact, in many cases, as the minister knows, there may well be that confidentiality requirement which would prevent a Grow Bond board officer from acting in a mentoring capacity to the company in question.

I give him the example of the situation again in Woodstone where one of the original Grow Bond members was a financial adviser. He was a member of a financial institution, but he happened not to be a member of the financial institution that Woodstone dealt with. So do you think Woodstone would disclose to that person intimate details of how they were doing on sales and marketing when he was with a competitor organization? Of course not.

The minister makes what is a very good point in defence of a very weak department's operation. There is a real question about third-party confidentiality, but this minister does not do that any good by providing either no information or scant information to bondholders who are not then in a position to ask questions that might help the company survive. His attitude is keep it secret, keep it quiet and run around in great circles trying to save something, but do not let anybody know about it and deny and deny and deny

until the day when the bankruptcy writ is filed or the day in which he has to take the company over because he has failed to provide the nurturing and mentoring that any Venture Capital investor would make and provide in any company that they invested in.

So let him not suggest that we do not care about jobs. Every time a company goes down because he failed to do his job, it is his government's failure that is at stake here and not the fact that the opposition has asked questions about the capacity or the interest of his department to do their job in mentoring these new corporations.

Mr. Chairperson, the Department of Rural Development has finally hired one or two more people—I am not sure; the minister will no doubt tell us—to help deal with the Grow Bond portfolio.

Mr. Chairperson, I have talked to Venture capitalists in Manitoba and I have talked to them in Toronto, and I asked them a simple question. I asked this question specifically of the senior partner of Arthur Andersen in Winnipeg who has a Venture Capital arm. I said to him, if you had in your portfolio 20 small, young vulnerable corporations in which you had invested, had venture investment—that is an investment seeking on average 20 to 30 percent return in order to deal with the risk inherent in this—if you had done that, I said to him, how many staff would you need to mentor those companies effectively?

Arthur Andersen is not an inefficient corporation. They are the largest consultancy in the world in financial consulting. You know what he told me? He said that he would need at least six people working full time working with those companies on a monthly basis, looking at their sales, looking at their marketing, looking at their human resource development, looking at their capital investment, looking at how they were pursuing their patents. He said, at minimum my company would have six people, approximately one person for every four venture investments that we made, in total terms, to support that kind of portfolio.

Now, we are not talking about one clerical person, we are talking about somebody who knows how to nurture an investment successfully. The failure in this program is not the failure of the concept of local people

investing in jobs in their community. It is certainly not the failure of local entrepreneurs who want to have the opportunity to develop viable smaller companies in rural Manitoba or, for that matter, in urban Manitoba. I think the concept would work well in urban Manitoba too.

It is a rural concept and we support it and I support it, but you do not do rural Manitoba any favours any more than you would be doing urban Manitoba to invest a chunk of change and then say we will see you in a year, we will see you at the next annual meeting of the Grow Bond corporation. At the next annual meeting of the Grow Bond Corporation, you do not even send out financial statements. You do not provide any kind of serious review, and when we ask have you been involved with the kinds of things the Auditor asks, for example, in his report on Woodstone—which is a devastating critique, not of the failure of the existing staff of the program but of the failure of the minister to ensure the resources were there to do the job which the Auditor finally had to tell you you were not doing, you did not do in the case of Woodstone, you are not doing in the case of the Care Corporation, you have not done with Crocus which went belly up, as well. You have lost the Manitobans' money who was involved in that.

Crocus corporation is now owned by the Manitoba Development Corporation, and you had to pay out the bond. It has had to go through refinancing. In other words, the investors have lost their money and you have lost our money.

The real issue here is not the question of whether Venture Capital in rural Manitoba is a good idea or not. The real issue is that this government has failed to provide the resources to enter into that program in a successful and sustainable way.

Mr. Chairperson, I want to ask the minister at the end of my remarks if he will undertake to return very shortly to this House with a list of the corporations which have complied with the regulation requiring that 170 days after their year-end, financial statements have been sent out to the bondholders. In other words, I would like to know where his department is in ensuring the rights of bondholders to information.

They are Manitobans, too. They are Manitobans who have risked their capital and the interest on that capital. They have put it aside because they believed in their communities, and your department has let them down by not protecting their rights, just as you have let down the companies in which they invested by not providing the kind of support and sustenance that any decent Venture capitalist would provide if they were risking a half a million or even a hundred thousand dollars in a new entity. They would be there every month. They would be looking at the cash flow. They would be looking at the receivables and the payables. They would be looking at the technology. They would be investing time and energy. Your department does not have the resources to do that.

So let it be understood that we are supportive of the concept of the investment in those bonds. We are supportive of the development of those corporations, but you do Manitobans no favours when you fail to support the program with the resources it needs to do its work, and it does not have those resources today. It has never had those resources, and the result is that corporation after corporation is not fulfilling the mandate that it undertook in terms of its Grow Bond board. It is not getting the oversight that they need in many cases to survive those rocky few years and get to the point of being self-sustaining.

Mr. Chairperson, the minister talked about concerns around Rimer Alco. The government appointed Gordon McFarlane, who is an accountant with Doane Raymond, a private sector accountant. In the committee meeting that assessed the bids, Mr. McFarlane said: I have grave concerns about awarding a contract to this company because of its fiscal situation. He said he had grave concerns. Now, to me, when an auditor uses terms like "grave concerns," this is a very serious matter because auditors are not known for using flowery speech or making extreme statements. Mr. McFarlane expressed grave concerns.

* (1140)

A cursory look at Rimer Alco's balance sheet on March 31, 1996, would show that its current liabilities exceeded slightly its current assets and it had long-term and short-term debt. There was virtually no equity in the company whatsoever. [interjection] That is Mr.

McFarlane's assessment of this company in the committee meeting. Mr. McFarlane was the person who was hired to do that, and he did his job well, I believe.

An Honourable Member: You are prepared to put that on the record outside the House.

Mr. Sale: Mr. McFarlane is the person who put that on the record. He put it on record in the committee meeting. I have also put on record the fact that the statements do not present the picture of financial health, and I am very, very happy to confirm that. I would imagine that if a minister is not, then he has even more serious problems administering the Grow Bond Program than anyone else.

I would just conclude by saying that the minister, I hope, acknowledges what he said privately to me, that Woodstone was a disaster, that its management was a disaster, that he wanted to never see the face of the person again. Yet only a few weeks after he said those things to me from his seat in the House, his own officials were still pushing Woodstone. They were still pushing Mr. Nickel and Mr. Mullen and Mr. Brazzell as wonderful investors who were just going to put their company back on the market.

Mr. Sweatman was telling American investors that all was well, all was well, and yet the financial statements for that company, which the minister consistently refused to make available to bondholders, showed that even a year earlier it had lost \$1.4 million. It had lost, in effect, 30 percent on every dollar sold, which is virtually exactly the figure that we said was happening when we first raised this issue in the House and tried to get some attention paid to it. Instead, we went on for another full year.

Workers lost \$212,000 in wages because this government would not support the fact that they had the right to those wages so they paid out the bond instead. The minister's officials met with Labour Canada, and Labour Canada said these workers had a right to these monies. Instead, this minister said no, my friend Mr. Brazzell and my friend Mr. Nickel and my friend Mr. Mullen have a right to their Grow Bond and we will pay the Grow Bond out before you can table that order in court so that those workers cannot get their wages

back. That is what they did; they paid out the Grow Bonds before the workers' order for payment of wages could be tabled in court. Now it is tabled in court and the money is gone.

He talks about being concerned about workers. He is not even close, when 57 workers have wages owing to them and he gives money away to the principals that took money out of this province to the tune of \$6.4 million of our money, of Key-Point Transportation's money, of Walker Seeds' money, of any number of suppliers' money. So instead of dealing with the issue of at least the workers, the poorest of the group, he hands back the Grow Bond money early, earlier than the court order could be put in place, earlier than the workers could attach that money, so that they at least could pay their mortgages and put food on their table.

This minister talks about our concern for jobs. Let him understand that we are the only party that has spoken up for these workers over the last year and a half. We are the only party that has spoken up for them and tried to get their wages back. We are the only party that raised the questions about the potentially fraudulent actions of the previous ownership of Woodstone Corporation.

The member for Portage la Prairie (Mr. Pallister) stands behind and hoos and hahs while his own workers that he is going to have to campaign to are going to be asking him, why did you not care enough about my wages? Why are we not going to care enough about my wages to recover them from these people who flimflammed Manitobans?

Point of Order

Mr. Brian Pallister (Portage la Prairie): On a point of order, Mr. Chairman, the reality, of course, is somewhat different than what is perceived by the member for Crescentwood, which is not uncommon with his comments. The fact is that I have worked diligently with the people of Woodstone, that I have stood by them throughout this whole process. The fact is that the member for Crescentwood has done nothing other than attempt to move them away from their homes and their communities.

Mr. Chairperson: Order, please. The honourable minister did not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. Chairperson: The honourable member for Crescentwood, to complete his question.

Mr. Sale: I will just conclude by saying that this minister, if he really is concerned about rural jobs, will strengthen in a very sincere and very significant manner the ability of his department to do what it has not been able to do so far, and that is to provide the kind of support and counselling, active intervention with the companies in which Manitobans have invested so that all of us, the rural employees, the rural entrepreneurs, the rural bondholders will have a much better chance of success than they do under the kind of cavalier stewardship in which the minister does not seem to know about the current status of any of the companies in trouble, does not seem to care about the fact that there are companies at risk because he does not put the staff resources or the energy and time in place to give them a real shot at success.

Let him defend to the workers that have lost their jobs because of his inability to supervise and to provide entrepreneurial support why he has not done so.

Mr. Derkach: Mr. Chair, let me begin first of all by indicating to the House that my department has always ensured that we are current with regard to the status of every company that we have supported through the Grow Bonds Program.

Just to demonstrate the sincerity with which my department addresses the Grow Bonds Program I think is demonstrated by the fact that in 1994 we indeed did ask the Provincial Auditor to come in and take a look at the processes that we were following with respect to the Woodstone project, because this was the largest Grow Bond at the time and indeed it was a new program that we had launched. We wanted to ensure that all of the processes that we were following were indeed proper and correct.

It was indicated at that time by the Provincial Auditor that indeed there were some procedures that needed to

be addressed and those were addressed, but in an overall sense the processes that were followed by the bond corporation, by the review committee, by the department were ones that were proper.

Let me also indicate that this is a grassroots program where we involve people from the community on a Grow Bond board. Now, we do not go into a community and begin the process of appointing people to a Grow Bond because, as the member for Crescentwood (Mr. Sale) says, these might be our friends. Indeed, we let the community do that. Before we get into any kind of due diligence on a project we go to the municipality and we ask the municipality to give their blessing to this project in their community.

It happened in Portage la Prairie, where indeed the—well, the member shakes his head from his seat but, you see, he does not know and therefore he fabricates. Mr. Chair, the community and the council did pass a resolution—

Point of Order

Mr. Sale: The word “fabricates” is clearly unparliamentary. A case in point, Mr. Chairperson, the Auditor's Report simply says that the Woodstone Grow Bond was approved before the Grow Bond corporation was put in place. That was the procedure that was changed because of that issue. So do not put untruths on, and take back the unparliamentary words you used.

Mr. Chairperson: Order, please. Just one moment. I am having a little bit of difficulty with the point of order. Number 1, when the member started, I think he started to explain what the point of order was by using the word “fabricate,” but then at the end he started to use “untruth,” which is unparliamentary. Could I ask the honourable member to withdraw the word “untruth” from his point of order?

Mr. Sale: Oh, yes, I would be glad to withdraw the word “untruth.”

Mr. Chairperson: I thank the honourable member for that. I would also ask members to choose their words very carefully. It is more how we are using the words that are getting us into trouble today, so let us try and

choose our words very carefully, and we might maintain some decorum.

The honourable member did not have a point of order. It was a dispute over the facts on the rest of it.

* * *

* (1150)

Mr. Derkach: I would to indicate, as well, that what I was talking about was not the bond corporation board. I was talking about the municipality passing a resolution, even before any due diligence was done, that indeed they supported the concept of a project, and supported the department and Manitobans investing in this project through a Grow Bond.

Mr. Chair, in addition to that, we also call on a review committee that is made up of people who have some knowledge in business from throughout the province, to give us their approval, if you like, of a project, after due diligence has been done on the project. Indeed, they have the ability to do due diligence on the project, as well.

One of the things that the member keeps coming back to is the fact that information has not been flowing freely in terms of where the project was at. Might I remind him that, although audited statements are supposed to be filed with the Grow Bonds corporation in each community, indeed, it is up to the bond corporation to share those with their members. It is not the department's responsibility to send out audited statements to the bondholders. That is up to the bond corporation. We have now changed some of the procedures, again on the recommendation of the Auditor, where we are going to be putting into the hands of bond corporations some funds whereby they can use those funds to ensure that the audited statements get into the hands of the bondholders.

Now, Mr. Chair, again, this is one of those procedures that the Auditor has commented on that has been followed up with. In addition to that, we knew from the very beginning that all of the bond corporations were voluntary individuals from communities who put their names forward, who had the

best of intentions in the world. But they are volunteers. Some of them may have some experience with Venture Capital programs and Venture Capital projects, but not all of them. Therefore, we have embarked on a training program for the bond corporation.

As I have indicated time and time again in this House, this is an evolving program. As we come up against little hurdles and challenges, we will address those. We will address those by working with the Provincial Auditor and working with the people of Manitoba.

Mr. Chair, this member talks about his sincerity in working with and for Manitobans. Not that long ago, he placed a phone call to my office. He said in his phone call that he was representing the mayor of Portage la Prairie, and that he was representing bondholders who were wanting audited statements about the company. We said that is not our position. So we called the bond corporation. We called the trustee. We called the City of Portage. The mayor of Portage has access to my office any time he wants. As a matter of fact, he is the president of MAUM, and he has access to my office at any time.

So he does not need representation. He can represent himself very well. He can represent his community very well. Then we indicated that the proper place to get the financial statements, the audited statements, would be through the trustee. Then we checked with the trustee. Not one bondholder had requested information from the trustee. So what was the member trying to do? Again, he was putting on an air that he was representing this group of people who had all these concerns, and yet not one of them had made a request to get the financial statements from the trustee. So what am I supposed to make of that, Mr. Chair? In addition—

Point of Order

Mr. Chairperson: Order, please. The honourable member for Crescentwood, on a point of order.

Mr. Sale: Mr. Chairperson, the minister persists in putting untruths on the record. I did not ever claim to be representing Mayor Carlson with whom I have met and spoken many times on this issue. I did claim to be

representing Mr. Ferdie van Dongen who is a bondholder and a former senior staff member of Woodstone Corporation. The minister's staff first said that you get the information from the bond corporation. The bond corporation said they did not have it, they had shut down their office and filed all their records or burned them which is illegal according to his own regulations. They have to maintain them for six years. He then said it was the receiver's job. Mr. van Dongen then wrote to the receiver and did receive the audit statement.

So let him stop putting distortions of the truth on the record.

Mr. Chairperson: Order, please. I have advised the honourable members that the word "untruth" will not be allowed to be used. I would ask the member not to use the word "untruth."

I would also like to advise members, points of orders are questions raised with the view of calling attention to any departure from the standing orders or the customary modes of proceedings in debate. The honourable members are standing and using this to enter into debate, and that is not what a point of order is all about. If there is going to be a rebuttal to somebody's speech, I would appreciate it if they did it during their opportunity and that is when they are asking their question or during their 40 minutes.

I would ask the honourable member to retract the "untruth" again for another time.

Mr. Sale: Mr. Chairperson, I have a difficulty, and I would like to ask for your guidance as the Chair. Members have a duty to speak truthfully. They have a duty to be honourable and to not make false statements. So when a false statement, which is a very serious matter, because claiming to represent an elected official to an office of the provincial government is a very serious accusation, and when such an accusation which is patently false is made, a member against whom such an accusation is made has very little opportunity apparently under the rules.

So I would ask your guidance. What is a member to do when a very serious untruth is put on the record by another member in a way which tends to bring into

disrepute the honour of the member whose reputation is being questioned by the honourable member? So I am happy to comply with your requirement that I withdraw the word, but I ask for your guidance. What do we do when members make statements that are very damaging and certainly do not reflect the truth?

Mr. Chairperson: Order, please. I would like to remind the honourable member when I spoke about what a point of order was, it can also be used when a member feels that the member has impugned bad motives or motives different from that acknowledged by another member.

So that would be your opportunity on that point of order, but it is not time to enter into debate on what the member had stated. I believe that is what the member had been doing. If you feel that there is a time when somebody is impugning motive, that would be a point of order.

* * *

Mr. Chairperson: The honourable minister, to continue.

Mr. Derkach: The member talked about being concerned about rural jobs and rural families and, yet, we have seen and witnessed the debate for a week in this House in Question Period with regard to a company in rural Manitoba that has won a bid, fair and square, in terms of a contract.

Now, he scoffs at that, and then they began to question as politicians what the capability of this company would be to deliver this service, assuming that no one had checked that out.

Mr. Chair, that is the furthest thing from reality because, indeed, this company is prepared and is equipped and is capable of delivering the service. As a matter of fact, evidence was presented that they have experience through their sister company in delivering that kind of service to people who find themselves in need of that service.

Mr. Chair, it continued. This attack on this company continued. I was very pleased that the president of the company, whom I do not know very well, I have met on

a couple of occasions, did finally go on radio and did indicate very clearly what the position of his company was and what the capability of his company was. He also made reference to the member for Crescentwood (Mr. Sale) with regard to the types of statements that he was putting on the record in this House.

I think it does bring into question the credibility of the member when, again, in a situation here with a rural company he has put remarks on the record which do not reflect the reality of a situation.

With regard to Woodstone, we had been working on the situation as it was unveiling itself with Woodstone for some time. When you see a company lose money in a particular year—this is a private company, it is not a Crown corporation—we do enter into discussions with the company about how we can resolve the problems and address that kind of a situation so that it does not persist. That is when we try to find alternatives in how a company operates so that indeed it can become a profitable company.

* (1200)

The fact that an audited statement goes out is something that we have to address, and it has to go out to the bondholders. So we are making provision for the bond corporation to send out those audited statements, but that would not have changed—how would that have changed the situation with regard to Woodstone?

The company which was in difficulty was being worked with not only by my department, because there were many more players in the investment than just Grow Bond. So there were other players who were at the table trying to resolve the issue. I am not going to come into this House and disclose confidential discussions, confidential negotiations that are going on with a client to the opposition and to the media so then it becomes a public debate.

Mr. Chair, the Department of Rural Development does not put out the prospectus. That is the company that puts out the prospectus. In every situation we try to ensure that the proper procedures are followed. As we get down to the company winding down, the member for Crescentwood again comes into the House

and says that we should not pay out the Grow Bond as per legislation.

Our staff met with Labour Canada and followed the process in accordance with the decisions that were made under the law, according to the law. Indeed we want Labour Canada to now ensure that they do their part on behalf of the workers in that community and indeed go after those individuals who have responsibility for the obligations that they have put forward.

An Honourable Member: The money is gone.

Mr. Derkach: The member said the money is gone. Well, if the money were not gone the company would still be operating today, and there was no way, there was no legal way, whether the member likes to accept this or not and we checked this out with legal counsel, for us to withhold those Grow Bond holders' investments and to pay out those monies to the workers. As much as I would like to do that, Mr. Chair, let me assure you that under the law of this province and this country we cannot do that—[interjection]

Now, the member persists. He says that is not what we are told. I ask him to check with legal counsel. I ask him to check with the lawyers and then he will be told what the reality of the situation is and perhaps he can believe them.

We have staff in my department, Mr. Chair, who are just simply good working, honest individuals who will give him the information, as the member was when he was in the civil service. I expect when he was in the civil service he did his job as honestly and as accurately as he could, and so do the people in my department. So when he asks for information, we will give him the information as honestly and straightforwardly as we can. So I do not understand why he does not believe legal counsel, why he does not believe the staff in my department when they tell him something and then he goes to the media and says: I am going to call for a forensic audit because I have some questions about the Auditor.

When you start questioning the Auditor, whose responsibility it is to report to this Legislature, then I really wonder about where you are coming from. I

know the member for Crescentwood (Mr. Sale) will say: no, no, I was never questioning the Auditor, but if you read the column in the paper when he asked for a forensic audit over and above what the Auditor has already done, what is one to assume? [interjection]

Well, and here we have a Manitoba company that tried to create an industry in our province which would be successful and for all kinds of reasons they were not able to do that. And, yes, we can go back and try and piecemeal all of the reasons that the company went down but that is not going to resurrect the company. One thing is right and that is that we take the information that is now available to us and that we learn from it so that we do not get into those same kinds of difficulties with other companies if we can avoid it.

But it still will not mean that every other company in this province is going to be successful, and somehow the member for Crescentwood believes that the only reason that we allowed the \$970,000 of Grow Bond money to flow to Woodstone was because these were my friends, or our friends. I have to tell the member, I think I met the principal of that company on two occasions. I think I met Mr. Mullen on one occasion. I do not have any links to Mr. Brazzell either. So these were not individuals that I wanted to confer some benefit from the province to for some unworthy reason.

Mr. Chair, we were trying to ensure that a company in this province that had a technology that was indeed very innovative, that in my understanding was valuable, would have an opportunity to exist. We bring in professionals to do the due diligence on the company. They come from the private sector. They come from the Industry, Trade and Tourism department, they come from the Ministry of Finance, they come from my department and the economic development board who come together to ensure that indeed there is some viability to the company that we are looking at and so—[interjection]

(Mr. Deputy Chairperson in the Chair)

Now, the member says we did not take their recommendations, but let him go back to the minutes of the review corporation, let him go back to the minutes of the town council where in every case there were approvals, and we followed the advice of the people

who were giving it to us, and it was on that basis that we approved the Grow Bond. I am hoping that indeed the new owners of the company will continue to operate that company in this province and in the city of Portage because that will again mean the generation of more jobs.

The member makes a statement about Crocus Foods. He says Crocus Foods went down, and then we bought it back. Well, that is not quite true, but maybe because he does not know all of the issues that are surrounding that particular company, he makes those statements. Mr. Deputy Chair, it is true, in the interest of Manitobans, we did acquire the assets of Crocus Foods, and today Crocus Foods is operating. My understanding is that, in the next short while they will be hiring an additional number of staff, I have been told as many as 15, because of the volume of activity that is taking place in that company. Now, once again, we had 25 jobs there. If they add another 15, that would be somewhere in the neighbourhood of 40 jobs in that community, that are important to that community.

Now we are hoping that our investment in that company will not only be returned in terms of the taxes that are paid by those individuals from their labours, but also the taxes that are paid by the company on the products that they use and that indeed the investment will come back to the people of Manitoba many times over, and it will if that company continues to function.

* (1210)

It is not any different with Rimer Alco, so there is not some plot to give companies in rural Manitoba special privileges, but we want to ensure that there is a level playing field out there for them, that they can indeed compete for the kinds of services that other companies compete for.

You know, I find it somewhat strange when the members opposite criticize the government for allowing a contract to flow to a company that had the lowest bid, was bonded, is a Manitoba company, is a rural Manitoba company, and they defend a multinational as opposed to defending a rural Manitoba company that is employing rural Manitobans. I do not understand that, Mr. Deputy Chair, and neither do the people of this province.

I have to address the issue of how audited statements flow to the bondholders. Yes, we have now included a provision for some funds to flow to the bond corporation so that they can indeed have some funds to do those necessary things such as delivering or mailing out the audited statements, but the obligation is on the company to provide those audited statements to the bond corporation. In addition to that, we have recognized the fact that indeed there is a need for the company to ensure that those audited statements do flow to the bond corporation, and that is being followed up with in each and every case.

An Honourable Member: Five years.

Mr. Derkach: Now, Mr. Deputy Chair, the member says five years. The program is about four years old right now, it is true, and in the past four years we have learned many things about a Grow Bonds Program. We have tried to keep it successful. To date, we have two companies that have gone down out of 22. We have 20 companies operating. I am hoping that not many more will go down, but we do not know that at this point in time. We are working with some companies very diligently to ensure that they will continue, but there is no guarantee on any of them.

I would be happy in the Estimates process to enter into detailed discussions about any one of these concepts and to discuss them fully to ensure that the end result is for the betterment of that kind of a program for this province.

Now, Venture Capital is not a new program in this province. The NDP know it well because they were involved in a Venture Capital company themselves. How many of those companies that were started through their Venture Capital program are operating today as they were put together under that Venture Capital program? So they know what a Venture Capital program is, and I am not going to criticize their programs, although we could spend a lot of time doing that.

But the reality of the situation is that a government attempts to create jobs through the private sector by giving some supports to companies that need those supports, if those companies indeed can prove viability, can prove that they are indeed creating wealth and

creating jobs for their communities and for the people of this province.

Mr. Deputy Chair, I would be happy to debate any one of these points with the member for Crescentwood (Mr. Sale) in a fair way, where we are not making rash statements about companies when those rash statements are not really in line with the reality, so that, indeed, we are exploring better ways of addressing these situations and these problems. I have to tell you that I am proud of the staff that I have in my department and what they do with regard to economic development in my department, and if you were to check with Manitobans throughout this province, and I do not care which organization you go to, go to UMM, go to the Manitoba Chamber of Commerce—and, yes, I read with some interest the comments that were made by the member for Crescentwood, I believe, to the Manitoba Chamber of Commerce about their support or their attitude as it relates to the economic development programs of this department.

But, Mr. Deputy Chair, I have to tell you all my department is attempting to do is to ensure that we are there as partners, that we are a catalyst in making companies succeed in the rural parts of this province, because the rural parts of this province need population. They need young people to get back into those communities to make those communities grow and to allow those communities to sustain themselves. That is why we entered into the natural gas program, and, yes, there is a new proposal now before us with regard to the Interlake, and I would be happy to sit down with the member for the Interlake (Mr. Clif Evans), and we have on many occasions, to talk about how we can better address the delivery of services and infrastructure to an area which will provide opportunities for companies to locate, for companies to grow from within, and for jobs to be created. That is all this exercise is all about. We are simply there as a catalyst and as a partner with any organization that wants to do that.

I want to reference our round tables. Talk to our round tables, and I ask the member for Crescentwood (Mr. Sale) to take some time and meet with the round tables in our province, in our community, to go into rural Manitoba, meet with them, talk to them, ask them whether they are better off today than they were five

years ago or eight years ago, whether their community has a better attitude than it had eight years ago, yes, despite some of the failures that have taken place, whether their community is better off today than it was some eight years ago. I think he will be not necessarily surprised by the answer, but he should smile and be happy about the answer that he will receive, which will be a positive one, because it means that our province is getting stronger, that, indeed, we as Manitobans have something to be proud of, and we should be talking about that pride not only to communities in this province but, indeed, to others in other provinces, as well, because together we can make some very good things happen.

So, Mr. Deputy Chair, I know that the member will continue to be critical of the process. I can only continue to re-emphasize that we will follow the recommendations that were put before us by the Auditor, and we will continue to improve the processes. I mean, improvement is a continuous process. We will always make errors. There will always be challenges before us that we have to overcome. But, as long as we continue to keep our eye on the target and ensure that we continue to improve the processes that are in place today, I think all of us will grow. That is simply a statement that I can make about each and every project that we have out there today. There are things that we are learning each and every day. There are new procedures that we are undertaking.

Will we be successful in all of the bonds that are out there today? I do not know that. I do not know that, but this is a Venture Capital program, and my staff are very diligent in the way that they approach any of the projects that are out there today. I can assure the member that we have a hardworking staff out there who are doing the very best they can for the province of Manitoba.

Mr. Clif Evans (Interlake): I just want to make a few comments to the Minister of Rural Development (Mr. Derkach) and ask him a few questions. I have listened here for over an hour about his discussions with the member for Crescentwood, and the bantering going back and forth with words that were used. I just want to tell the minister that this member and this side of the House have a definite attitude towards rural

Manitobans and economic development in rural Manitoba. I want to tell him that.

I also want to say to him, he made mention about something that I perhaps did or did not do. The minister knows very well that, when Woodstone or any other project was either developing or not developing, something was wrong, this member, this Rural Development critic for the opposition, gave the minister plenty of opportunity to deal with the matter as brought to him by this member. Perhaps, not in Question Period, but in Estimates, in committee, in one-on-one.

* (1220)

Point of Order

Mr. Deputy Chairperson: The honourable minister, on a point of order.

Mr. Derkach: On a point of order, Mr. Deputy Chair, I just want to indicate to the member opposite that what he says is absolutely true. We have, indeed, approached many of the projects in a very positive way with the member opposite.

Mr. Deputy Chairperson: Order, please. The minister did not have a point of order. It was a point of clarification. I thank the minister for that.

* * *

Mr. Clif Evans: Having said that, and sitting with the minister and discussing Woodstone and other Grow Bond issues on one-on-one, I did give the minister an opportunity to be up front, to provide information so that we could work with the minister, so that we did not have to get up politically in the House and deal with a very serious issue. The whole Grow Bond issue is a serious issue for the province of Manitoba, and is an issue that we support, the Grow Bond issue. We have said that all the time.

There is a Grow Bond issue in my community of Arborg about which I want to ask the minister. He has told me the province and the government now want to be catalysts and partnerships in with it. They are going to follow the Auditor's suggestion. I have given the minister in committee, I have given the minister in

meetings, an opportunity to work with myself, and with members on this side of the House, on dealing with the issues that have come forth, that perhaps are not what they should be, are not following the proper guidelines, the proper regulations, or the law itself. I have given him that opportunity. The minister has always told me, always said to me: everything is fine, Clif; no problem. Everything is fine. You have said that to me. I take that at word from the minister.

I am concerned, too, very concerned; not just the member for Crescentwood (Mr. Sale), we are all concerned about it. I think that when, we are dealing with rural economic development and the future of rural Manitoba, no matter where it is—southern Manitoba, northern, Interlake, western—it does not matter. When there is a problem with such an important piece of this province, we should be working more co-operatively. The minister should be more responsive and co-operative with us, not in this venue but on a one-on-one, so that we can be made aware, so that perhaps we can make suggestions, so that the minister can be up front with the issue. That is what I am saying.

The minister knows well. He knows that I am here, we are here, not to stand up and bash a program, if it is working and if everything is going well. When things do not go well and issues are brought up, this minister, this government should respond and react to the questions and the concerns that we have on this side of the House.

I want to ask the minister, if he is being co-operative and if he says that now the department is going to be working diligently with these Grow Bond issues, I want to ask the minister if he can provide me with an update on how Gilbert International is operating, how its finances are, whether it is operating at capacity, whether he knows that and whether he can provide me with that information now. What is the status of Gilbert International?

Mr. Derkach: Mr. Deputy Chair, once again, I have to thank the member for the Interlake because, indeed, in a general sense, he has been very forthright in his approach. He has been very supportive of what our communities are doing, and what businesses in rural Manitoba are doing. I think he is an exemplary critic

for Rural Development because he involves himself in rural development activities and has on many occasions been there on a first-hand basis to see what communities are doing and what municipalities are doing. He has often been at municipal functions and has spent some time in rural Manitoba understanding what this province is really all about. So I give him a lot of credit for that.

Mr. Deputy Chair, I want to say that the company he asks the question about in his community is an important one to that community. It is an important one to our province. It is a company that has grown very quickly in terms of the investment that has been placed into that company. There are many players who are involved in that company. I do not think it is a secret that we have one of our major grain companies now involved as a major player in that company. In its growth, there have been some growing pains that have been experienced, and the member knows about those. That is how we have been able to bring partners to the table, investment and equity partners to the table, to ensure that that company can continue, will continue, that there is indeed an adequate amount of capital invested in the company. But the officials from my department have been working with it on a continuing basis to ensure that every opportunity for progress is given to it.

I am told that the future looks quite bright for that company, that indeed there is a demand for the product that they are now producing. They have changed, as the member knows, their line from the mini-quiche line to, I think it is, more of a meal line in terms of potpies which are now—there is some demand, there is an extreme demand for in some of our larger chains that deal in foods. So the window certainly does look bright from the information that I have been given. However, that does not mean that all of their challenges have been turned into opportunities and there are not any more facing them. There are hurdles that have to be overcome. But, in respecting client confidentiality, Mr. Deputy Chair, I would not want to get into the detailed discussions about Gilbert or about any other particular corporation because they are private companies operating in a private fashion, and, therefore, we have to be careful about how we express situations as they relate to this company.

But I would be more than pleased to sit down with the member for Interlake (Mr. Clif Evans) and go over in as much detail as I can to be able to give him a picture of what that company is like so that, indeed, when he is representing his people in that area he can talk to them with some information and intelligence and not be in a position where he cannot say much about a company in his own community, because I know that those individuals who work in that company are important members of that community. They contribute to the economy of his community and to this province, and I know from time to time they do discuss these issues.

So, Mr. Deputy Chair, I offer to the member opposite an opportunity for us to sit down, to be able to go through the company in as much detail as I possibly can and provide for him the information that he is looking for as much as I can.

Mr. Clif Evans: I appreciate those comments from the minister with respect to Gilbert International, but the minister says that he does not want to say too, too much, or cannot say too, too much because it is a private company. But it is a private company that has public investment in it, our tax dollar in it.

The Grow Bond issue in itself, as a whole that the government developed, is using its taxpayers' money to support, provide backing for these private companies. So we are, we should be more up front with how these private people, these private companies, successfully or unsuccessfully, are using not only our people's investments, but also our public cash dollar that this government of the day, or any government of the day, is supporting with—our money. Should be more open. We should have better access. These companies should be providing up-to-date, clear reports on everything that they are doing when they are using taxpayers' money, and when they are using the community's money, that of the people of the local community. They should be.

* (1230)

The minister should agree with me; I know he does agree with me on this. We have to make sure. We cannot let a Woodstone or anybody else—or Gilbert International—we cannot just stand aside and say go ahead, do what you have to do. We cannot do that. We

just cannot. We have to make sure that the proper reports are put in place every year. We cannot stand by and say, well, the community and the municipality, et cetera, have said, they are okay; we are going to invest \$700,000-plus, like Gilbert International Grow Bond issue—just say, okay, we will wait for a return. As the minister said, Gilbert International has had some problems.

Have the people who have invested in the Grow Bonds for Gilbert International, have they been made aware, fully aware of what the problems are, what is being done to correct the problem? Are the investors made aware of it? Is there a report from Gilbert International or anybody else that may be in some trouble? Is there?

We should be saying, give it to us; we want to see it. If we want to work together in the partnership and be the catalyst, we have to know what is going on, and so do the investors have to know what is going on. Am I right or am I wrong, Mr. Minister?

(Mr. Chairperson in the Chair)

Mr. Derkach: I would like to respond to the member, in that the information that bondholders receive is received through the bond corporation from the reports that are mandated of the company through the regulations in the legislation. We try to keep the bondholders informed as much as we can by having the company meet with the bondholders, at least the chair of the bond corporation, and allow them to ask the questions that they may have.

Now, the member says we need the reports. I think he is wanting information that probably goes beyond the reports that are made available to the bondholders. As a member, he is probably looking for some other information and some more detailed information, which I indicated to him that I would provide him as much as I can, and in as much detail as I can, without breaking any client confidentiality. That, I think, is the situation with staff in my department. I know that, when they are asked questions by individuals, they have to be careful about that, as well.

So I agree with him that we have to ensure that the information that is mandated by the legislation is

provided to the bondholders, as it should be through the bond corporation. That is why we have asked for some training to be done of our bond corporation so that they understand what their obligations are under the legislation. I think there has been some misunderstanding about what bondholder corporations have responsibility to do. It is not that the information has not been provided. I think that, as it is with many communities when you sit on a board, perhaps you do not pay attention to all of the details that you have responsibility for, so for that reason we are embarking on some training sessions for bond corporations to ensure that they understand what their responsibilities are.

In addition to that, we are also working with the companies to ensure that they are providing timely information to the bond corporations. That is something that has been recommended by the Provincial Auditor. I am telling the member for the Interlake, the critic for Rural Development, that indeed we are following up on that recommendation and we will ensure that the information that is required under the legislation to be provided to bondholders is indeed complied with.

Mr. Clif Evans: Mr. Chairperson, I want to just put on record some discussion and make some points and ask some questions to the Minister of Natural Resources.

As we are all certainly aware, in the last couple of years throughout Manitoba the flooding situation is very critical. I certainly appreciate members opposite who represent areas, as I do, that we are going to be facing, I hope not too serious, but by all accounts it looks like we are going to be facing a very serious issue with flooding on the Red River Valley, western Manitoba, Interlake area. I know that the minister's department and the government have provided updated reports on this, but my focus—of course, my concern is for all of Manitobans and for the Interlake constituency and the people in all areas with this potential flooding and the flooding that has occurred in the last couple of years.

The Interlake area that I want to discuss with the minister is around the Lake Manitoba, Lake Winnipeg, Fairford River, Dauphin River area. In the past few years, I have met with many people, have spent much

time there, have visited the communities as they have been sandbagging and working to save their homes, save their lands. The results, of course, of the high-water levels or the moisture content in the province through the winter and spring have created an enormous amount of damage, have created an enormous amount of economic loss to the producers on the Lake Manitoba side when it comes to hay lands and other concerns there through the Fairford Dam, the flooding occurring from the Fairford River, Pineimuta Lake, Lake St. Martin. In the last couple of years, the people on both sides of Highway 6 have asked and suggested—more suggestions than asking, more suggestions to work with the governments of the day and the people that represent them in putting together a long-term solution, not a short-term one—not an ad-hoc, short-term solution, but a long-term solution.

I know the minister, since taking over the portfolio of Natural Resources, has met with and knows that there is a committee that has been formed with constituents from his constituency, from Swan River, Dauphin constituency, Interlake constituency, people around Lake Manitoba and people on the other side.

I want to ask the minister, and I am doing this in a supportive way, if we will and if we could take the suggestions of this committee, work with this committee, work with the communities involved in looking for and finding the best long-term solution to prevent the situation that we see and we have seen for the last three or four years on Lake Manitoba and from Fairford Dam to Lake Winnipeg.

Right now, we are in the process between the different departments. The provincial government, the federal government and the communities are working to get ready for the flooding that is going to occur off Dauphin River and Lake St. Martin. We know now, we believe that the Fairford dam, with Lake Manitoba's level, the increased flow to Lake Manitoba, the potential necessity of having to open the Portage diversion, at capacity cannot handle the levels of an input into Lake Manitoba. Solutions have been brought forward. Suggestions have been brought forward. I would like, with this minister, to get down to the crux of the matter, not only with himself and myself and his department but with the people in those areas and find that long-term solution.

The water flowing from one lake through the Fairford Dam into Fairford River and on needs to find a way out. It has to find a way out. Flowing through a capacity of 11,000 cfs through Fairford cannot handle it. At that capacity, with the water not being able to leave from the dam into Lake Winnipeg quickly enough, it is creating a major problem, has created a major problem, will continue to create a major problem unless we can find a cost efficient, long-term solution.

* (1240)

I say cost-efficient, because the suggestions coming from the people in the communities in that area may be the way to go and do something combined effort to be able to get that water moving out into Lake Winnipeg so that we can in the long term help the producers on the Lake Manitoba side, the cattle producers and others, so we can help the people along the Fairford dam and Fairford River communities, so we can help the producers on the west and the east side of Lake Manitoba, so we can help the fishermen. A long-term solution is needed. Co-operation is needed. I think we have the co-operation from the communities and the people.

I have flown over that situation. I have driven it. I have met with people. We need to do something. I would like to ask the minister if we can work and we can get this moving as quickly as possible. It is too late now as far as a long-term solution, but not to get started on it and not to have a plan in place, a solution in place, suggestions in place and a working arrangement with everybody, governments, local people, local governments and the communities, know the minister is as concerned as I am with this.

We cannot use the excuse of 100-year water levels or whatever. The problem is now. The problem has been building up. These are not my words. I am expressing the words of the communities and the people. This problem has been building up for over ten years. When we get the level of snow we have had in the last couple of years, the amount of moisture on the west, in Saskatchewan, et cetera, it has now become a long-term problem. We cannot wait for it to go away by looking forward to a period of drought. We have to look at the situation now, and I would like the minister's response to that.

Hon. Glen Cummings (Minister of Natural Resources): Mr. Chairman, the member for Interlake raises some reasonable concerns. I presume he is aware that I met with the cattlemen's association. People were there from Lake St. Martin and Fairford, a number of constituents on the west side of Lake Manitoba and Winnipegosis.

The member says we cannot use the excuse of the hundred-year fluctuations, so I will not, but I think the people who were at that meeting meant it when they said that for the first time in all of their lives living around that lake that they finally had a member of the bureaucracy, in this case, who was there with me, the director of the branch who spent some considerable time going over what the water levels are, what the volumes are, where the problems and the bottlenecks appear to be. At least some of them went away saying this was the first time in their memory that they had received that much information, and they now had a better feeling for what the problems were and where maybe they should take it. So I say that knowing that is not anything more than provision of information, but we have to start with some basic information.

But you can move very quickly. I think for a long time, myself included, most people thought the problem was the Fairford Dam, but that is not the problem. The problem begins below the Fairford Dam, and the problems are created out into Lake St. Martin, and so on.

There is one thing that I do need to get on the record, and remind all of us, I put my colleague, when he was Minister of Natural Resources, put some pressure on him to look at the levels of Lake Manitoba vis-a-vis the Portage by-pass and whether or not we were unnecessarily impacting the levels of Lake Manitoba. He took me through what I am about to put on the record again today, because the fact is the amount of time that the Portage diversion was used last year, and it was used extensively, the volume of water can be calculated, and it is the equivalent of putting about six inches of water into Lake Manitoba.

Six inches of water did not cause the problem that Lake Manitoba has. It has had an increasing problem with high water. But remember, Lake Manitoba is a very flat lake, and six inches goes a long way inland.

So I am not going to minimize what the impact may have been, but that in itself did not cause the problem. There is a lot of water coming out of the Winnipegosis drainage system, and some people believe that there is a significant, and I do not think I would even try and quantify it, there are a number of people who believe there is a significant impact on the lake because of increased agricultural drainage. I do not think the drainage has physically increased that much, but when you get a wet year it obviously facilitates the water getting into the lake, and there may be some water coming into the lake that would not normally have got there, but I cannot identify it.

There was extremely high rainfall in the Winnipegosis area. That whole basin took a couple of tremendous hits. I also know that there were patches of rain last year. We have gone from a dry cycle to a wet cycle. But there were locations where there were rains last year in the spring breakup and then later in the year that hit in one area, in the Plumas area, a very confined area, but they hit 10 inches of rain in one downfall. So that is not insignificant either, but that would have to be far more widespread to have an impact on the lake level that would be measurable, I am sure.

But the combination of all of those factors and a high snowfall, higher than we would normally experience snowfall in some parts of the drainage into Lake Manitoba, have now led to a period of time when we have got pretty high levels.

I do not think I can stand here and negotiate, and I am not sure that the Province of Manitoba is in a position to be desirous of negotiating in a direct sense. I am very concerned about what I understand is the situation at Fairford. When I say I do not think I can stand here and negotiate, I want to choose my words carefully because I know Fairford and others, but Fairford has received some significant advice because of the land swap that was never properly done where there are houses now located on land that was native land and is now deemed to have been swapped, but the transfer was never appropriately done. I think we all know that history, but it all accumulates into the problem that we have because, first of all, if you increase the flow of Fairford Dam and the numbers, the precise levels allude me at the moment, but increasing the flow there to, I believe it is 6,000 cfs, starts to cause flooding on about

a dozen to two dozen homes that are built on the flood plain there.

You know the first thing that came to mind is well, why do we not put some flood protection there? Why do we not go with the federal government and ask, and my colleague from Portage la Prairie asks the question, why would the federal government not want to work with us and help those people either relocate their houses or put some ring-dike protection there? But we are still scrapping. We use the term generically. There is still a disagreement about the location of the houses and the status of the land. But those folks, I want to be quite clear about it, I think they are in a very bad situation, and I would be quite interested to know if there is a willingness on all sides to help them. They are no doubt right now thinking about how they are going to deal with what is likely to be another flood situation this spring. They will have to do some diking or they will have some damage, but as the member knows, that does not answer the next question. So we dike those houses or move them, whatever solution might be arrived at, then we start flooding the next level down because you can run the Fairford up to 8,000, 10,000, 12,000 maximum.

* (1250)

But there is something else. When the member talks about the levels of Lake Manitoba, he has asked me in good faith about sitting down and discussing some problems that he has in his area, and I said I would. But it strikes me now, on the basis of this question, that one thing we should arrange is for the director of the branch to sit down and go through the same briefing on these water levels that I have just recently received, because we cannot get the water through the Fairford system when Lake Manitoba is low. We cannot drain the lake in anticipation of a high flow or input in the spring, and that is different than Lake of the Prairies. We can lower the water level of Lake of the Prairies.

My colleague, if he is listening, would say that it was probably overdone a year ago for flood protection, but Lake Manitoba and the Fairford system were not set up for flood protection. Interestingly enough, the history, as I have been told, is that Fairford Dam does not reduce the natural flow of that area. A very low drop or a very small drop there, and they cannot get enough

water through the Fairford when the dam is lower, and apparently the records show that the Fairford Dam itself was designed to make sure that it continued to allow what was the normal flow in that part of the river system or the lake system.

You can question that. I would like to indicate that that was the type of information that the director was putting on the table for the consumption of those who were interested at the meeting that the Cattlemen's Association organized.

The bottom line is the member is asking if we have any plans to retrench the river at Fairford, put some drainage further over at Lake St. Martin. In the broader sense, the plans have been outlined. I can tell you that there is no budget right now to action that type of additional drainage. I can assure you—and there may have been some problems in the past—the department tells me that Fairford Dam has been running all the water it possibly can in the last few weeks in order to make some anticipated space. I shudder to get into this, but it is a matter of the hydrology. When there is no head of water, when there is very little head of water, you cannot push it very fast. It is a very flat piece of terrain.

So the anticipation is that Lake Manitoba would probably go to 813 this year, which is high. Basically we had to tell the ranchers a couple of months ago that that was likely. Now, the old ranchers in the area will also tell you that there is hay being cut in dry years, in areas that are now well within the lake. They will also probably remind us that that is not unusual. That is small comfort for the guy who has come to rely on that low land hay. I do not, in any way, want to minimize his loss, but I did tell the Cattlemen's Association and I think it is fair comment that if I were a rancher who depended on half of his hay crop from some of that very low land, that I would have to acknowledge that I am running a pretty high-risk operation.

The Province of Manitoba has recently returned for the opportunity to ensure native hay. The old program did not work well. The ranchers, in fact, were asking to have it eliminated. That is now in place to address partly the question that the member has raised. These ranchers are at risk. Some of them could, in fact, lose their operations because of the loss of feed. So this is

not going to recoup their losses for the last two years, but it will allow them to spread the risk for this coming year. I think the best thing we can do given the realities of what is out there is (a) provide the information that we were just talking about in terms of what the anticipated water levels area, and, (b) make sure that we do everything we can to get the water level—like the ranchers said we do not mind the high water in the spring as much as we mind the high water in August, if we can get the water down. That is not easily attainable given the way the system is right now. Water Resources indicated that they will do everything they can to keep that through-put high.

Now, there is a second issue that comes into play, and that has to do with the lowering of the water levels in the fall and the winter and the effect that that can have on those who want to be on the ice. So we have a balance between two resource-dependent industries, the ranchers on one side, who would like the lake drawn down, the fishermen in the lake itself who are not, I do not believe, unhappy with the lake levels right now. A lot of them are part-time ranchers, as well, so they would prefer 811 probably, and, of course, the downstream fishermen, as well, who, if they have slush ice, could very well have their lives at risk if they are out on the ice and it is being impacted by water flows.

So I think I will just leave my answer there. If the member wants to pick up on some of those points, there is not a plan at this point to do additional trenching or enhancement of the water flows there, but I am certainly mindful and interested in the problem that those few property owners at Fairford have. We could run the water higher in the spring if somehow there was a better way of protecting their property, but I know the member knows as well as I do that this may be a matter of a very small number of people being hurt by both sides who have a bigger picture and a bigger concern about the ownership or the declaration of the lands and whose responsibility they should be. But I am interested in talking to the federal government about their responsibility for those people if, in fact, they acknowledge any.

* (1300)

Mr. Clif Evans: I thank the minister for those comments, and I would like to continue this discussion,

not today, but I would like to just continue this discussion. I know that I will be going up to that area very soon and further discuss, you know, the problems that there are there. I think the suggestions in talking to some of the elders and some of the people who have been around on the downstream side of Fairford that some of the suggestions, and the minister is aware of that study that was done in the late '70s, I believe, that provided seven or eight, I believe, different suggestions and cost factors as to what could be done to help the situation that we are seeing now. The senior elders and people who have been there for many years and were part of that study as far as being available for comments do have some suggestions.

I appreciate the fact that we can continue—not only are we going to have to deal with the situation this year again—but that we can continue to have dialogue, very serious dialogue, I think over the next little while between the minister's department and the communities and see if we cannot come up with, as I said earlier, a solution, a cost-effective solution, because what we are looking at perhaps as a cost to solve this problem, when we have the high water and to be able to control both Lake Manitoba and the flow to a proper level could I think, in fact, be money well, well spent in the long term. It would provide economic support. It would also provide with a solution that could be controlled and, down the way, we would not be looking at having to spend money on flood relief, the loss damage, the loss of wild hay, loss of homes, loss of availability to fish, et cetera.

So I think as long as we can agree to agree to continue dialogue with those people that are involved and very seriously try and come up with a solution, I am hoping this in the next year, at least come up with something, an agreeable solution of what could be done and then be able to present it to both levels of government and all levels of government, municipal and First Nations and federal and provincial, I look forward to continuing that and I look forward to playing a part in that and working with this minister in doing such as that and other things.

Mr. Gary Doer (Leader of the Opposition): I just have a couple of quick questions to the Minister of Natural Resources. Can the minister advise us what bill in the U.S. Congress deals with the appropriation of

funds for the Devils Lake drainage and the possible diversion to our basin?

Mr. Cummings: It is under disaster assistance or disaster relief. I do not know the name. I do not know the number of the bill.

Mr. Doer: Can the minister undertake to get us the specific name of the bill? We obviously have contacts in the Congress, as well.

An Honourable Member: I have it here; I just do not have it in my hands.

Mr. Doer: All right, I will ask you to find it while I ask a second question here. Can the minister advise at what stage the bill is? Is it in the Congress only? Does it have any sponsorship in the Senate at this point? Can he advise us of the legislative status of that bill?

Mr. Cummings: Mr. Chairman, I had that information in my hands a moment ago—my filing system is failing me—but I will be glad to share that information with the member opposite. It is of considerable concern, as he is well aware, that we have a situation where incrementally we could be seeing the revisiting of the Garrison issue because, as I understand it, works that could be undertaken to provide relief for Devils Lake would also be part of a larger system.

We are well aware that Devils Lake is a lake that has no inlet and no outlet clearly defined and will lead to a situation where, if water were to now come from there, we are potentially subject to water that is of very bad quality and potentially water that would have biota that would not be compatible with our own natural ecosystem. We have contacted—and I think this is probably the information that the Leader of the Opposition is concerned about—both the Premier (Mr. Filmon) and ministers have contacted the federal authorities and have made our concerns known directly to the appropriate officials to the south of us that this is something that we simply cannot accept and would be unprepared to accept those waters acknowledging—and I have, as the member has seen, the knowledge of the wild fluctuations that they are having in their lake.

Those have increased recently. They have themselves a serious problem, but we are not in a

position to relieve them of their problem because of what I stated earlier. I think their fluctuation—I think they have well over 20 feet of water above what was normal a few years ago on that lake, or in that range. I had the numbers right in front of me just a moment ago.

Mr. Doer: I have one question. When did the U.S. bill initiate, and what kind of citizen participation is this government contemplating? If I recall correctly, and I was a volunteer in the early '80s before I was elected, it was an attempt to get fishermen, farmers, municipal officials, all-party people—I believe Harry Enns, the member for Lakeside, was part of the opposition then and he was involved—going to Washington because, as the minister knows, the U.S. Congress does not vote.

You do not just contact one person, like the Conservative caucus, and get one decision. These people vote as individuals, and sometimes they vote along party lines; sometimes they do not. So the real way of stopping Garrison Diversion in the past—

An Honourable Member: Sort of like your gang.

Mr. Doer: Well, you can check the votes. But the real way to stop the diversion was to get citizens from Manitoba working with individual Congress representatives across both the party lines and, of course, engaging in the support of the U.S. Audubon Society, as well. Of course, we had very, very important volunteers. Gerry McKinney comes to mind as one of the volunteers that was active in the leadership role. So is the government worried about this bill passing this year and is it looking at some kind of urgent strategy to get citizens involved? The fishermen, for example, with the gizzard shad and the rainbow smelt, I am just going by memory, are important. Where is this bill and if we fail—I mean, I do not know how well Lloyd Axworthy's relationship is with the American government right now. I do not want to get into that. I hope he does well. It is nice to have a Foreign Affairs minister aware of this issue.

An Honourable Member: Your people go to Cuba all the time.

Mr. Doer: Well, you know, the member across the way, you have already insulted railway workers today. I do not think you should try to insult anybody else. I

thought it was very, very patronizing to say to the member for Transcona (Mr. Reid) that you go back to a real job being a lawyer at Great-West Life and he does not go back to a real job being a railway worker. I am sure that railway workers all across Manitoba will be happy to hear the Minister of Justice's (Mr. Toews) comments. I was quite surprised. Maybe he should put his loose tongue in check and tie it up a bit because—but back on to the proposal to get people involved in this as opposed to the partisan snipes from the Minister of Justice.

What is the objective? How are we going to get people involved because really the Congress is about 400 or 500 people, and you have to talk to each one of them, sometimes individually, and government to government does not work in the U.S.

* (1310)

Mr. Cummings: Mr. Chairman, the member is quite correct that in an all-out effort to make sure that Garrison or parts of Garrison do not continue and incrementally infringe on the slowly mounting possibility that some day Garrison would be put through and eventually allowing discharge into the Red, we need to have broad public support in the province.

The member wonders how far back we have gone on this issue. We certainly do not need to make any apologies to him or to the public about the position that we have all supported in this House. The member often wants to indicate nonpartisan approaches. This is not a partisan issue. This is far too important to this province in terms of the potential damage that could occur as a result of the gizzard shad, as the member says, is one that springs to mind right away. The fact is the Devils Lake issue in itself, Devils Lake is still within the Red River basin. However, it has not traditionally had any access.

The American people, and I suppose this is straying into territory where they are not going to take my advice locally, but the fact is they have a couple of local options that are being reviewed. One is further retention on privately owned land, much the same as we do here in Manitoba, recently starting to encourage more people to retain water on private land so that the flood situations locally can be alleviated as much as

possible. They also have an option of diverting some into Stump Lake, I believe.

I point those out only in the sense that they have some options which they are going to have to sell to the local citizenry. They should not think that they can send their problems north by putting in a link that could, in fact, ultimately become a part of a system that we believe would lead to the completion of Garrison. So the member wants to know about lobbying efforts. Yes, we are quite anxious, too.

Introduction of Guests

Mr. Chairperson: Before we proceed, may I direct the attention of the honourable members to the gallery where we have with us from Acadia Junior High twenty-five Grade 9 students under the direction of Mr. Fred Simeonidis. This school is located in the constituency of the honourable member for St. Norbert (Mr. Laurendeau).

On behalf of all my honourable colleagues, I welcome you here today.

Mr. Doer: Fortuitous timing. Mr. Simeonidis and I are old friends and colleagues. I am sure the students that he has with him today have got the real benefit of an excellent teacher in our education system.

* * *

Mr. Doer: Just a final question to the minister. Could he provide—he was looking for his notes. As I say, we have some contacts with the, not many Republicans I must say, but we have some contacts with some Democrats. It may be helpful for us to make some calls just to find out what is going on, not obviously to prejudice the position of the government, but if he could let us know the specific bill, the specific number, where it is in the Congress, where it is going to be passing, those of us who have some contacts in that milieu could just alert them to it.

It does not do any harm to let them know the Manitoba position because, as the minister knows, Washington is full of lobbyists. It is a lobby-driven system. It is not necessarily in the public interest. Look what happened in the health care debate in the

United States with the lobbyists' power. Lobbyists will be working for the construction companies and they will be working for different interests from the United States, working those hallways in a pretty vigorous way, and sometimes the public interest of Manitobans downstream is not going to be in the forefront. You cannot necessarily rely on the people at the state capital office. The state capital office sometimes passes this information on, sometimes it does not. It depends on what they perceive to be their international interest.

I would just say to the minister, if he can provide us today, later on—I do not want to tie up this period with that—but if he could supply us with some information we could perhaps, if we are talking to somebody in the States, just make some positive comments about it and be part of the solution as Manitobans as opposed to being on the sidelines.

As I said before, I will never forget the impact as a volunteer, a fisherman from Lake Manitoba and Lake Winnipeg talking about the gizzard shad and the rainbow smelt. I think that had more impact on the U.S. decision makers when they had already—and this is, do not forget, the U.S. was still proceeding with these projects after the IJC had said no. So yes, our first line of defence is the joint commission, but I still think a person from Manitoba talking about the impact on our fishery, on whitefish and pickerel, is just as powerful if not more powerful than little notes going back and forth between government interests in a system where the state capital does not control the congressional hill and the decisions that are there.

So I would ask the minister for that, and anything we can do with our contacts, let us know.

Mr. Cummings: Certainly it is a lapse in my memory that I cannot give you the precise name of the bill, but a second or a third or fourth area of response that is available to us, as well, is the IJC—maybe the first area, of course, for those who believe in the diplomatic protocol—but also the Garrison Diversion Unit Reformulation Act, which is now 11 or 12 years old, provided for consultations on water projects. That was the response to the concerns that were raised originally. So we had some successes then.

I think we all recognize that we need to work together on this one.

Mr. Clif Evans: Mr. Chairman, I just want to discuss very briefly and ask the Minister of Health (Mr. Praznik) a few questions about a few issues that have been brought to my attention, one being a dialysis unit for the Interlake area. This issue has been fairly longstanding now. There have been requests to the government to have a dialysis unit put in in the Interlake area. It is my understanding that the decision announcement about the location has been brought to the attention of Mr. Gow, executive director and also cc'd to the honourable Minister of Health Mr. Praznik requesting that an announcement be made supporting the fact that, from my understanding, the community that was on the short list and perhaps on top of the short list was the community of Ashern. It is a very critical situation now with the First Nations communities, the communities from the Hodgson area, and welcome the opportunity to be able to travel to Ashern and not have to travel into Winnipeg for their dialysis.

I want to ask the minister can we expect an answer. When can we expect an answer? Is it a positive answer for the community of Ashern and for the medical staff who have approached the government in wanting to know when this dialysis unit will be implemented in the community and hospital of Ashern?

* (1320)

Hon. Darren Praznik (Minister of Health): Mr. Chair, this is a particular matter that I am aware of, has been brought to my attention with respect to that request for a facility in the Interlake region of our province. There are a number of other areas that are also being considered. I know the whole program of taking dialysis facilities and operations into parts of rural Manitoba has been a very successful one. The demand continues to grow. I know in my own area, some years ago a request was made and my predecessor the member for Brandon West (Mr. McCrae) approved a facility. I know Pine Falls has been very, very successful. With respect to the specific location of that facility, I know that a fair bit of work has been done on that. Yes, Ashern is one of the recommended communities for that. There are certainly a number of

factors that go into it in which Ashern comes out very, very well as that site.

One of the issues that I just wanted to flag with the new RHA that takes over for me on April 1 is I wanted to flag this with them. I understand they have had some discussions. I am hoping that we are going to be able to make announcement on that very, very shortly. There are still a few details we have to work out internally in the ministry but a decision is coming. I am aware of that need and I am aware also of the need in that location of the Ashern site.

Mr. Clif Evans: Mr. Chairman, the point made in the letter to Mr. Gow [phonetic] was that we were originally told that the decision would be made known by the end of January, yet it has been inexplicably repeatedly delayed for no given reasons. This is the end of March. Can the minister shed some light on that comment?

Mr. Praznik: There are two factors involved in that decision that we are in the process of just working out, one is dealing with the general program. There are some other issues related to that that I am working out internally with the ministry and hope to have the result very shortly. Secondly, I wanted to ensure that the plan to go to Ashern worked within the plans for the regional health authority and I understand that is the case, so that particular issue is dealt with.

There is no doubt, one of the other issues that I think comes into play on these things and why I am very happy, a great advantage of the regional health authority is traditionally we have always seen between communities where resources should be placed, et cetera, and one of the great benefits of the regional health authority has been to assist in sorting out where resources are best placed.

I believe the member is aware, we have had some discussion with the board of the Interlake Regional Health Authority who, I believe, have confirmed to us, or shortly have, about their comfort with the Ashern site. There are some other communities I know who also indicated an interest in that facility. When you get into these competitive situations between communities, often it is not the best way to sort out health decisions.

One of the things I have asked RHAs to do in their internal works is, as they are doing their planning to ensure that all facilities within our regional health authority have some sense of where they fit into their specific plans, to give them a comfort level that they certainly will not be abandoned or left without services that they can provide for their communities. The member knows there are a number of communities who are also interested in that facility, but I will confirm to him today that the advice coming is that Ashern, subject to proper water testing and a few other requirements, is a recommended site for that facility.

We wanted to ensure that the RHA was also comfortable with that, because they are the ones who will have to live with the result of that decision in administration. I understand their advice is similar to that that has been given, so I would expect the decision will come very shortly when I have worked out a few other issues on the program as a whole.

Mr. Clif Evans: Mr. Chairman, I want to deal with one other matter with the Minister of Health. I wrote to the minister on February 12 about the Fisher Branch personal care home. For years now this community has made every effort, has gone through all the meanings, has gone through fundraisers, has done everything, has proven to the government that a personal care home is needed in the Fisher Branch community. The land is there. The community has raised thousands of dollars to offset costs that perhaps a program would not undertake in its capital. They have met many times. They have met with the former minister. They have brought this to the attention of the previous minister, to the former minister. I have written to this minister.

I understand that there are needs in other parts of the province, I understand that, for such facilities. If there is one thing that this member believes in, it is that needed services should be provided at the need level and it does not matter where it is. There is a need here, a great need. There is a strong community feeling that what they have done to have a personal care home built in Fisher Branch is going to benefit the community and its citizens in the surrounding area for many, many years. We are seeing—and I know the Minister of Health understands this, and we have talked about this before—we know that there may be personal care beds a hundred miles away from the community.

The understanding by the community is that there are people who are ready to move in that will fill that potential 30-bed personal care home in no time flat, keeping the seniors within the community, not having to travel miles and miles away from their community. It is not that these people have not done their work. It is not that they have not proven to the minister and to the government that there is a need, and it is not this member's position to become political with this. It is this member's wish to service and provide service to a community that is in need of a personal care home.

The community, again, and I repeat, has done everything possible to show its need. It has shown its need and was very upbeat on April 20, 1995, hoping that politics would not come into play in this project, the same feeling and, I repeat the words of the community, that they do not want politics to come into play. They want the promise fulfilled. [interjection]

The Minister of Highways (Mr. Findlay) says I am playing politics now. I am not playing politics. I do not play politics like that minister does. So my request to this minister is sincere on behalf of the community, not politically. I could be a member of the community; I speak as that. I could be speaking as a member of the committee that is in place there. That is what I am doing today. I could get up in Question Period, I could come into committee, into Estimates and I could be political and I do not want to do that. It is too important for this community.

So I ask the minister, will he tell us here today, tell me and the community of Fisher Branch, that he will do what is necessary, what has been promised and provide the people of Fisher Branch and area with some good news and that they can go ahead and tender for the construction of a personal care home in Fisher Branch?

* (1330)

Mr. Praznik: Mr. Chair, I appreciate the sincerity with which the member for Interlake constituency raises that concern. I know it is the same as many other projects across the province that were on the list before the capital freeze. As the member is probably aware from the budget and the budget documents and discussions during that debate, we did have to put a freeze on capital a year or so ago because the estimated financing

costs would have put our capital budget in the neighbourhood of some \$200 million a year. Currently we are at about \$120 million a year, and as the member may be aware we finance hospitals by borrowing money, floating debentures, and our capital budget is really the ongoing funding of the interest and principal paid down on those dollars. So \$120 million a year represents about 10 percent of our facilities budget. If we had built all of the projects on that list, we would quickly have been in the \$200 million range, and quite frankly that was just not affordable or sustainable within our provincial budget, so hence the freeze.

Since that time, working with the Minister of Finance (Mr. Stefanson) and Treasury Board, we have done a number of things because I think it is important that the people of Fisher Branch appreciate the context in which decisions are being made and the context in which the freeze was implemented. Mr. Chair, we have worked with Treasury Board over the last number of months since I became Minister of Health, and we have made a number of I think significant decisions. One is that Treasury Board has committed to continue at a minimum that funding level of \$120 million a year which means over time, as we pay down debt, we will have a capital program on a pay-as-you-go basis. I think that is a very fundamental principle. It is the same basis on which we finance highways. We pay for the entire capital construction in a year outright which means we do not spend money on interest in the long run, and I am sure the member appreciates that fundamental change in financing policy.

However, when you do the calculations, you realize very quickly that that means a very limited capital program for the next 10 years or so. So we looked at what ways because we know we have capital needs across the province and Fisher Branch certainly has been identified and is one of those capital needs among many. We have firstly had a direct infusion of \$150 million of capital from the proceeds of the sale of the Manitoba Telephone System. That \$150 million, in doing our calculations within the ministry, was best spent in paying down the accumulated hospital debt which was some \$750 million. We have paid it down to some 600, which on an annual basis frees up a considerable amount of interest dollars for annual capital into the next number of years.

Having done that, we also realized that we needed some capital for conversions in existing facilities where they will be changing their function and role in the regionalization process. In this year's budget, we have a fund of some \$10 million to which the community capital contribution policy will not apply. Those are for relatively small projects and conversions and certainly not applicable in this particular case.

The third part, Mr. Chair, recognizing that still would not allow us to do any more than the major renovation of the Health Sciences Centre at some estimated cost of some \$70 million; Brandon, I do not know if that is \$30 million, \$40 million, \$50 million, in that range; the Boundary Trails Hospital which has resulted in the closure of Morden and Winkler facilities; as well as three major personal care home projects: the Sharon Home facility in Winnipeg, which is a replacement of some 60 beds, as well as the Lions and Betel projects, which will give us significant addition of personal care home beds in Winnipeg where they are most needed.

We recognize that program was not sufficient, that there was a need beyond that. So, within the budget the Minister of Finance (Mr. Stefanson) has approved an additional flow of capital to us over the next number of years that should allow us to do a very significant portion of the projects that were on the list to be done when the freeze was brought in a year or so ago.

Having said that, and in fairness to the regional health authorities who are taking over operation on the 1st of April of this year, we wanted to put in place a process where all of those projects would be reviewed by them against some objective criteria and be prioritized again by the ministry against some objective criteria about role.

I know the Fisher Branch facility is one that has done fairly well in those kinds of assessments. I would expect that it will continue to do well in the assessments over the next six months as we re-evaluate those projects. Our plan, of course, is to ask the RHAs for their sorting of these projects sometime within the next five or six months. I would hope that we would be able to announce the next tranche of capital projects sometime in the fall.

With respect to the Fisher Branch project, the message I would ask that he convey to the community is they should not lose hope on that project, Mr. Chair. It is one with a great deal of logic and support behind it. Their regional health authority, and the Interlake Regional Health Authority is an excellent one, is very well aware of its capital needs, will be sorting out and doing prioritizing of their capital needs within that region. We will be receiving that, I take it, sometime at the end of the summer, early in the fall, sorting through that list and approving a round of projects at that time.

I do not want to make a commitment or an indication one way or another in fairness to all projects on that list. I would expect that if that project is one, as the member says it is, that has a demonstrated need in that particular area, that has a longevity in the community, albeit it is difficult to put new construction into a community whose population may be significantly dwindling. That is not the case with Fisher Branch. I would suggest that that project will do very well in that process. So we will be able to give him a specific answer later in the year, once that process is completed.

Mr. Chair, just as a matter of interest, my colleague from Gimli pointed this out in the discussion. Various governments in the past in the province, in the Interlake region that I grew up in, made many decisions with respect to the placement of public housing that often concentrated that housing—I know the town of Selkirk was a great beneficiary of public housing for the Interlake region. Much of it was consolidated. There were many communities who were critical of that particular policy. The then MLA Mr. Pawley was also the premier of the province. It made it difficult for people in need of elderly persons' housing, not necessarily just personal care space, to stay in their existing communities. That was a criticism.

On the other side of the coin, and I gather that was part of the logic for the Pawley government making those decisions, was the interest of having elderly people in larger communities where more services were available to them. So there is a balance to those kinds of decisions, Mr. Chair. The Pawley government exercised that in its administration in public housing in the Interlake region, and certainly that has to be taken into account by a regional health authority.

But, again, the member points out Fisher Branch is a large centre and there are other issues, but I am sure that case will be made to the RHA as they work through their prioritization process over the next number of months.

Mr. Daryl Reid (Transcona): Mr. Chairperson, I have some questions that I would like to ask of the Minister of Labour (Mr. Gilleshammer). I am going to start with an accident that I had written the minister about back in January of this year for a young man, a young 19-year-old young man who was just freshly out of high school that was injured in an accident at the Pine Falls Paper plant. The young man, from my understanding, was not wearing protective equipment and was asked to go in untrained and without that protective equipment to clean up a sulphuric acid spill at the plant site. I had written the minister about this matter, and, of course, the minister responded by referring me to Mr. Geoff Bawden, his executive director of Workplace Safety and Health.

I would like to know what progress has been made with respect to the investigation of this case and what plans the department has with respect to preventing this type of accident from occurring again, because it has happened more than once at this particular plant site. What are the plans of the Workplace Safety and Health branch of the minister's department in dealing with the company with respect to this matter?

* (1340)

Hon. Harold Gilleshammer (Minister of Labour): Mr. Chairperson, I am not going to be discussing individual cases here in the House with the member, and some of the policy issues I look forward to getting into when we get into the Estimates for the Department of Labour a few weeks from now.

But let me say that the department and particularly the Workplace Safety and Health branch will work very closely with individuals, with groups and with companies to work towards a safer work environment and a safe workplace for all Manitobans. We have staff who are prepared to work with the committees that are set up for safety and health issues within the workplace to help to investigate causes of accidents and certainly

monitor those workplaces where perhaps there is a more than usual incidence of workplace injuries.

If the member wants to get more information on some of the activities that are being done by staff, certainly we have referred him to some of the staff in this branch of the department and would be pleased to make staff available to sit down and go over some of the initiatives with him.

Mr. Reid: Mr. Chairperson, I must admit I am a bit disappointed that the minister would not have some kind of an idea on what progress is being made with respect to the issue involving this very serious injury to a young man that was just entering the workforce. This is not the first time this type of a spill has happened. The information that has been provided to me indicates, and I am disappointed that the minister would not have some idea what progress his department is making with respect to this issue. Now, perhaps what I need to do is by-pass the minister totally on every issue and go directly to his department people. If that is what he wants me to do, I mean I am prepared to do that, but I thought that you would be in charge of your department.

It is obvious from your comments here today that you are not either interested in this case or you are not prepared to even find out what has happened to this case and the impact that it has had on this young man's life. That is why I raised the matter. So I will go back to the executive director of Workplace Safety and Health and ask Mr. Bawden what is happening since the minister does not want to talk about it here.

Now, I will move on to talk about some of the areas of the minister's budget because he has cut some \$363,000 out of the Labour department this year, which is a huge amount of money to cut out of a department with such a historically—a budget that has been relatively low in comparison to other departments of government, how you could cut that kind of money.

I want to ask the minister what decisions you have made with respect to staffing in the areas of Workplace Safety and Health, where there is a budget line reduction of around \$15,000, at a time where we have work injuries that are not decreasing in numbers and that we have some very serious injuries that need to be

dealt with. We need to have worksites inspected in the province. I have raised this with the former Minister of Labour in this House in Question Period last session, where we have companies that are skirting around the workplace safety and health laws of this province. I want to know what the reduction is in the Workplace Safety and Health branch with respect to the staffing in benefits line?

Mr. Gilleshammer: Mr. Chairman, I would have hoped that my colleague and I would have got off to a better start today. He is well aware that there are quite a number of cases that come before the department and come before the Workers Compensation Board, and if he is suggesting that when he decides to bring a specific case to the House that I should have the detail ready to provide him—I indicated the route we were taking. I indicated a manner in which he could access that information if he was really interested in it, instead of bringing it to the House here and demanding that the minister know exactly what is happening to specific cases.

We still have probably close to 40,000 cases which are brought before the Workers Compensation every year, and the member is seriously saying that when he comes to the House, whenever the House leader and his leader gives him an opportunity to ask a question that the minister is supposed to have the answer to one of those 40,000 cases. He knows and everyone knows that is simply not practical.

He indicated in his comments that his conclusion, because he did not get the answer he wanted, was that somebody or the minister was not interested, and I can assure him and the House that that certainly is not the case. He makes comment that there are increasing accidents, injuries and other activities in the workplace, and this simply is not true. The fact is, the workplace is much safer today, that it was—[interjection] The member wants to ask questions and he wants to answer them and he wants to heckle from his seat. I assume that he came here wanting some answers.

The fact of the matter is the workplace is much safer in the 1990s than it was in the '80s, the '70s and the '60s. That does not mean that the Workplace Safety and Health people are going to relax. They are going to work with the committees that consist of workers and

representatives from management in the workplace to develop workplace safety and health plans.

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

Our staff work with those groups certainly when called upon and at other times to see that their safety plans are good ones and make recommendations where they can be improved. So I can assure the member that the activities of the people who work within this department are going on and there is a commitment to make the workplace safer. I would encourage him, if he has individual cases and if he wants to write and I will give him direction in the answers that I give him, if he wants more specific information either from the Workers Compensation Board or from the Workplace Safety and Health people that we will provide him with that information.

Mr. Reid: The minister did not answer the specific question. I had asked him why, considering the number of accidents that are still occurring in this province, we have seen a budget reduction in the Workplace Safety and Health branch staff operations? I also, at the same time, will ask that question again.

In addition to that, I will ask the minister, as well, because of the number of mining deaths that we have had in this province and the number of accidents involving the mining industry, why have you through your department undertaken to reduce the Mines Inspections branch by \$65,000 this year? Why have you cut out the mines rescue inspectors at a time when we have people employed in the mining industry and their families calling for increased activities with respect to inspection and increased fines to deal with the accidents that are occurring? Why are you cutting back in areas of safety and prevention for people who are employed in these particular sectors of our economy?

Mr. Gilleshammer: I thank the member for that question, and I can assure you that the resources that are devoted to this department will be well spent on safety and health issues. The member is not correct when he talks about fewer inspections are taking place in the mines of northern Manitoba. In fact, that level of inspections is fairly flat and will remain at that same level. I think what he is referring to is the retirement of

a mines rescue co-ordinator. The function of this person performed for government is being carried out by the companies, and we still regulate that and we audit it. I would urge him to talk to his colleague from Flin Flon. He and I have had many discussions on this.

I would also refer the member to an editorial in the Flin Flon Reminder from last week where the title of the editorial is A Safe Move. By cutting a redundant \$64,000 mines rescue co-ordinator's job, the Filmon government has wisely freed up money for other Workplace Safety initiatives. These are not my words or the department's words. This is an editorial in a mining community in northern Manitoba. I would just go on to maybe quote one other line from the editorial. It says the Winnipeg-based co-ordinator trains mines rescue instructors and personnel, a service already being provided by the Mines Accident Prevention Association of Manitoba. I also have correspondence from that organization that represents the various mines, that is the Mines Accident Prevention Association of Manitoba, who concur that this was a good move.

* (1350)

I would encourage my honourable friend to perhaps talk to the member for Flin Flon (Mr. Jennissen) who has more understanding and is a little closer to the situation, and perhaps if my honourable friend wants to be enlightened on this subject and get a better understanding of it that he can do so either from his colleague or certainly from talking to me about it.

So this is recognized as an appropriate move and, again, I would indicate to my honourable friend that the inspections that are taking place at the mines of northern Manitoba have not diminished. He has indicated that there is a greater frequency of injuries, fatalities and accidents in the mining sector. That simply is not true. Mining has always been a rather dangerous occupation and, as a result, there is some frequency of accidents that take place.

I could provide the member with a graph that shows the accidents and fatalities in the 1970s and 1980s, and even though if we have one injury and one fatality, that is one too many, the fact is the trend line has come down considerably since the 1970s and 1980s. I think

that is a testament to the fact that the people who are employed in those mines and those companies take their work very seriously.

The committees they have put in place accept that it is their primary responsibility to see that there is safety in the workplace. It is also a testimony to the hardworking employees of the Department of Labour, particularly the Mines Branch which has worked very diligently with the companies and with these committees to see that the workplace is a safer place.

I am pleased the member asked that question and am pleased to be able to give him that information.

(Mr. Chairperson in the Chair)

Mr. Reid: The minister still did not reference why he has reduced the mines inspectors and the number of inspectors budget line for the people who are performing that work. I asked about Workplace Safety and Health jobs; I asked about mines inspectors jobs; I asked about the mines rescue instructor.

The minister received a letter back on March 12 asking the minister to reconsider, and if the minister did not want to reconsider having the mines rescue instructor, then why did he not convert that money into mines inspectors to have them still there to do the work that is necessary to ensure that the accidents are reduced to zero?

Why did you reduce the budget line of Mines Inspection by \$65,000; \$360,000-some overall for the Labour Department, most of it in dealing with services to protect working people of this province? That is my question to the minister. Why have you reduced Workplace Safety and Health inspections and Mines Inspections, as the two critical areas where we have a significant number of workplaces to inspect in the province, and you have reduced the budget lines for those areas to do those inspection jobs?

Mr. Gilleshammer: I will answer the question very directly. The member is saying why did you reduce the number of inspectors? The answer is we have not. We have not reduced the number of inspectors. I have

indicated the level of inspection has been quite consistent. [interjection]

The Leader of the Opposition (Mr. Doer) wants to get into it. He is referring to a number of years ago. I am presuming we are talking about this year's budget; that is what the member indicated in his question, and I am referencing the present time. My honourable friend from Transcona says that we have cut mines inspectors within this budget, and that simply is not true. Again, I will tell him what was reduced was the mine rescue co-ordinator. This individual has retired. [interjection] Again, the member does not listen to the answer and then says that his question has not been answered.

It was the mine rescue co-ordinator who has retired, and the function is still being carried out by the companies. It is regulated by the department; it is audited by the department. It has the support not only of the Mines Accident Prevention Association of Manitoba, those people who dedicate their time and their energy and their efforts to mine safety. They have written me on two different occasions saying this was the right way to go. Also, a third party, the editor of the Flin Flon Reminder on March 18, 1997, just within the last two weeks in his editorial says this is the right thing to do.

I urge you to talk to the member for Flin Flon (Mr. Jennissen). I think he concurs with this. It is the member for Transcona who pretends to be an expert on many subjects. I told him that we would provide him with this information. I have provided him with the explanation on inspections, on inspectors and on this particular position. Again I concur with the member. This is an area we can agree on. If there is one injury or one death, that is one too many.

But I tell you very seriously the statistics show that the trend line has shown a marked decrease in the number of injuries, the number of fatalities that have happened in the mining industry. Again I think that is to the credit not only of the committees that are set up at the worksite, which consists of employees and, of course, employers and also those hard-working members of the Department of Labour, who are mines inspectors who work with these committees who set up programs and in-services and training to see that this work is safer than it has been in previous decades.

I would say it still is a dangerous form of employment, and it is unfortunate that there are accidents. [interjection] As my colleague says it is the same with farming. There, too, any injury or death is one too many, but where we have incidents that happen every year, particularly in seeding and harvest time, again these are activities that are dangerous, and we would like to continue to work. Again I applaud the people who work for the Department of Labour who, I think, can take some pride in looking at the statistics and the graph to show that the trend line is definitely diminishing. I believe it is partially due to the work that they have done with the safety and health committees within these workplaces.

Mr. Reid: The minister still did not answer the specific question. I am into my seventh year in this House, and I am not going to be bafflegabbed by a Minister of Labour who is just new to this department. The minister did not answer the specific question.

I asked what the reductions were in Workplace Safety and Health and Mines Inspections. Is it a reduction in the number of inspectors? Is it a reduction in the number of hours? Do you have new staff who are in there who came in at a lower pay level? I want to know why you have a reduction in those two critical areas, amongst other areas, of your department that were reduced this year. That is the specific question. I do not know how I can make it any simpler or any plainer than that. Perhaps the minister would like to try and answer that specific question.

Mr. Gilleshammer: Mr. Chairman, I believe that I have indicated on the key issues of mines inspectors and mines inspections that there has been no change in the level of activity there. I will read the editorial again for the member. This is from the Flin Flon Reminder.

An Honourable Member: I have a copy, by the way, thanks.

Mr. Gilleshammer: Well, then, I would urge you to read it if you have a copy. It says by cutting a redundant \$64,000-mines rescue co-ordinator's job, the Filmon government has wisely freed up money for other workplace safety initiatives. So this individual who performed this function has now retired and the editorial indicates the committee that works—it is called

a Mines Accident Prevention Association of Manitoba—they have also indicated that this is the right direction to go. So there is \$64,000 that we are not spending in that area that we are going to be able to redirect portions of to other activities involving mine safety in northern Manitoba.

* (1400)

I might just read more of the editorial for the member so that he does have an understanding of it. The Winnipeg-based co-ordinator trained mines rescue instructors and personnel, a service already provided by the Mines Accident Prevention Association of Manitoba. So the fact that it was referred to as redundant is correct. It was an initiative that had been urged on this department by people who work in the mining industry, and they see this as a positive move.

The member indicates he has been here for some eight years sitting over on the other side of the House. He full well knows what the priorities of this government are. We have to dedicate tremendous resources to health, to education and social services—this in the face of declining transfer payments from the federal government. To find the billions of dollars that we spend in those three departments, sometimes adjustments have to be made in other departments of government. Here we have made one and it is being applauded by the Mines Accident Prevention Association, by people who live in northern Manitoba and saying this is a government who is making wise decisions.

I am not sure how much more detail I can give the member. Again, I reassure him that there are the same number of inspectors. From time to time, they are moved to different locations in northern Manitoba. They are moved to locations where there is more mining activity going on, or, sometimes if a particular location has a rash of injuries, there may be a need to do more inspections there. That situation is reasonably fluid so that the mines inspectors that we have can work with the health and safety committees, work with the management and the employees of those mines to make mining in northern Manitoba as safe as it could possibly be. The proof of it is the statistics that are presented by the department, and I am sure that the member would not quarrel with those.

These are actual numbers that are provided by the department which indicates that regrettably and unfortunately in the 1970s, in mining, there might be up to 10 or 12 fatalities. In 1995 there was only one, and in 1996, two. Again, I say that is two too many. We have to continue to work to try and make that a safer workplace. We have to continue to work both with management and employees to have these committees to address situations which they see within the workplace.

Again, new as I am to this department, in the last number of weeks I can see that we have a very well-trained dedicated staff who work in northern Manitoba. I think credit to them and the management and the employees of those worksites that statistics like that can be brought forward to show that the trend line has diminished substantially. We are not satisfied that we have finished the work, and those Mines inspectors will continue to work with the safety committees and try to make the workplace as safe as it could possibly be.

Now, in the last few weeks since I have been in this department, of course, reports of injuries and accidents within the province do come forward on a timely basis. Almost every week there are examples of workplace injuries, but again I indicate that the trend line is down and that the employees of this department, I think, have done a good job of working with management and employees to make the workplace much safer right across the province.

Mr. Reid: On another budget line that the minister has, since he did not want to answer those two questions dealing with workplace safety and health and mine safety, and why there was a reduction in the budget lines, I will switch to another area and maybe the minister can answer this one. Why has there been a reduction in the budget line for staffing and employee benefits dealing with the Worker Advisor Office?

Mr. Gilleshammer: I look forward to the day when we do get into Estimates a few weeks from now, and we have our budget books and budget material with us, and we can go line by line. I mean this exercise today was not intended to get into the detail of line-by-line budget debate.

If the member came here to pick particular lines out of the budget and look for changes, again I indicate to him this government has made their priorities well known in terms of where major expenditures will take place, and the member for Transcona is right. He has identified one of the departments, but certainly Health, Education and Family Services spend upwards of 60-65 percent of our total expenditures. I know that while the member opposite indicates he has been there a number of years, and he does have probably the same spending appetite that his other colleagues have, we have to look for those savings in all departments of government.

I think the ministers here are proud of the fact that we have been able to maintain services while saving some money in different budget lines to enable us to put those resources into Health, Education and Family Services. So without getting into the detail of the budget, we will have that opportunity in a few weeks and we will have the opportunity to go through the budget line by line, and I would welcome him to ask those questions at that time.

Mr. Reid: It is obvious that the minister does not want or cannot defend his department's decision to cut by some \$363,800 out of the Labour department this year, much of it coming out of Mechanical and Engineering; Conciliation, Mediation; Pension Commission; Mines Inspection; Workplace Safety and Health; and Worker Advisor, all of the critical areas to ensure that we have safe homes, as would come under the Mechanical and Engineering section for inspections of our homes dealing with furnaces or any other mechanical issues.

We have people working in mines. We have people working in heavy industry. We have people who need help with their Workers Compensation claims, and you have cut all of those service areas that protect the public, so it is obvious that I am spinning my wheels here by asking this minister specific questions, why he would cut the funding to those areas. He says he has not cut the staffing level in those areas, so I am spinning my wheels by asking him questions.

Perhaps what I need to do is go on to the Minister of Education and ask the Minister of Education, because I know she has some interest in what is happening with her department and ask her specifically, because I have spoken to her and given her some advance notice of

what my question was going to be with respect to the Transcona Collegiate institute in my own community, because the document that has been released by her department on February 5 with respect to the Public Schools Finance Board.

She has indicated that planning for a major renovation of the Transcona Collegiate has been approved. Now, does that mean that they are only in the planning phases with respect to upgrading the Transcona Collegiate, and will monies actually be allocated to the improvement of that particular school facility? Because it is my understanding that there are some structural problems with the school and we want to ensure that the students and the staff that are utilizing that facility are there in a safe condition, safe environment.

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

Hon. Linda McIntosh (Minister of Education and Training): Mr. Chairman, I thank the member for the question. I just want to note because, hopefully, this type of thing can be avoided in the future, I was called to come up here at quarter to twelve. It is now ten after two. I was 15 minutes into a meeting with the university on a very important topic. I left them. The meeting was to be—[interjection] I am just indicating that I have been waiting now since quarter to twelve having been called out of a meeting because it was urgent that I come immediately to answer the question.

I was dismissing the university people because I then could not meet with them. I got a second call five minutes later saying, you have to go up right now. The member for Transcona needs to ask you questions. I have missed a very important meeting on topics that if next week I am asked in Question Period why certain work is not done at the university it will be because I missed that meeting. I think to have to wait from quarter to twelve until ten after two to answer a simple question, I would appreciate next time, please do not call me until you need me or tell me what time you do need me, because you are keeping the government ministers from getting the work done in the government of Manitoba.

* (1410)

An Honourable Member: This is not work?

Mrs. McIntosh: To sit here—this is work. Excuse me, Mr. Chairman, I came up here to work, and they made me sit here for over two hours without working.

An Honourable Member: Well, answer the question.

Mrs. McIntosh: Now they want the answer instantly.

An Honourable Member: I had no control over it.

Mrs. McIntosh: The member for Transcona was just finishing going through several hours of questioning for people before he got to me. He said he had no control over the fact that he is taking ministers away from meetings to sit here cooling their heels, cooling their heels, cooling their heels. It was not urgent that I come—

Point of Order

Mr. Dave Chomiak (Kildonan): Mr. Chairperson, I certainly appreciate how valuable the Minister of Education's time is, as all members have very valuable meetings they have to attend, but the minister could do herself a favour by answering the question and then going off to be able to do her work rather than complaining ad nauseam, which is not even relevant to the question that was asked.

I would ask you to call the minister to order so she could answer the question, we can get the information and the minister can go off to her meeting.

Mrs. McIntosh: Mr. Chairman, on the same point of order, I do not think it is inappropriate to take less than one minute to ask the members opposite that when they call and say it is urgent I come immediately, that it really be urgent and that when—

An Honourable Member: Who called you, Linda?

Mrs. McIntosh: Well, I was called twice to come immediately because the member for Transcona was ready to question me.

An Honourable Member: He was.

Mrs. McIntosh: I have been sitting for two hours, more than two hours, two hours and half an hour.

So now the answer to the question which I would like to give so that we can get back to work, the member had indicated a concern about—

The Acting Chairperson (Mr. Dyck): Excuse me, Madam Minister. There has been a request for a ruling on the point of order. The minister was about to give her answer when she was interrupted on a point of order, and I will allow her now to complete her answer please, honourable minister.

* * *

Mrs. McIntosh: Transcona Collegiate has had a conditional study which has been completed. The question is a good question. The representatives of the board and the staff have already met with officials and trustees of the school division. The second meeting is being held right now. When the member, a couple of hours ago, said to me I will be with you in five minutes, Linda, and here is the question I am going to ask, and that was two hours ago when he said five minutes, Linda, here is the question, I could have indicated that the meeting would be held two hours hence. The meeting has already been underway for 15 minutes.

So the answer is they are meeting as we speak, with the Public Schools Finance Board. The project has been identified as a high priority project and when they complete their meeting I will probably have better information to provide to the member.

Mr. Reid: Mr. Chairperson, it may seem a little out of character for me to make this comment to the minister, but I had absolutely no control over the events that were happening in this House. My questioning to the Minister of Labour (Mr. Gilleshammer) was some 20 or 25 minutes in length, that we are dealing with some very serious issues affecting workplaces and employees of this province. To the minister, I am sorry that she had to interrupt her meeting, but that was some planning that was ongoing on behalf of her Whip and herself and I had no control over that. That is between those two parties over there.

Can the minister perhaps indicate, because she says there are some meetings that are ongoing between the Public Schools Finance Board now and the representatives of the Transcona-Springfield School Division—and the minister has indicated that this is a high priority. From those comments, can we expect that this project will go forward during this budget year to renovate the Transcona Collegiate institute to make sure that it is a safe learning environment for both staff and students?

Mrs. McIntosh: I accept the member's comments and I thank him. I do not know if it was an apology or just a clarification but whatever, I accept and am grateful for the clarification. I will take up with my party Whip the need for us to sit here for two and a half hours being told that we were needed immediately and important business of government being left to get lost because we are sitting here cooling our heels, but the member himself did tell me he would be five minutes and that was at five to 12 and it is now quarter after two.

So when they ask me why certain things were not done, I can tell them it is because I was sitting here waiting for them. I do accept that he did not call me, and at five to 12 maybe he thought he would be ready in five minutes instead of two hours and 15 minutes later.

A conditional study—[interjection]

The Acting Chairperson (Mr. Dyck): The honourable minister, please.

Mrs. McIntosh: Thank you, Mr. Chairperson. I do not really think it is nearly as funny as the opposition does. In terms of process in the House, I think there is a common courtesy that could be allowed, a common courtesy. I know the member has never been a minister or does not know the amount of work there is to be done, and there is courtesy that is involved in how we deal with each other and having a minister called whether it was to sit for two and a half hours doing nothing I think is very discourteous.

I can indicate that with the Transcona Collegiate that it was deemed that the—[interjection] I wish that if they are having problems with that, they could maybe take it in the hallway and discuss it rather than sit there,

extremely rude, begging us to have next week off because they really do not want to work next week. All that kind of thing is we are going to lose a week's work because of them maybe.

Anyhow, the Transcona Collegiate foundation is deemed to be a high priority. It does need repair. They are dealing with it, as I say, as we speak, in terms of decision making, with the Transcona officials and the Public Schools Finance Board. I cannot indicate to the member what the outcome of that meeting will be because I am not at it. Knowing that they have deemed it a high priority project, I would assume, due process being followed, that I should report probably next week on my desk. Tomorrow is Good Friday so we will not be here. Next week when we come back, the member can ask me when we are here back in the House and I will be pleased to answer the question.

Mr. Gord Mackintosh (St. Johns): I wonder if the Justice minister (Mr. Toews) can be called. I believe he may be on standby.

Point of Order

Mrs. McIntosh: On a point of order, Mr. Chair, I thought that the opposition had no control over when people were called. I was just told that they had no control over when people were called, that it was up to my party Whip. So is the member out of order by asking to have a member called?

The Acting Chairperson (Mr. Dyck): Order, please. The minister does not have a point of order.

* * *

The Acting Chairperson (Mr. Dyck): The member for St. Johns has been recognized, and we are waiting for him to have a question.

Point of Order

The Acting Chairperson (Mr. Dyck): The member for Inkster, on a point of order.

Mr. Kevin Lamoureux (Inkster): In order to maximize the use of what is very valuable time in the Chamber, if a minister has been requested to come for

a question, I think it would be appropriate to allow other people to ask questions as opposed to just sitting and waiting.

My questions are not detailed. It is just, in reading the letter, I would not mind to ask the Minister of Agriculture (Mr. Enns). I can assure you the moment that the minister walks in, I will stop asking questions to facilitate the House.

The Acting Chairperson (Mr. Dyck): On the point of order for the member for Inkster, I have already ruled on a point of order and recognized the member for St. Johns (Mr. Mackintosh). However, by agreement, we could defer to you. Is that the will of the House? [agreed]

* * *

* (1420)

The Acting Chairperson (Mr. Dyck): Okay, I will recognize the member for Inkster, please.

Mr. Lamoureux: Thank you, Mr. Chairperson. I received a letter from an individual who lives on Piper Place in my riding. They expressed some concern with respect to—or at least makes reference that there might be deer hunting that is going to be occurring in Manitoba from Americans where Americans are invited over to hunt deer. I was just wondering from the Minister of Agriculture if he can just somewhat better acquaint me with deer hunting policy with respect to Americans.

Hon. Harry Enns (Minister of Agriculture): I am pleased to respond in place of my colleague the current Minister of Natural Resources (Mr. Cummings). Having had the privilege of having been involved in that department myself not that long ago, I do have some information.

The current policy in Manitoba is that it is not open to nonresidents for the general deer hunting seasons that take place in the province of Manitoba. There are some provisions available for Americans to come and hunt deer in Manitoba but only through the use of licensed outfitters. I cannot tell the member how many.

There are not that many, but we do have licensed outfitters who are authorized by the Department of Natural Resources with a specific number of tags or licences for the hunting of different types of species, moose, deer and bear, black bear. This is the only avenue that is available to the American or foreigner to come and hunt our wild.

What is being discussed—and I think that is what the letter that the member refers to—currently, because of the unusually high populations of deer, white-tailed deer, particularly in the southwest, and the amount of crop damage that they are doing, the Department of Natural Resources has held several public hearings talking about the idea of becoming more liberal, if you like, with making available to the American hunters to hunt in the regular deer season.

(Mr. Chairperson in the Chair)

That decision to my knowledge has not yet been made, but I know that that is causing some concern to Manitobans. It is always a question of concern to those who think that, and I think rightfully so, wildlife resources, certainly the priority of their use in one way or another, should be reserved for Manitobans. That is I think the issue that the member is referring to in the kind of letters that he is getting, the possibility of opening up the regular deer hunting season to Americans.

Mr. Mackintosh: I have a couple of lines of questioning for the Minister of Justice (Mr. Toews) as a preliminary matter looking at the Department of Justice Estimates, and then we will be going on to deal with the Enabling Appropriations, and I am looking at 26.3, what is labelled Justice Initiatives. My questions will be relatively general, recognizing that the minister's staff is not able to come into the Chamber.

We notice that in the Justice department Estimates under Criminal Justice, the line respecting the Criminal Injuries Compensation Board has a reduction in total of 13.4 percent. I am wondering if the minister can share his knowledge with the Chamber as to what that reduction represents?

Hon. Vic Toews (Minister of Justice and Attorney General): Thank you very much for that question.

Yes, in respect of the issues generally relating to the Criminal Injuries Compensation Board, as the member is aware, that process is presently administered by the Workers Compensation Board. I had some passing familiarity with that process in my former position as Minister of Labour. A suggestion has come up from the department itself, the Department of Justice, that, in fact, the matter could well be done more cost effectively outside of the administration of the Workers Compensation Board, and that administrative savings is what is reflected there.

There is also an issue about looking at how victims and for why victims are compensated. At present there is the situation where unemployed people who are injured in the course of a criminal action are, in fact, compensated for loss of wages. Now, given that there is no loss of wages to recover, there is a question of whether that is an appropriate recovery. I think there are, in fact, other recoveries that unemployed people could have, but it seems a bit incongruous that unemployed people would be recovering for loss of wages. I am not exactly sure as to, I believe this deals more with the wages rather than the personal injury that has been committed, let us say, to a victim.

Mr. Mackintosh: Is the minister than saying that the reduction here is in respect of two changes? One is administrative cost savings and, No. 2, reductions in payouts to injured individuals?

Mr. Toews: Without getting into too much detail, at this time I think I can safely say that this is as a result of the department looking at the administrative program to ensure that it is run efficiently on an administrative basis and, secondly, that the payouts, in fact, reflect losses that people have received.

Mr. Mackintosh: Well, in the first category then of reduction, or the administrative changes, can the minister explain in general terms what different kind of administrative arrangement is being contemplated then? It appeared that he was saying that the Workers Compensation Board would no longer, I understand, administer the criminal injuries compensation scheme. Is that correct? If so, in what way would the changes appear?

Mr. Toews: That, in fact, Mr. Chair, is the process of some discussion in the department here. I would be happy to go into that in greater detail when my staff is here, but I think generally speaking that is, in fact, the direction, that rather than being administered by the Workers Compensation Board, it would be administered within the department.

Mr. Mackintosh: Just as an observer, I wonder if the minister can explain how savings can be found when, instead of having an existing bureaucracy administer the scheme, there is a new bureaucracy now established. I do not know if they are looking at hiring new people, or if there are existing people in the department that would be then administering the scheme.

Mr. Toews: As indicated, this is a proposal that has come up through the department. I would be as interested in discussing some of these details at the Estimates as the member for St. Johns is. I do not have the details as to the proposal here, other than just indicate that that, in fact, is the process, or the suggested process, that has been made by the department.

Mr. Mackintosh: Can the minister tell the committee what percentage of the savings are attributable to administrative change, as opposed to reductions in payouts to victims?

Mr. Toews: No, I cannot at this time.

Mr. Mackintosh: Moving onto the second area of reductions, is the minister saying that currently under the scheme, individuals who are either on social assistance or unemployment insurance, would receive a payout for loss of wages in the event they are injured as a result of a crime?

Mr. Toews: What I am saying is that the department is looking at the situation where someone is being compensated either through various sources, when, in fact, they are not working. So the loss of wages seems to be an inappropriate heading for which to compensate victims of crime. There is no question that every person who is the victim of a crime suffers a loss of one sort or another. What we have to ensure is that the

categories of loss reflect appropriately the loss that a particular individual has suffered.

* (1430)

Mr. Mackintosh: Was it the minister's understanding that there has been more than indemnity under the current scheme or the past scheme, and that wage loss was being paid out when there was, in fact, no wage loss? Perhaps the minister can explain just what that scheme did in the event of a situation where someone was unemployed.

Mr. Toews: My understanding of the situation is that there would be compensation for wage loss under a wage loss category, where, in fact, there has been no wage loss.

Mr. Mackintosh: What is the plan then in the future? Is it to avoid payments out in the event there is social allowance or unemployment insurance being paid to a crime victim? I just would like the minister to explain what the current scheme would look like, what the proposed scheme would look like.

Mr. Toews: The proposal is that in cases where people have been receiving wage replacement where they are unemployed at the time of the injury, they would not be receiving compensation for a category called wage loss, because they have not been receiving any wages to compensate them for.

Ms. Diane McGifford (Osborne): Mr. Chair, I would like to ask the minister if the Criminal Injuries Compensation Board ever purchases services from professionals outside government, for example, counsellors, therapists, people of this kind?

Mr. Toews: I do not have those details here, but I can certainly take that question as notice.

Ms. McGifford: I wonder, too, if the minister could then take as notice my next question, which is, I am wondering, if that happens, if there have been any changes as a result of the reductions in the funding to the Criminal Injuries Compensation Board. Thank you.

Mr. Toews: I will take that as notice, as well.

Mr. Mackintosh: I am moving now to the Enabling Appropriations, and the item labelled Justice Initiatives. As members opposite know, we have been extremely critical of this government's inaction on the Aboriginal Justice Inquiry recommendations. We have said many times, I myself, that I think it is the darkest cloud over this government.

Following the recommendations of the AJI report the government did do one thing, I think. It may have been more labelling than substance, but they did identify an appropriation which was called aboriginal justice initiatives, and it was a fund of about \$1 million that my colleague the member for Rupertsland (Mr. Robinson) questioned the former minister on on an annual basis attempting to determine just what use that \$1 million was going to. I understand, as I recall, and I could be wrong on this one, that there were some projects, for example, the Hollow Water Healing Circle that was receiving some benefit under that appropriation, a small survivor of the Aboriginal Justice Inquiry recommendations, certainly insufficient by far as to what this government's moral obligations are in dealing with aboriginal justice.

But now we look in the Estimates for 1997-1998 and we see that even that aboriginal justice initiatives is no longer there. The appropriation, assuming that it is the same one, can be likened to the aboriginal justice initiatives appropriation, is entitled Justice Initiatives. The word "aboriginal" has been taken out.

My question to the minister is, could he tell the committee what action he took when the aboriginal justice initiatives fund of \$1 million was eliminated from the '97-98 budget?

Mr. Toews: I think in view of the fact that I do not have the budget here in front of me, I can however talk very generally about the justice initiatives fund, and I believe my colleague is referring to the \$1.5 million appropriation. I am also advised, and I could be corrected in this respect, but that the aboriginal justice fund, which was a fund that was created in 1992-93, has been set at \$1 million.

It is accurate, and I think the records indicate that in the past amounts have lapsed under that particular fund. One of the concerns was to ensure that there were

appropriate funds for that purpose, including the development of ideas that continue on a long-term basis.

There have, in fact, been significant payments made in respect of that fund, and my colleague has indicated, Mr. Chair, some of those projects. One of them is the Hollow Water community holistic healing circle, which has received \$540,000 since 1992. The St. Theresa Point youth court has received \$200,000 over the past four years, and, again, matters in respect to First Nations policing have received \$190,000 out of that appropriation.

Now, Hollow Water and St. Theresa Point will be absorbed into the department's regular operating lines. So that will be taken out of that aboriginal justice fund and placed into the regular operating lines of the department. The only commitment in terms of this appropriation is the northern justice strategy for \$217,000. There are a number of projects being negotiated at this time, some my colleague the Minister of Northern and Native Affairs (Mr. Newman) alluded to in the House the other day.

Most of these projects, if not every one of them, must be approved by the Native Affairs committee of cabinet before being submitted to Treasury Board. They look at these projects and try to determine the appropriateness of these programs. One of the things that we, and I personally, believe is very important is to not simply have projects generated from within the department, but that programs and projects come out of the community and that we look very hard and long at projects coming out of the community.

I think in many respects government has recognized that from time to time initiatives within government, that is within the government bureaucracy, have failed because they have not been responsive enough to community input, community ownership and community direction. So what I would like to see, and my colleague the Minister of Northern and Native Affairs is in agreement with me, as is our cabinet, is that we want to see more initiatives coming out of the community.

*(1440)

One of the very difficult issues that has been noted by government is that we must find community-based organizations that are viable and can undertake these projects. Some of the submissions that we receive are quite ambitious and at face value look as though they are the appropriate thing to do. I think as responsible stewards of government money, we have to try to determine whether the organization is, in fact, capable of carrying out those particular projects. There are some situations that are being looked at presently where, although the organization is a new one, they have support not just from immediate people in the organization but from the larger business and community that support this particular project.

So what we need to do is not only develop viable projects that fill an identifiable need but, in fact, ensure that that organization is capable of carrying out the project. As I have indicated, we look at things like community support, business support and indeed in certain situations have government step in to provide that necessary assistance.

Mr. Mackintosh: Well, then I take it from what the minister said that very clearly the aboriginal justice initiatives appropriation is gone, the funds first were not entirely expended and the projects that were funded under that appropriation are being moved to other budget lines in the department.

If the minister disputes that, he can put that on the record, but I would ask the minister then if he can tell this House if the funding of Hollow Water and St. Theresa Point Youth Court, for example, or two examples, will continue in the other budget lines without reduction.

Mr. Toews: As indicated earlier, it is, in fact, my understanding that the proposal is for these two projects to continue within the department's regular operating line. If my information in that respect is correct, then what I would, in fact, dispute with the member for St. Johns is that the commitment in this respect of the government is any less. We, in fact, are committed to the extent that we see this as an important ongoing initiative. Indeed, in some measure, indicating the success of one or other of these projects, I would say, is indicated by the bringing in of that program into the regular operating line.

As far as I am concerned, if a project is appropriate whether it comes as a result of special project or within the regular operating lines of the department, if it is, in fact, fulfilling some of the needs that were identified by the Aboriginal Justice Inquiry, then I am not too concerned where the funding is found. If it is an appropriate program and the funding is there, then I, as minister, will certainly be pleased to support it.

Mr. Mackintosh: We can continue our discussion and debate on the significance of that change and the loss of identified fund for aboriginal justice initiatives.

I would now at this time, though, like to ask the minister, since they are asking the Legislature to approve a fund of \$1.5 million with no projects listed, would he please list those projects and at least give some indication as to the appropriation for each of those projects?

Mr. Toews: Having outlined the general philosophy of the government, I would be pleased to take that as notice and provide the member with whatever details I can at this time.

Mr. Mackintosh: Given that we are in Interim Supply now and the item is before us, we are going into a brand new appropriation now. It is not an appropriation which the Estimates book seems to suggest in that there were estimates last year on this line. That is not the case. This is a brand new \$1.5-million appropriation for which there has been no description.

I ask the minister if he would please provide the Legislature with the description before it begins to vote the money.

Mr. Toews: The description is, in fact, contained in the line referred to by my colleague, and I am prepared to give whatever detail is available to me at this time. I have indicated I have taken that question as notice. I will provide him with the appropriate information in due course.

Mr. Mackintosh: Was the minister saying that he is not in a position now to list the initiatives that are being funded under this appropriation? Surely, in coming up

with \$1.5 million, the government had some idea as to what would constitute that appropriation.

Mr. Toews: Mr. Chair, it is amazing coming from this member that he should suggest that I should outline exactly how that \$1.5 million should be spent by the community. This is an opposition that continuously accuses this government of not listening to the people.

The dilemma then that I would find myself in is I stand up and I list \$1.5-million worth of projects. This is money designed for the community to come to us to indicate this is an appropriate matter in respect of aboriginal justice, public safety or similar initiatives.

Had I committed to \$1.5 million here to the member for St. Johns (Mr. Mackintosh), then in a month or two the community groups out there would be saying what about us? Was this not appropriated for us to make input, so that we can convince government and the Legislature of the appropriateness of the program?

I think my colleague is simply playing politics. I have indicated to him that what I will do is indicate what projects have been approved. I indicated that the Minister of Northern and Native Affairs, in fact, indicated three projects yesterday. If there are additional projects that I can give him information with or about, I will do so.

Mr. Mackintosh: I had some recollections of the former minister's demeanor and approach to issues during the course of that diatribe. I asked the minister is he saying that the \$1.5 million is now a fund to which individuals can make an application to the government. Is there some program that has not been announced? At least the Minister of Northern Affairs (Mr. Newman) indicated three projects. Are there others? Obviously they have predetermined what that money is being used for because that is what the Minister of Northern Affairs said. Would he come clean and tell us what the money is being planned for? Is there going to be a fund or not?

Mr. Toews: If the Legislature approves \$1.5 million, there will be a fund. I have indicated the general parameters as to what that fund will be spent on. My hope is that, in fact, the community will have input into projects that will benefit the community. For far too

long people in government have said we know what is best for people in the community and have imposed various projects on them. We know this from the jobs creation fund that the NDP government developed for \$200 million. This is the one that the Leader of the Opposition (Mr. Doer) now says was simply designed to plant daisies.

I had the privilege and the opportunity of working for the Department of the Attorney General during the period of time for the Jobs Fund agreement.

* (1450)

An Honourable Member: Was that a real job?

Mr. Toews: Yes, that was a real job as opposed to what the member for Kildonan (Mr. Chomiak) thinks it is. It was a real job. I consider working for the public service a real job as opposed to what the member for Kildonan thinks. I think very highly of railroad workers, as well.

An Honourable Member: Some of my best friends.

Mr. Toews: The member for Thompson (Mr. Ashton) says some of his best friends are railway workers. I am proud to say that some of my best friends are railway workers, as well.

In any event, let me get back to my point. My point is this—

An Honourable Member: Are there other real jobs?

Mr. Toews: The member for Wellington (Ms. Barrett) wonders if there are other real jobs. If she has come this far in life and does not know the answer to that question, I am not going to go about explaining that to her.

In any event, let me deal with the \$200 million that the former NDP government spent planting daisies. Well, I was a lawyer in the Department of the Attorney General.

An Honourable Member: Oh, you were not a lawyer there.

Mr. Toews: The member for Transcona (Mr. Reid) says I was not a lawyer there. Well, if he does not think I was a lawyer there, I am not going to dispute that. Maybe I could get on with answering the question.

In any event, I was a lawyer in the Attorney General's department, working then for the Department of Labour. Two hundred million dollars, and it was my responsibility then to draft contracts for this \$200-million worth of jobs. What I did, I was to come up with a form contract, and I was a lawyer, and so obviously a lawyer would say that when I am drafting a contract, I should ensure that each and everyone of the obligations that both of the parties are to meet are clearly set out in that document.

So I did that, and I sent that up through the ladder, and it came back down to me, and the political masters of the day said, you know, this contract concerns me. I asked, well, why would it concern you? Because it looks too legalistic. I said I thought my job was, in fact, to draft a legal contract. Well, what you are doing, I was told, is scaring off people from applying for these funds. We want to leave this wide open so that people can apply and not be too worried about the legalese.

Point of Order

Mr. Chairperson: Order, please. The honourable member for St. Johns on a point of order.

Mr. Mackintosh: You know, to all those out there who understand the seriousness of violence and the level of violence in this province and how we have to seriously tackle it, I think the road the minister is going down is regrettable.

But I raise this point of order, Mr. Chair. I am sure the Attorney General of this province—and one who talks about his role in the legal profession—appreciates that there are certain things called lawyer-client confidentiality, and I just leave that with him.

Mr. Chairperson: Order, please. The honourable member did not have a point of order.

* * *

Mr. Toews: I would just mention now that I am the client that I used to advise, and if you want to talk about—[interjection] I am the client that I used to advise.

In any event, if I can please continue—[interjection] Well, you know, they do not want to hear. They ask questions, but they do not want to hear.

Some Honourable Members: I want to hear.

Mr. Toews: All right. Well, some of the members do want to hear. So I was told that this was simply too legalistic and that I should loosen up the terms of these contracts. I can go into the detail of what happened in those particular projects and whether or not jobs were, in fact, created—and this was for \$200 million. That was a government that said let us not have very clear criteria. Let us not worry the people who are getting the taxpayers' money.

Well, I am mindful of that concern, although I do not have the type of money that the NDP chose to blow during those years, very, very regrettably adding to the debt of our children rather than creating any jobs, but, using the words from the Leader of the Opposition (Mr. Doer), simply planting daisies. Well, I have \$1.5 million to administer as the Attorney General together with the Minister of Northern Affairs and Native Affairs (Mr. Newman) and which has to go through all the approvals.

Now, what I am saying with that \$1.5 million is that I, in fact, have an obligation to the people of Manitoba. My first obligation to the people of Manitoba is to ensure that they have input into the types of projects that money is being spent on, because we do not have the kind of money to throw away that the NDP government did during the years when they were in power.

Mr. Mackintosh: You know, it is time to get serious about a few issues in this province, and the first is violence, gang activity. I simply would like to ask the minister, is this \$1.5 million, which is identified as money for Justice Initiatives, for any kind of justice initiative?

What are the objectives of this fund? Is it to reduce violence? Is it to reduce gang activity? Is it focused on

youth? Is it preventative? Is it suppression? Is it intervention? What is it?

Mr. Toews: I would say that what the member for St. Johns has said are very, very good suggestions, and I would like to sit down in detail and talk about some of those suggestions with the member for St. Johns.

I know that the member for Inkster (Mr. Lamoureux) is the kind of person who invites me to the youth justice committees in his area and, you know, they identified some really, really good concerns. They identified concerns about training, about newsletters and similar types of things, and I agree with the member for Inkster. If we can use that kind of money to help youth justice committees, whether they are aboriginal youth justice committees, whether they are from northwest Winnipeg, whether they are from south Winnipeg, whether they are from northern Manitoba, we want to ensure that there is input from the community.

You know I would welcome, and I say this sincerely, I would welcome the sincere input of members opposite. If they know of community organizations out there that could benefit from some of these funds and that there is a project, why do you not as MLAs bring that suggestion forward so that we can work with those community groups?

Because that is what this fund is for. You know, I have tried to ensure that I, as Justice minister, do not simply appear in those ridings where we hold government. My responsibility is to the entire province, and I believe that that has been the practice of past ministers under our government, as well. That is why I went out to northwest Winnipeg where, admittedly, we do not hold a riding, but I know one thing, we have an MLA out there, even though he is not of our political party, who cares, and that is why he invited me. So I was pleased to come there.

* (1500)

When Chief Cassels had his community meetings, there were some that I attended, and regrettably I could not attend all of them, but I attended two of them. I attended one in northeast Winnipeg, where my riding is located, and I attended one in northwest Winnipeg. I might indicate, the member for St. Johns (Mr.

Mackintosh) was there, and together with the member for The Maples (Mr. Kowalski), they suggested things about youth justice committees, saying that we have to work harder with respect to the youth justice committees.

I agree and, you know, if the member has specific proposals and those are valid proposals and they come to me as government acting as the Attorney General or Minister of Justice, I am going to consider those proposals, because I know some of the areas of greatest need in our province are areas where we do not hold a seat and, therefore, we have to rely on every member of the Legislature to bring those problems to my attention.

I spent an afternoon a few weeks ago, a Friday afternoon, touring the core area of Winnipeg. Touring is perhaps not the appropriate word, but I went from place to place. I went with a member of the aboriginal community who wanted to show me what was going on, that not everything is negative in the core area, that there are good people there working hard, and he made certain suggestions for me. You know, what he was doing was educating me as the minister, by bringing to my attention situations that need attention.

So he showed me some of the development that is going on in 181 Higgins, the old CP station, and there are some tremendous things going on. This is not too far from the member's constituency. It might be right in his constituency. I am not exactly sure of the boundary there, but I do not think we have to talk about artificial political boundaries when we are dealing with issues of public safety and crime.

So those are the kinds of things that I would welcome members opposite to bring to my attention, and I—

An Honourable Member: The question has been asked. Why do you not answer the question?

Mr. Toews: Well, the member for Radisson (Ms. Cerilli) says why do I not answer the question that was asked. I thought I was, but perhaps I will be quiet now and see if, in fact, the member for St. Johns is satisfied that I have answered his question. I do not know.

Mr. Mackintosh: This is unbelievable, Mr. Chair. There is a \$1.5-million appropriation that is being

requested of this Assembly, and the minister cannot say what the framework, what the parameters of the spending is to be. Let us put the question this way. By the way, if youth justice committees, if improvements there are part of it, we certainly welcome that. Is that what this fund is for? Is this for projects that must have violence prevention as their objective? What are the parameters? Is there some document that the government has for us that can assist us in putting together ideas, because we have tons of them. The minister knows many of them from the Gang Action Plan. Most of those are community driven. They just need funding.

What are the objectives of the \$1.5 million? Certainly, it has got to be something more specific than simply justice. Is it not violence prevention? Is it not related to gangs? Please tell us. [interjection]

Mr. Toews: I note that the member for Inkster (Mr. Lamoureux) indicates that he thinks it is good that I am consulting with the community. I appreciate that measure of confidence. I have simply not said that this is just for justice issues. The moment I define exactly what it is for, exactly what project, the member for St. Johns (Mr. Mackintosh) will be up in the House saying this is a member who does not consult. I have heard time after time after time members from the New Democratic party attacking the Minister of Health, both this present minister and the former minister, in respect of not consulting, not consulting, not consulting.

The appropriation is as is indicated in the Estimates Book. This is properly a question for Estimates. I have indicated I will give him the detail that I can at the appropriate time. That appropriate time is Estimates. Clearly, issues related to aboriginal justice would fall within this parameter of this appropriation. Issues related to public safety would also. Issues related to victims.

I am very, very encouraged, for example, by a victims' program that has been conducted in the province of Manitoba. At present there is a pilot project relating to seven victims' assistance people throughout the province. A study has gone out in respect of that. Members of my department will be going to various parts of the province to consult. This includes places like Selkirk, Portage la Prairie, The Pas.

I believe one of the consultations will occur in The Pas in June, as members of my department have advised me.

I am interested in seeing whether this kind of Victims' Assistance Program can be expanded beyond the seven areas where it presently is working, working together with municipal officials, working together with police authorities. I think that this is a wonderful opportunity. I want to indicate that that is a very, very cost-effective program. It was I believe brought in by the former Minister of Justice. The budget line is about \$225,000. That budget line has been expanded or continued in this year's Estimates, as well. If we need additional monies for expanding that program or indeed funding related types of programs, I would see that as falling within that.

What I would ask the member for St. Johns is not to try to limit the types of projects that this money should be spent on but rather come forward with positive ideas so that monies that have been allocated or will be allocated are appropriately spent in accordance with the wishes of not just the community of Manitoba generally but indeed perhaps even benefit some of his constituents specifically.

Mr. Mackintosh: Since the minister says that this fund will be expended after consultation, what consultation process is in mind?

Mr. Toews: I have asked the member to bring forward proposals from his community, working together with community organizations. I believe that in his area there are many needs, and perhaps we can identify a community-based organization that can, in fact, meet some of these needs.

Some of the other consultations will be more formal, as I have indicated with the victim study. The study, as I understand it, has been submitted to a steering committee; that study should be out shortly. Members of my department will be going throughout Manitoba to consult with members of the public in respect of an appropriate utilization of funds including perhaps an expansion of these victim services. The preliminary indications are that this \$225,000-pilot project has been very, very well received in the communities. The

police support it; the municipalities support it; community workers support it. So if we can utilize some of those funds, if we need more funds, perhaps with the indulgence of the Legislature, we can utilize that type of fund. So the consultation should be done in a way that meets community needs. Whether the member wants to submit specific proposals, whether a committee wishes to submit specific proposals, whether the community directly wishes to submit proposals, I do not want to close the door and insist that the consultations will take place in one way or another.

* (1510)

Ms. Marianne Cerilli (Radisson): I have some questions for the Minister of Family Services (Mrs. Mitchelson) about the Children and Youth Secretariat. [interjection] I was just saying that I have a few questions for the Minister of Family Services about the Children and Youth Secretariat. This year's budget includes a ChildrenFirst initiative for half a million dollars as part of the Children and Youth Secretariat.

I am wanting to ask the minister that prior to this budget there were plans through the government's ChildrenFirst documents that identified the requirement to have five government departments identify 2 percent of their funding to be allocated for redistribution through the Children Youth Secretariat. I am wondering if this half million is money raised through that type of process, if this is money from each of those departments, and if the minister could tell us where from each of those departments the money that makes up the ChildrenFirst fund is from?

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Chairperson, I thank my honourable friend for that question. The half a million dollars that is in the Children and Youth Secretariat for the Families First initiatives is new money. It is not money that is redirected from any specific department. Along with that money will come redirected resources depending on what department or departments are involved in new initiatives. Also, we will be trying to lever dollars from other levels of government, from foundations, the private sector, or anyone who wants to get involved in dealing with the issues around children at risk and children in need of support in our community.

We all recognize and realize that government alone cannot do everything. I do not think anyone wants government alone to try to be all things to all people. We recognize and realize that community is a very vital part. Through the consultations that we have had through the secretariat, the consultations that took place as a result of the Families First document that we put out from the Department of Family Services, community has told us very clearly that they want to be involved in the solutions, that community organizations should have the opportunity to be involved, and that they do not want government doing it all, that they have the ideas, that they are closer to the neighbourhoods. If suggestions and ideas come forward where community organizations can best deliver a service that will serve the children and families and their communities, they want the ability to do that.

So this is, in fact, a pot of money that is new money from government, but indeed departments will be contributing as we identify the specific projects that will be undertaken. We will be seeking support from the federal government, from the City of Winnipeg. We will be seeking support from other foundations through the inner-city review process that is ongoing right now to ensure that the maximum amount of dollars is available for the families and children who need those dollars and those programs.

Ms. Cerilli: I thank the minister for that answer to clarify that this half million is new money. As I understand it, it is in a fund for the implementation and evaluation of new initiatives for high-risk children, youth and their families. I understand then that this is available for community-based organizations to apply with specific project ideas for how government could use this money to help them support the needs of children and youth. If that is correct, I am wondering if the minister can tell us what the criteria are for community organizations in applying for this fund. What is the process for applying? How is the government going to inform the community about these procedures? I will leave it there for now.

Mrs. Mitchelson: Mr. Chairperson, again, a good question. Thank you. We have seen—and I am sure my honourable friend has been involved or aware of different community organizations that have sponsored different activities. For instance, the speaker who was

brought in around the Perry Preschool program, where all community was involved in a fairly significant way and members of the Legislature were all invited to a briefing session on the benefits of early intervention and early child development, there has been community interest expressed. I know that CEDA, through their initiation, did bring the speaker in. I know that people who are involved with that organization are very interested in developing some sort of a proposal or a project and I think will consider that very seriously.

I would like to inform my honourable friend that we are looking to second people from the community into the secretariat. This is not just a government initiative. Although we need to co-ordinate our efforts and ensure that we are getting positive outcomes from the programs that we are delivering within government and co-ordinate that in a much better fashion, we also need to co-ordinate the community. The community wants to be involved in that, and we will be seconding people into the secretariat from the community who will help us to develop and to reach out to those we believe can best deliver the programs in the community.

There are certain organizations that have expressed interest in certain areas whether it be in support for programs and the gaps, quite frankly, that are there as a result of the consultations to the secretariat around fetal alcohol syndrome. There is a definite gap in provision of services for children with fetal alcohol syndrome and for those who are pregnant and at risk of giving birth to a fetal alcohol syndrome child. We recognize there is a gap and a real need. We will be working with the community to develop projects and proposals that will address that need in a very meaningful way.

Ms. Cerilli: I am wondering if the minister would provide me with the information related to this fund that would give community organizations the required procedure and criteria, the dates for when they could apply for access to this fund or how they can be partnered with the Youth Secretariat. There was an ad in the paper this week about one of the initiatives of this government delivering \$153,000 to the Children's Festival for a project to train at-risk youth in workshops, leadership so that they can train other youth in skills related to juggling and that kind of thing.

I am wondering if that is one of the initiatives under this program or how that initiative was funded. I am also wondering, since the minister has said that this is new money if the Youth Secretariat is still going through this process to identify areas in the provincial government where a different department should be transferring money to the secretariat to be reallocated to another department.

For example, the Minister of Education earlier, a week or so ago, said that preschool programs were not necessarily an educational initiative. I am wondering if that is one of the programs then that is going to be delivered through Family Services or the Department of Health.

The throne speech talks about how important these nutrition programs and preschool programs are for children. Is that the kind of way that the Children and Youth Secretariat is going to be reallocating money, and is it, in fact, using this example, her department, Family Services, that will then be providing the funds to pay for preschool and nutrition programs for kids?

* (1520)

Mrs. Mitchelson: Good comments. I think there are many different processes that will take place if, in fact, the money in the Children and Youth Secretariat can lever resources from outside of government or from some other level of government to augment or to ensure that we are all working in the same direction towards dealing with an issue that has been identified as a serious issue for children at risk. We will be attempting to do that in some instances.

In some instances it will be one or two or three different departments that will be partnering with resources from the Children and Youth Secretariat to develop another initiative. There will be several different I think very positive announcements over the next period of time that will very definitely be looking at new ways and new proposals for dealing with children and youth at risk. There will be partnerships that will be developed and for me to indicate what the criteria is right now I think is a little premature.

As we move through this process I would like to indicate to my honourable friend that the program that

she mentioned earlier on in her comments, the camp program was a project under the Winnipeg Development Agreement, all three levels of government supported through that process. My colleague the Minister of Urban Affairs (Mr. Reimer) would probably be better able to explain what the process was for the acceptance of that proposal, but I do want to indicate that as a result of the work of the steering committees that was ongoing last session, we have compiled three documents from the Children and Youth Secretariat that does state government's policy and direction for children and youth in Manitoba.

There are strategy considerations for developing services for children and youth, and there is also a document here that goes through many of the recommendations that were made by the steering committees, compiling them into the plan of action, the description, who will be involved in implementation, what departments and what steering committee the recommendation came from, who will be responsible for implementation and the status of some of those recommendations.

Some of them are already underway. There are some that will be announced very shortly, and there are others that will require some consideration and some further work. I would like to share these documents with my honourable friend. I will table them now, and maybe she can have an opportunity to look at them. We are serious about the work that was done by the steering committees. We certainly have a policy, and as a result of that work, we have established the ChildrenFirst fund in the secretariat to try to lever dollars and co-ordinate dollars to try to address the very specific issues that were identified.

Ms. Cerilli: Thanks to the minister for giving me another copy of these reports. I have begun reviewing them. I am just going to try and keep a few more comments brief so my colleague from Kildonan can also raise some questions. You do not have any? Oh, okay. One of the other things I wanted to ask the minister is the budget also makes the claim that currently the government is spending \$104.4 million on grants to agencies for children and youth at risk. I would like the minister to provide me with a list of those agencies and the dollar amounts that are going to each of them and generally the kinds of issues or

programs that are being run through those different government agencies.

I believe she is indicating that she is willing to do that, so I will just move on and ask a question.

Mrs. Mitchelson: Mr. Chairperson, I would like to take one second to indicate that is the money that goes to support our mandated Child and Family Services agencies, the \$104 million, throughout the province. There is a significant amount of additional dollars that is there to support children in other ways, through grants to New Directions, Marymount, Knowles Centre and Seven Oaks Youth Centre and all of the other activities, Children's Special Services, children with disabilities, Child Care, that is over and above. The \$104 million is specifically for our mandated Child and Family Services agencies.

Ms. Cerilli: I appreciate the minister clarifying that. It was not really clear from the budget speech. I guess it was in the budget speech where I got that from, but I am interested in that other list and perhaps it is in the annual reports from a variety of departments, but I know that the Children and Youth Secretariat has done the kind of pulling together of statistics. I read the strategic considerations document, and I know that from producing that they have gone to look at this cross-sectoral departments in government. I would appreciate getting a list of all the agencies that are receiving money through the different departments represented through the Youth Secretariat.

I want to ask a very specific question. There is one example that the government continues to use of how the Youth Secretariat is going to function, and that is the example of when they transferred some money from the Department of Health to the Department of Education to employ nurses and specialists to deal with disabled children in our schools. I am wanting to find out, I believe it is around \$400,000 that has been transferred, and I am wondering if that is annually that that amount is transferred from the Department of Health to the Department of Education, the number of staff that have been employed to work with special needs children through that program, the schools, the divisions where those professionals have been placed, and if there has been an evaluation of that program. It is now a couple of years since that has been

undertaken. I am wondering if it is an ongoing program if there has been an evaluation.

Mrs. Mitchelson: Mr. Chairperson, again, I do not have the detail from the Department of Education, but I know that many school divisions, and I would venture to guess all who have children who are technologically dependent or have high medical needs have received funding from that \$400,000 or \$450,000—I cannot remember exactly what it was now—to support those children in their divisions who need that kind of medical or nursing treatment. I know my colleague the Minister of Education (Mrs. McIntosh) could answer specifically on that. There is also money that has come to Family Services to Children's Special Services from the Department of Health to co-ordinate that service, so there is one central intake process for all of those who need that kind of support in our system whether they be preschool or school age.

So it is ongoing. It is money that was transferred a couple of years ago and it continues to be available in the education system. It no longer is funded through the Department of Health. The money in Children's Special Services is an ongoing commitment, so it is a year-by-year commitment. It was money that was taken from health and reallocated to try to make the service more co-ordinated and more efficient.

Ms. Cerilli: I am wanting to ask the minister specifically about one of the working groups in the Children and Youth Secretariat and that is the working group that was dealing with health incidences, and that was the working group that was charged with implementing the Postl report or developing a plan for the implementation of the Postl report. I notice from the documentation that I have received that there are many recommendations from that report that are not included in there, and I am concerned by that. I am wondering why the Youth Secretariat has not developed a specific plan for this very good report which has been around now for a few years.

Mrs. Mitchelson: Mr. Chairperson, I would like to get into that kind of detail through the Estimates process, and I hope we have the opportunity to do that. I would ask my friend to seriously take a look at the action plan that the Children and Youth Secretariat has developed. I am sure in there she will see recommendations from

that steering committee that are in the process of having action taken or will shortly be. So if she could look through this document and identify what she believes is missing and maybe we could have a thorough discussion around that when we get into the Estimates process when staff from the Children and Youth Secretariat are here to give me that detail.

Ms. Cerilli: I also want to ask about the \$300,000 that is also mentioned in the budget for nutrition programs. This is related to the question I asked earlier. Specifically, from which department is that money going to come from, and how is it going to be delivered? How are the programs, those nutrition programs, going to be delivered, through education, through community agencies? Again, is that new money or is that being taken from, for example, social allowances savings. There is also a reference in the budget that the savings from social allowances will be redirected into youth services, and I am wondering if that is what is happening with this money.

* (1530)

Mrs. Mitchelson: There are a couple of things I have to clarify in my response, Mr. Chairperson, and one is the reference to redirection of resources from social allowance is as a result of the national child benefit. That is a process that has been ongoing with the federal and provincial governments right across the country. In order to remove children out of the welfare system, the federal government will be providing support. Granted, it is only about \$600 per child as of the middle of 1998, but that will be increasing hopefully on a year-by-year basis, and therefore children will no longer be supported through the social allowances system right across the country. The federal government will be providing a national child benefit, so therefore the resources that the provinces presently spend to provide for children through the social allowance system will be redirected. We have made the commitment in Manitoba that all of those resources will be redirected to programming for children, whatever that programming might be or wherever the need might be. So that part of the Budget Address addresses the national child benefit.

Three hundred thousand dollars for a child nutrition program is in the budget of the Department of Family

Services, and that is money that we will be working with the community on in trying to understand where the greatest need is, whether it be school nutrition programs, preschool nutrition programs or whatever. It will have to be looked at neighbourhood by neighbourhood, community by community, assessing what is there and available today, where the gaps are and what needs to be provided.

It will not be the same. It will not be a universal program, I can tell my honourable friend that, because we need to identify what the specific needs are in specific neighbourhoods and then try to address those, but it will be working with community organizations to try to develop those neighbourhood by neighbourhood.

Ms. Cerilli: I am wondering if the Minister of Family Services has a dollar figure for this money they are expected to be able to redirect from savings in social allowance and if she can share that with the House today.

Mrs. Mitchelson: I would say that the money, by mid-1998, if we look at \$600 per child per year that would be provided by the federal government, I think our calculations are somewhere around \$12 million to \$15 million that would be able to be redirected into very proactive programming for those children that are in need or at risk in our province.

Ms. Cerilli: That is \$12 million per year. Would that money be coming through the Department of Family Services or would it be going through the Youth Secretariat or would it just be considered as coming into general revenue with the Department of Finance? I am just wondering where through the process that money is going to be used.

Mrs. Mitchelson: Mr. Chairperson, I would venture to guess that probably my colleague the Minister of Finance (Mr. Stefanson) in next year's budget would look at—we would be looking at those dollars based on what might come to Manitoba families from the federal government, but I would venture to guess that some of the programming might happen through the Department of Family Services for children with needs in my area. Some might be going into the Children and Youth Secretariat for co-ordination of services. There might be some issues in Education that might need to be

addressed, or Health, probably those recommendations that have come forward to us from the community that we will be acting on or whether it be the Department of Justice in dealing with children at risk or those that are involved in gang activity.

I cannot even begin to guess what the priorities will be in the middle of next year, but I am sure that a lot of the things that we are working on today will still be issues that need to be addressed over the upcoming years, so we have made a commitment to ensure that the money goes to children at risk. We will develop programs as we see the need, based on what the community tells us.

Ms. Cerilli: I want to go back to the issue that I was raising earlier then with respect to the Children and Youth Secretariat. Is the secretariat still planning in—their priority mandated area is to try and find new ways to co-ordinate services so that there are not gaps between departments so that kids and families are not falling through the cracks?

With that in mind, are they still going to be going through a process of identifying funds in each of the departments that will be reallocated through the secretariat?

Mrs. Mitchelson: The secretariat indeed will be the facilitator of the moving of funds from one department to another to try to have a co-ordinated approach. I will say, it will not be a 2 percent solution. If, in fact, the Department of Family Services needs to contribute 4 percent from a certain program and there does not need to be money from any other department, we will look at where the priorities are, what programs are working, which ones are not and which ones we can take resources and reallocate to new initiatives.

So it will be a process of determining program by program after identification of a need in the community for reallocation of resources. There will not be a set number but as the money is needed to be transferred from Health to Family Services or from Family Services to Education, that will take place.

Ms. Cerilli: My last question, just to clarify again, when will the criteria for accessing the half million dollars through the ChildrenFirst fund be ready? When

can community organizations expect to start being involved in partnering to access those funds?

Mrs. Mitchelson: I want to indicate that the community is already involved in working with the secretariat and with different government departments around new initiatives. As we develop those initiatives, we will be making joint announcements with community organizations from time to time. We will be going to other funders to try to lever resources. There is a real desire by all of the funders in the city of Winnipeg specifically to ensure that we are all funding together the areas where there are gaps, the areas where there are need and the areas where we are seeing results for the dollars that we are spending.

Mr. Chairperson: Shall we proceed to consider the bill by groups of clauses? [agreed]

Clauses 1 through 6 pass—pass; preamble—pass; title—pass. Is it the will of the committee that I report this bill? [agreed]

Committee rise. Call in the Speaker.

IN SESSION

Committee Report

Mr. Marcel Laurendeau (Chairperson of Committees): Madam Speaker, the Committee of the Whole has considered Bill 10, The Interim Appropriation Act, 1997 (Loi de 1997 portant affectation anticipée de crédits), and has directed me to report the same without amendments.

I move, seconded by the honourable member for St. Vital (Mrs. Render), that the report of the Committee of the Whole be received.

Motion agreed to.

REPORT STAGE

Bill 10—The Interim Appropriation Act, 1997

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I move, seconded by the Minister of Environment (Mr. McCrae), by leave, that Bill 10, The

Interim Appropriation Act, 1997 (Loi de 1997 portant affectation anticipée de crédits), reported from the Committee of the Whole, be concurred in.

Motion agreed to.

THIRD READINGS

Bill 10—The Interim Appropriation Act, 1997

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable Deputy Premier (Mr. Downey), that Bill 10, The Interim Appropriation Act, 1997 (Loi de 1997 portant affectation anticipée de crédits), be now read a third time and passed.

Motion agreed to.

Tabling of Sequence

Mr. McCrae: Madam Speaker, pursuant to Rule 65(6.2), I am tabling for honourable members the Estimates which has been agreed to by the opposition House leader (Mr. Ashton) and myself.

* (1540)

House Business

Mr. McCrae: On a matter of House business, I have a motion to move this afternoon in response to the appeal made yesterday by the opposition House leader to myself, Madam Speaker. My motion will reflect my response to that, but in his comments yesterday the honourable member referred to a long-standing tradition in this House that during the winter break the House not sit.

He referred also to the fact that a number of members have opportunities at this time of the year to spend some time with their families, and it is true that there are members on our side and perhaps on the other side, as well, who were planning to sit next week and were willing to sit. I believe a consensus has been reached whereby in response to the points raised by the opposition House leader, we should agree that the House not sit next week.

So, Madam Speaker, I move, seconded by the honourable Minister of Family Services (Mrs. Mitchelson), that when the House adjourns today it

shall stand adjourned until Monday, April 7, 1997, at 1:30 p.m.

Madam Speaker: Does the honourable government House leader have leave? [agreed]

Motion agreed to.

ROYAL ASSENT

Deputy Sergeant-at-Arms (Mr. Roy MacGillivray): His Honour the Lieutenant Governor

His Honour W. Yvon Dumont, Lieutenant Governor of the Province of Manitoba, having entered the House and being seated on the throne, Madam Speaker addressed His Honour the Lieutenant Governor in the following words:

Madam Speaker: May it please Your Honour:

We, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and government and beg of Your Honour the acceptance of this bill, Bill 10, The Interim Appropriation Act, 1997; Loi de 1997 portant affectation anticipée de crédits.

Mr. Clerk (William Remnant): His Honour the Lieutenant Governor doth thank Her Majesty's dutiful and loyal subjects, accepts their benevolence, and assents to this bill in Her Majesty's name.

His Honour was then pleased to retire.

Madam Speaker: Is it the will of the House to call it four o'clock?

Hon. James McCrae (Government House Leader): On behalf of all of my colleagues, might I extend to yourself and to all honourable members and staff in this place the happiest and most peaceful of Easter weekends.

Madam Speaker: I thank the honourable government House leader.

The hour being 4 p.m., this House is adjourned and stands adjourned until Monday, April 7, 1997, at 1:30 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, March 27, 1997

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