



Third Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 6, 1997

The House met at 1:30 p.m.

Mr. Clerk (William Remnant): I must inform the House of the unavoidable absence of Madam Speaker, and therefore, in accordance with the statutes, call upon the Deputy Speaker to take the Chair.

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

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Gerry McAlpine (Acting Chairperson of the Committee of Supply): Mr. Deputy Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for Turtle Mountain (Mr. Tweed), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS

Flood Conditions Update

Hon. Glen Cummings (Minister of Natural Resources): Mr. Deputy Speaker, I would like to give a brief update of the flood conditions, followed by a report from the Minister of Government Services (Mr. Pitura).

I am pleased to report that the river levels have declined gradually at most points. In the last 24-hour period the river fell between a quarter and a half a foot

between Emerson and the floodway inlet. In Selkirk areas, the levels fell about a quarter of a foot. The level at Grande Pointe fell about an inch and is now three-quarters of a foot below its previous crest.

River levels will continue to fall during the next 10 days or so and then somewhat more rapidly, unless we get significant rainfall. A minimal rain of 10 millimetres would not have a significant effect, but if we get 25 millimetres or more during the next 10 days, we should be aware that that could slow the decline of the levels in the river. We do believe that the levels in the city of Winnipeg will remain above 20 feet until mid-May, even with favourable weather.

The 1997 crest elevation of the river in downtown Winnipeg, the Red River, has been computed to be an equivalent of 34.5 feet, the same on the crest of 1852. In 1776 and 1826, those floods would have equalled 36.5 feet. The 1950 flood crest, for interest, would have been 30 feet, or was measured at 30 feet.

* (1335)

The extreme flows we have seen in the Red River combined with flood flows on the Winnipeg River are creating unusually high levels in Lake Winnipeg. I would like to point out a matter of interest, that the latest forecast of Lake Winnipeg is that it will rise to 715 and a half feet, about a half a foot higher than last year. If we receive above-average precipitation, the lake could rise to 716. The present level of this lake is 714.9, and Manitoba Hydro has been increasing outflows from the lake at maximum possible rates for the past number of months. A point of interest is that in 1974 when this lake was not yet regulated, the lake rose to 718.1.

Manitoba Emergency Management Organization Update

Hon. Frank Pitura (Minister of Government Services): Mr. Deputy Speaker, I just wanted to update the House on some of the things that are happening with the Manitoba Emergency Management Organization. Much of the discussion right now is with

regard to re-entry, getting back to the communities, for people to get back into their homes.

A re-entry committee has been established, and they have met with local officials throughout the flood area and have put together a re-entry format and process to be followed, and that has been agreed to by all the local authorities.

Just some of the areas that re-entry takes into consideration, Mr. Deputy Speaker: Along the provincial line, there is the restoration of roads, temporary crossings and bridges; the logistical transportation for materials and equipment that have to get into these communities and into these residences; the floodway rehabilitation; debris removal from all of these water channels; dike restoration which needs to be undertaken, and the salvage of materials, materials that may have been wet but are still salvageable. Then, of course, there is the re-entry pass system controlled through municipalities so that municipalities can still have, as their first priority, the protection of life and at the same time still allowing people to go through to their property to inspect it and to make sure that everything is working properly.

In the area of municipal government, road access and restoration of bridges is also a very major concern for them, because they lost a lot of roads and a lot of bridges as a result of this flood. Then there is the rehabilitation of the public facilities that are under their purview, the rehabilitation of institutions, such as schools and hospitals and care homes, a number of which are in water as of today. Then they also have the problem of debris removal, dike restoration, the local security that they require to ensure that the safety of their residents is uppermost and, of course, clean-up assistance to all the elderly and special needs residents within the community—they will need support and assistance there—and the assessment of the integrity of all the structures and bridges that are in their jurisdiction.

So this re-entry is moving along slowly. As of today, Dominion City and Letellier are gaining re-entry back into their communities, but the armed forces are still well deployed here in strengths of 8,000 members plus. They have been deployed throughout the entire flood area assigned to do various tasks. We had the pleasure

of meeting with the armed forces this morning, and they informed us that their tasks in the Petersfield area, the Selkirk area, the R.M. of St. Andrews, R.M. of East Selkirk have more or less—they have responded to the call. They were out there in full force yesterday and have told us that today that request has been filtered down so there is not that great need anymore.

I would also like to take this opportunity, Mr. Deputy Speaker, to thank the joint forces, the army, the navy, the air force and all the reserves that are here in Manitoba helping with this effort. We have all three forces here and, as well, the reserves who have come here to volunteer to assist in this flood fighting effort.

The Manitoba Emergency Management Organization, Mr. Deputy Speaker, is still continuing to staff the emergency operation centre on a 24-hour, seven-day-a-week basis, or as the joint forces put it, 24-7. There is, however, a dramatic dropoff in calls so that the number of staff manning the emergency operation centre will probably be reduced later on this week.

The other area is the disaster financial assistance, and as I indicated yesterday, the office was opened to start business. As of today, they are having a tremendous number of telephone inquiries with regard to disaster assistance, so they are now in the process of putting additional staff into place to be able to answer all the telephone queries.

This gives us an update for today.

* (1340)

Mr. Stan Struthers (Dauphin): I too wish to join with the Minister of Government Services in congratulating and thanking the Canadian forces who are working in our area. In particular, it was pointed out to me that in the St. Norbert area the reservists and Air Command have been particularly diligent and resourceful in helping fight the flood of 1997 and that we should pay particular attention to them.

I also want to encourage the government in its plans with its committee for re-entry into houses and communities that have been hit by the flood. I want to point out that a lot of attention has been paid to houses in the Red River Valley and Winnipeg and that, as we

need to be vigilant in keeping our eye on what is going on in that part of the province, we also have to be fully aware that the water is still heading northward, is still affecting many people in the north of Winnipeg and the Selkirk area, and at some point now we must start to concentrate our attention on Lake Winnipeg and the communities that draw their livelihood from Lake Winnipeg and all parts of that part of our province.

Not only Lake Winnipeg will be experiencing problems, as has been pointed out by the Minister of Natural Resources (Mr. Cummings), but rivers north of Lake Winnipeg will also see an increase in water levels. That will be without doubt. Any precautions we can take to mitigate the damages that will appear in northern Manitoba will be much appreciated by this side of the House and by the people of that area, but there is no doubt that that part of our province as well, the North and the people who live in northern Manitoba, will eventually feel the effects of this flood as we have here in the southern part of our province. Along with that, I include Lake Manitoba which will also experience an increase in water levels in the very near future, and of course again that presents all kinds of problems as we have seen in the past for farmers and ranchers and people who live along Lake Manitoba.

So, with that, Mr. Deputy Speaker, I want to make sure that everybody is aware that the problems, although we hear reports that the water levels are decreasing slightly, we still need to be vigilant with waves and with the rainfall. We also have to be mindful of the effects of this water as it flows through our system to Hudson Bay and the effects that it will have on the people in northern Manitoba.

Thank you, Mr. Deputy Speaker.

Introduction of Guests

Mr. Deputy Speaker: Before Oral Question Period, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today His Excellency Dr. Kyaw Win, Ambassador of the Union of Myanmar to Canada.

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

* (1345)

ORAL QUESTION PERIOD

Disaster Assistance Cost-Sharing Formula

Mr. Gary Doer (Leader of the Opposition): Mr. Deputy Speaker, there is a lot of concern by municipalities over the disaster assistance coverage and what they will be eligible for. In 1992, according to the disaster financial assistance policy, the Disaster Assistance Board was proposing to the provincial government that where damages amount to more than \$1 per capita on a provincial basis that the cost-sharing formula could be waived and changed.

I would like to ask the Premier: Have they looked at this recommendation from the Disaster Assistance Board, and what is the present status in terms of the very, very major costs the municipalities will have to bear with this flood even though it is only at the 10 percent level?

Hon. Frank Pitura (Minister of Government Services): Mr. Deputy Speaker, when disaster hits, of course, it is a very traumatic experience for most of us, and it is something that we always almost feel that it is not our fault; it is somebody else's fault and we should be looked after.

I think in regard to the provincial-municipal cost-sharing and the federal-provincial cost-sharing that this is a formula that has been worked on for many years and put into place, and of course in discussions with municipalities we realize that there are concerns for municipalities in that regard. I think it is necessary for us to have a pretty good handle on what kinds of damages we are looking at in real dollars before something like this is brought to the foreground as a point of discussion.

Deductible

Mr. Gary Doer (Leader of the Opposition): I would point out that this is a recommendation to the government that was made to them in 1992 by people that are experts on disaster assistance, and it was contained within their public document.

A further concern, listening to evacuees, Mr. Deputy Speaker, and I would ask the Premier this question.

Last week the Premier quoted the Quebec Saguenay disaster assistance to agree to the suggestion to go \$100,000 in terms of changing the limit from \$30,000 to \$100,000 for victims of this flood, particularly victims who are not able to buy or purchase flood insurance here in the Red River flood plain. We have looked at further conditions of the Quebec situation in the Saguenay region last year, and it is our understanding that the 20 percent deductible was also waived and not required by victims in the Quebec Saguenay region. This deductible remains in some provinces, but provinces like Alberta that have gone through more recent disasters with the tornado and other floods in the province of Alberta have waived this deductible. Can the Premier advise the people of Manitoba what is the status of this 20 percent deductible and its impact on the livelihood and lives of disaster victims?

Hon. Gary Filmon (Premier): We have been investigating all of those policies as well. In the case of Quebec, they have some criteria which they have put forward in their disaster assistance policy, but they also have done things that are pertinent only to the Saguenay disaster, given the magnitude and the unprecedented nature of it. In the case of the Saguenay disaster, the member is correct when he says that they did have a provision for waiving the deductible, but it was only in the case of a total loss of property. That did happen in the Saguenay where there was this torrential storm that went through, the flood that actually wiped out not only the dwelling but the land on which the dwelling was located. In the case of a total loss, they did have a provision for waive—but under the normal claims in which repairs were able to be effected, then that did not apply.

I want to point out, because there is certainly, I think, a tendency on the part of people to look at this in isolation and say it is a terrible circumstance and why do we have any deductible at all. I want to make the point that across the country disaster assistance programs have taken into account the fact that this is in lieu of being able to purchase insurance, and that has always been one of the principles there. On the other hand, it was always felt that the compensation should not be more generous than that which you could get if you bought insurance. Recognize two things: One is that people who would have insurance would firstly be

paying premiums, which they are not in this case; and secondly, they would likely be subject to deductibles in all cases. So in this case it is unreasonable for them to do neither, not pay premiums and not be subject to a deductible but be given everything. The only circumstances in which they felt that was warranted in the Saguenay instance was if there was a total loss of the property, dwelling and everything under the claim.

Mr. Doer: Of course, under the rules and guidelines that were circulated in April of 1997 and revised, I suppose, with the change from \$30,000 to \$100,000, not, quote, everything is covered. People do not, quote, get everything that is damaged or lost during the flood. So that condition then would be similar to insurance. For people that cannot get insurance for flood is not the same, and I would suggest that some sensitivity should be made in that regard.

Mr. Deputy Speaker, the people in Ste. Agathe look at the situation in Grand Forks where President Bill Clinton apparently promised 100 percent damages for the flood, for the victims of flood in that community. The more recent changes to disaster assistance have taken place in the province of Alberta where they have waived this 20 percent deductibility because of the hardship it represented to the tornado victims and flood victims.

I would like to ask the Premier: Has he looked at Ste. Agathe versus Grand Forks? Has he looked at Alberta in terms of Manitoba?

I recognize that some provinces have maintained deductibles. I agree with the Premier, but other provinces actually that have more recent disaster experience have changed that based on the sensitivity of restoring people's lives as much as possible as victims of these disasters.

* (1350)

Mr. Filmon: The answer, Mr. Deputy Speaker, is that, yes, we have looked at the various different programs. We have a great variety. New Brunswick, for instance, has a maximum payment of \$75,000. Saskatchewan has a maximum payment of \$30,000. British Columbia has a maximum payment of \$100,000 with a 20 percent deductible. Every province does have different circumstances.

I think it is incumbent on us to try and compare the circumstances that are faced here, to try and take a reasonable view of it but recognize as well that whatever rules we set are also going to be there for future eventualities and that this is an unprecedented civil disaster. In this case, I think it is fair to say that the lion's share of the disaster assistance costs will be picked up by the federal government. There may be many other disasters such as a localized flash flood in a small community, such as some forest fire circumstances or a brush fire circumstance in which the lion's share will be picked up by the Province of Manitoba.

So whatever rules we set are going to apply to us under those circumstances, and it may well be that we are picking up 75 percent of the costs in a future disaster. So there may be a tendency to say, well, because the feds are picking up the lion's share, we set generous limits today. I do not believe that is the way we ought to do it, but we ought to try and look at ways in which the system provides for the greatest fairness possible and recognize that ultimately we are providing on an ex-gratia basis payments for losses that are not covered by insurance, cannot be covered by insurance, and so people pay no premiums for them. Therefore, where is the requirement for people to take some responsibility themselves for this, knowing that in many cases they are building consciously on a flood plain?

Rural Stress Line Funding

Ms. Rosann Wowchuk (Swan River): Some people in rural Manitoba are returning to their homes and others will have a very long wait, and the effects of the flood will be long-lasting. The physical losses will be easier to deal with than the emotional stresses that will continue for a long time. The Premier said on April 30: No efforts will be spared to continue to fight the flood. Our objective at this point is to provide them with comfort, relief and assurance that the government and Manitoba and indeed all citizens of the province will stand behind them and will continue to stand behind them.

We used to have a rural stress line, but the government did not recognize the value of it and eliminated the funding. Given the crisis facing rural

Manitobans, will the Premier recognize the importance of this line and immediately reactivate the line so that service will be available for rural Manitobans as they face this crisis?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, I realize that this provides good fodder for debating political issues about decisions of government in times of stress, but I say this, that there were many, many things that were looked at. Firstly, there are stress lines that are available throughout the province of Manitoba for a whole host of reasons. My recollection was that the cost per call on the rural stress line, because it was a separate and distinct service compared to generally utilized services available for a variety of purposes throughout the province, was something to the effect that the generally used services were in the range of \$10 a call, and the rural stress line was in the range of \$200 or more a call.

So we have to look at the efficacy of every decision we make. You just cannot say, well, hang the expense, this sounds like a good idea so let us do it. You have to have some basis of deciding whether it is reasonable to provide the service. When it is 20 times the cost of other available stress line services, those are not the kinds of decisions that you make.

Ms. Wowchuk: Mr. Deputy Speaker, does the Premier not understand that there are going to be additional calls? There is a tremendous amount of stress out there. The lines that are in place under Klinik will not be able to meet that demand. People have been trained to deal with rural issues, and these people are not being called in. Will they immediately bring back those people who have special training to deal with rural issues and ensure that service is available for rural Manitobans as they face this crisis?

Mr. Filmon: With all due respect, Mr. Deputy Speaker, many of us have been working very hard and interacting with people from all levels of government, with people in stress in our communities, with leaders who are put under enormous stress by challenges that they never dreamed could be put on their doorstep. We recognize that there is a need for people to be addressed in this time of need.

* (1355)

I will tell you that there are central lines right now through our Emergency Management Organization that have psychologists available, central answering services that if somebody is in difficulty, under that kind of stress that the member talks about, they are put right through to somebody who can help them. These are people who are part of our Emergency Management Organization, trained psychologists who are part of the team. When I went to see the team, they include engineers, so that if people are concerned about technical details of what might happen under these circumstances, changing flows, changing levels, what is the effect of the floodway on this, they have engineers there available to them that immediately take those calls. They have people there with logistics training; they have people there from the Highways area; they have people there from every area of Government Services, and they have trained psychologists.

So believe me, we are concerned about it, so concerned that we have put specialized people in place to answer their needs when they have those needs, and I believe that is a far more effective service than setting up a service at 20 times the normal cost to provide for something that did not get a lot of calls, quite honestly.

Mr. Deputy Speaker: The honourable member for Swan River, with her final supplementary question.

Ms. Wowchuk: Thank you, Mr. Deputy Speaker. I want to assure the Premier that I do not want to discredit anybody. I know that people are working very hard to help—

Mr. Deputy Speaker: Order, please. Could I ask the honourable member to put her question now. There is not the opportunity to put the preamble.

The honourable member for Swan River, with her question.

Ms. Wowchuk: As I put my question, I want to give the Premier credit for getting all those people in place.

Does the Premier not recognize that these are very serious situations? There is a lot of emotional stress. What we are asking for is that the supports be there in a preventative way to ensure that the government does

not have higher costs to pay when people end up with emotional breakdowns and end up in hospital. Mr. Deputy Speaker, \$80,000 is minimal in the whole scheme of things, when we have to ensure that people in rural Manitoba have the services that they need, that they do not end up with emotional breakdowns.

* (1400)

Mr. Filmon: With all due respect, Mr. Deputy Speaker, the member is mixing apples and oranges. She is attempting to essentially bootleg an issue that she was arguing about for the last year and a half in this House, an issue for which there was more than ample justification, and trying to change it here into an issue of whether or not people who are in stress today are getting the kind of support they need to prevent the eventuality she is talking about. I told her that through EMO we have psychologists and trained personnel available to deal with people who are in stress. I am telling her as well that Klinik has added people, available through a flood stress line. So the resources are there for the emergency that we are encountering now with the flood and also under other circumstances as has been adequately talked about in this House over the past year and a half. It is not I who does not understand the circumstance; it is the member for Swan River.

Disaster Assistance Cost-Sharing Formula

Mr. Tim Sale (Crescentwood): Mr. Deputy Speaker, on March 6, 1989, the Manitoba Disaster Assistance Board wrote a new policy which it sent to all municipalities. I just quote from that policy: The board proposes that where damages amount to more than \$1 per provincial capita, that the provincial-municipal cost-sharing formula no longer apply. Further in that same document, the Province of Manitoba under Section 4(4)(1): The Province of Manitoba/minister may waive all or any portion of the municipal business and/or individual financial share of disaster costs.

In the new manual presented to us last week, under Section 4(2)(1) this exemption has disappeared, this ability to waive has disappeared. This is putting an incredible burden on municipalities such as Ritchot, Macdonald and others. Will the Premier reinstate the

former provision which allowed for waiving of the municipal share over the individual thresholds that were in place in 1992?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, the member opposite is in a position, of course, which is that he can be a critic on all things at all times and that he can take all sides of the issue. The circumstances of this are that it is an unprecedented civil disaster, an unprecedented civil disaster for which everybody is going to be bearing some share of difficulty and ultimately share of cost. I know that the federal government will be paying out substantial amounts of money that they did not plan for and that they are going to have large responsibilities for. I also know that our provincial government is going to be paying out a lot of money. In fact, he and other critics have tried to make the point that we are going to have these huge draws on our Treasury and that under our balanced budget legislation we are not in a position to be able to adjust for them. Now he is asking us to take the responsibility for more because he says it is unfair that municipal governments should have to pay a share of these costs. Individuals will also bear a share of the responsibility.

Mr. Deputy Speaker, he cannot have it all ways. He cannot tell us that we do not have enough flexibility to bear our share of the costs and then tell us to bear somebody else's share of the costs as well because he thinks that is good politics.

Mr. Sale: Mr. Deputy Speaker, will the Premier, who knows that the balanced budget legislation provides for exceptional situations such as disasters of the kind that we have experienced, simply restore the formula that was in place in 1992 which allows municipalities to not have to pay more than the share of the first \$6 million on the various sliding scales that are provided for in the 1992 formula? Will the Premier not recognize that in some R.M.s' cases their 10 percent share will exceed more than twice their annual tax revenue? Will he not recognize that sharing the burden is a principle on which Canada and this province have always been acting? That is what a million people do; they share the burden. Will he share this burden?

Mr. Filmon: Mr. Deputy Speaker, I find it absolutely astounding that the member does not understand that

what I proceeded to tell him at some length in answer to the first question was that we are sharing the burden, that we will be spending, I do not know, \$15 million, \$20 million, even more as our share of that burden. It will be a very significant share of that burden, and that is the way the program is set up, that there are many partners in the sharing of the burden, including of course the federal government, the Province of Manitoba, municipal governments, individuals and businesses throughout the province. That is exactly what is going to happen.

Mr. Deputy Speaker: The honourable member for Crescentwood, with his final supplementary question.

Mr. Sale: Mr. Deputy Speaker, will the Premier not recognize that even if we paid \$50 million from the province to our share of this, that would be 1 percent, slightly less than 1 percent of our annual revenue? He is asking municipalities to pay something over a hundred percent of their annual revenue for their share. Does he not see the unfairness in this?

Mr. Filmon: Mr. Deputy Speaker, I am not going to make ad hoc policy here based on a critic's desire to get some publicity. What I am going to do is, as I have always done—

Mr. Deputy Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): On a point of order, Mr. Deputy Speaker, I was wondering how long it would take us to get into this, and of course in this case once again the Premier is leading the way and violating Beauchesne 484 which is very clear about not imputing motives. It is very obvious, I believe, if you look, the member for Crescentwood is simply asking the Premier a question related to policy. I would appreciate if you would ask the Premier to withdraw his remarks and to answer the question without the kind of political statements that we are getting from the Premier on this very, very important issue.

Mr. Deputy Speaker: The honourable Premier, on the same point of order.

Mr. Filmon: Mr. Deputy Speaker, asking about fairness is not a policy question. That is making

judgments, and the member was way off base. I do not think I in any way impugned motives to him.

Mr. Deputy Speaker: I would like to thank the honourable members for the information on the point of order. I am going to take it under advisement to just clarify exactly what was said, and I will get back to the House with the information.

* * *

Mr. Deputy Speaker: The honourable First Minister, to complete his remarks.

Mr. Filmon: Mr. Deputy Speaker, the point that I make is that, as a responsible government, we always evaluate the circumstances that face us. We do not even have quantifiable estimates of what is being faced in some of these municipal jurisdictions let alone actual bills being submitted for payment at this point, so for us to make policy from the seat of the pants would be absolutely irresponsible. It may be something that is in the interests of the member for Crescentwood as part of his normal policy development, but it is not in anybody else's interest in our society.

* (1410)

Flooding Impact on Northern Manitoba

Mr. Steve Ashton (Thompson): Mr. Deputy Speaker, these past several weeks in northern Manitoba the support for the people affected by the floods has been unprecedented. There are fundraising efforts going on, and I thought probably the most touching comment I heard when I was in Nelson House, a community that was affected by permaflooding more than 25 years ago, when, indeed, a member of that community said that we are all Manitobans and we all have to chip in.

I want to ask, and appreciating the fact that the No. 1 priority has to be to fight the flood in southern Manitoba, if either the Minister responsible for Hydro or Natural Resources can give an update on the impact that the increased levels will have on a number of communities. I know in Split Lake, they have already been told that one of their roads, the main road in the community will probably be flooded. I believe

Highway 373 is in the same situation in a couple of spots potentially, and certainly parts of Cross Lake may be cut off from each other. I would like to ask whichever minister can perhaps give the best update on that what the current circumstances will be on the downstream impact of the increased water levels.

Hon. David Newman (Minister charged with the administration of The Manitoba Hydro Act): Mr. Deputy Speaker, I can respond specifically with respect to Split Lake. I do have information on that at this time. My understanding from Hydro is that we are anticipating high flows into Split Lake and expect the level to rise from the present 549.5 to 553.25. It is anticipated it will flood a small corner of the reserve land near the graveyard. This has happened before, and compensation can be claimed under a fixed formula under an existing agreement with respect to that matter outside the Northern Flood Agreement.

Mr. Ashton: A supplementary: Perhaps I will focus this on the Minister of Highways, and I would indicate I know Cross Lake is potentially affected as well. I would like to ask the Minister of Highways what role his department will be playing in ensuring that 373 is not cut off in terms of accessibility. The communities of Cross Lake and Norway House rely on that as their connection to the outside world. I would also like to ask if the Department of Highways will be working with the communities that will be affected on road access, because my understanding is, internally within communities, you may see parts of the communities cut off, for example, from the nursing station, from stores and other vital services.

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Deputy Speaker, I can assure the member that Highways will work with the communities to maintain access to the outside world. There are ways and means in which that can be done, whether it is pilot vehicles or whether it is using just one lane, whether it is building up the road over a short stretch to keep it above the water. All those ways and means will be assessed in conjunction and communication with the communities. That I can assure the member.

Mr. Deputy Speaker: The honourable member for Thompson, with his final supplementary question.

Mr. Ashton: As a final supplementary, I will return perhaps to the Minister responsible for Hydro since the communities that are most affected are the Northern Flood communities because of the increased levels already from the control structures. I would like to ask whether the minister, either in his capacity as Minister responsible for Hydro or in his capacity as Minister responsible for Northern and Native Affairs, will ensure that every action is taken, similar to what Highways will be doing on the highway structures, to keep the communities open and to make sure that the roads are not cut off for any great length of time, because I know in Split Lake there is a concern that if it goes up any more, part of the community will be cut off from the other part of the community. People will not have access to vital services.

Hon. David Newman (Minister charged with the administration of The Manitoba Hydro Act): Thank you very much for bringing that to the attention of the House. That definitely is something that will be monitored and communication is the key. You have given good notice, and I will take this into consideration and bring it to the attention of Manitoba Hydro.

Disaster Assistance Deductible—No-Interest Loans

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, my question is either for the Premier or the Minister of Finance (Mr. Stefanson).

An individual who has a \$20,000 claim is looking at approximately a \$4,000 deductible, and for someone that might be on somewhat of a limited income, acquiring those sorts of dollars is going to prove quite difficult. Given the circumstances surrounding the flood, has the government given any consideration in providing things such as no-interest loans so that people could actually acquire the dollars necessary in order to meet the potential for deductibles? Is the government looking at that issue at all?

Hon. Gary Filmon (Premier): I want to repeat the point that I made earlier with respect to the questions of the Leader of the Opposition. That is that under this disaster assistance program individuals are being treated in a manner that reflects the fact that: (a) they pay no premiums, which they would have to if they had

insurance coverage, and (b) that they would still have deductibles in all likelihood, and so they have deductibles here.

The disaster assistance program, as I understand it, and I can be corrected by the Minister of Government Services (Mr. Pitura), is so flexible that in some of the circumstances people's own efforts in restoration can qualify for payments. So, in other words, part of that deductible they can virtually save by virtue of doing some of their own work, so those are flexible circumstances. I think that the program is very, very flexible, whereby they essentially are paid for doing their own work, and that can reflect the cost of the deductible to some degree.

Mr. Deputy Speaker: The honourable member for Inkster, with a supplementary question.

Mr. Lamoureux: Mr. Deputy Speaker, what I am asking the Premier is to take into consideration one's ability to be able to pay, for example, the senior that might be on a fixed income that might not be able to put in sweat equity or any form of that nature, being able to acquire the dollars necessary in order to get the work done.

Is the government prepared to offer or provide no-interest loans as a last measure?

Mr. Filmon: Mr. Deputy Speaker, that has not been a part of the program in the past. Certainly, I will take his suggestion under advisement.

Mr. Deputy Speaker: The honourable member for Inkster, with his final supplementary question.

Flooding Monitoring of Donations

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, the final supplementary question would go to the Minister of Government Services (Mr. Pitura), with respect to the numerous organizations throughout Canada, in essence, that have been donating to the victims of the floods.

My question to the government is: Is there somewhere within the department in which there is a

monitoring or looking at where the money is ultimately coming from? Does the government play any role with respect to that?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, I am sorry—I have so many things that are going through my mind with respect to briefings—I should have added for the benefit of the member opposite that, in discussions yesterday, I believe that the Red Cross and some of the agencies that are collecting money indicated they would be willing to look at hardship circumstances such as the member raised in his first two questions as a source for utilization of that money.

There are funds that are being raised and put into various holdings for the potential benefit of people in hardship circumstances. I may have indicated this earlier in the course of discussion, but there are three of them that are involved with the relief side of things: the Red Cross; the Salvation Army who are looking after supplies of various natures, blankets, food, clothing and so on; and the Mennonite Central Committee whose major role is going to be in helping with restoration.

There was also the Red Cross who are involved with raising money, as well as other organizations that are the recipients of money, the banks are doing that, and so on. It will be our endeavour to try and develop a co-ordinating umbrella that will see the choices and decisions made as to where the priorities are so that we could look at a whole range of issues, including those that have been raised by the member opposite.

Social Service Providers Funding

Mr. Doug Martindale (Burrows): Yesterday the Minister of Family Services said that some of the increased budget in her department under Community Living will be used to support more children and more families, and this is good. What I would like to ask the minister is: What is she going to do for the 68 agencies to help them to pay their existing staff and to see that they get decent wages, the people who are already there who need to be paid an adequate wage? What is she going to do with this new increased budget to help those agencies?

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Deputy Speaker, I thank my honourable

friend for that question, and I will repeat what I said yesterday because I believe, as there is increased demand for supports for children, families and those within our residential care facilities that need support, that if we can provide additional support to those individuals, that is good use of our dollars. I know there are circumstances and there have been occasions when workers have come forward and asked for higher salaries, and I guess I have indicated that our key priority is to try to ensure that the most people are served that we can possibly serve with the additional resources.

Mr. Martindale: Can the Minister of Family Services tell these agencies what they are going to do in order to meet the requirements of the Employment Standards branch since the Department of Labour has ordered compliance with their regulations? Will the minister provide the money in order to meet the compliance orders which were issued in April and retroactive, I understand, to April 1? What are they going to do to meet the requirements of The Employment Standards Act?

Mrs. Mitchelson: As a result of that information coming forward some time ago we have been working with the Department of Labour to see what the final result might be, and we are still in that process. That will be continuing and ongoing until we find a resolution.

Mr. Deputy Speaker: The honourable member for Burrows, with his final supplementary question.

* (1420)

Mr. Martindale: I would like to ask the Minister of Family Services if she is going to force these agencies to choose between obeying the law that the Department of Labour is going to enforce, namely the compliance orders with their regulations, or whether she wants them to shut down due to lack of resources and have their clients put into institutions at much more expensive daily rates. What are these agencies going to do? Why is she not going to allocate some of this new money so they can meet the compliance orders?

Mrs. Mitchelson: Again, I will repeat to my honourable friend that we have been working with the

Department of Labour and trying to find some solutions or some answers to the problems that have been raised by my honourable friend. It is not a new issue for us, and we are working to try to address it.

ManGlobe Severance Packages

Mr. Jim Maloway (Elmwood): My question is to the Deputy Premier. This government has a double standard when dealing with ManGlobe employees. Former ManGlobe staff received only partial settlements and had to wait two years to get action while management employees are treated in a special way. For example, project manager Karen Alcock waited only 52 days for a full settlement of \$53,000 in severance and was immediately hired as a consultant to Bruce MacCormack, president of MTS Advanced and a board member of ManGlobe. Can the Deputy Premier tell this House why there is one standard for management and another for the employees of ManGlobe?

Hon. James Downey (Deputy Premier): I would recommend that the member has an issue with ManGlobe, he should raise it with the management of ManGlobe.

Point of Order

Mr. Maloway: Mr. Deputy Speaker, on a point of order, the member should be aware that, according to the ManGlobe project papers, it is very clear that the province requires a senior management team acceptable to Manitoba to be in place prior to ManGlobe receiving the second installment of funds for the project. This minister and this government are in charge of that project.

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

Hon. James McCrae (Government House Leader): Mr. Deputy Speaker, with all due respect, the honourable member for Elmwood is simply debating the issue and not raising anything by way of a point of order that should be cause for any ruling on your part other than to tell the honourable member that he does not have a point of order.

Mr. Deputy Speaker: The honourable member for Thompson, on the same point of order.

Mr. Steve Ashton (Opposition House Leader): Yes, Mr. Deputy Speaker, on the same point of order. Indeed, if questions are beyond the administrative competence of the government, that indeed is a reason for the government not to have to answer those questions. That is indeed outlined in Beauchesne. But the member was rising on a point of order to indicate clearly that the Deputy Premier (Mr. Downey) is wrong, obviously does not know that he does have administrative competence. If he chooses not to answer the question, he does have that right, but he should not use the excuse of lack of administrative competence because, indeed, he should have administrative competence, given the direct responsibility for ManGlobe.

Mr. Deputy Speaker: The honourable member for Elmwood did not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. Deputy Speaker: The honourable member for Elmwood, with his supplementary question.

Salaries

Mr. Jim Maloway (Elmwood): Thank you, Mr. Deputy Speaker. My supplementary to the same minister is this. After Mrs. Alcock's departure from ManGlobe, she immediately was hired as a consultant to Bruce MacCormack of MTS Advanced while he was still on the ManGlobe board and MTS was still a ManGlobe partner. I would like to ask the minister: Why was she fired in the first place, then rehired, and is her salary still the \$7,500 per month plus GST?

Hon. James Downey (Minister of Industry, Trade and Tourism): Mr. Deputy Speaker, I am quite prepared to answer on behalf of the province as it relates to the funds that were provided to ManGlobe as a research and development project. There was, in fact, a management team in place, a proper board of directors in place, that were acceptable to the province before any advances were made to the company.

As it relates to the hiring, to the dismissal, to the activities of individuals that are hired by ManGlobe, I would suggest, whether it is dealing with Ms. Alcock or whomever it is dealing with, I would recommend the member ask the question to the management of ManGlobe.

Mr. Deputy Speaker: The honourable member for Elmwood, with his final supplementary question.

Internet Video

Mr. Jim Maloway (Elmwood): Thank you, Mr. Deputy Speaker. My final supplementary is this: Could the minister tell us what happened to the \$20,000 that was budgeted in the ManGlobe project papers to produce an Internet video, and can he tell us how much the video really cost, who produced it and what use was made of the final finished product?

Hon. James Downey (Minister of Industry, Trade and Tourism): Mr. Deputy Speaker, on detail like that I will take the question as notice, but, again, the province, before advancing any money to this research and development project under the ManGlobe corporation, made sure that the proper board of directors was in place, that there was participation by private-sector companies that were participating as well.

Mr. Deputy Speaker, as it relates to specifics within that project, I will take it as notice, but all the information to date that the member has brought to this House has basically been inaccurate.

Mr. Deputy Speaker: Time for Oral Question Period has expired.

NONPOLITICAL STATEMENTS

Lyme Disease

Mrs. Shirley Render (St. Vital): Mr. Deputy Speaker, do I have leave to make a nonpolitical statement?

Mr. Deputy Speaker: Does the honourable member for St. Vital have leave to make a nonpolitical statement? [agreed]

Mrs. Render: On March 20 in the course of a nonpolitical statement the member for Crescentwood (Mr. Sale) drew the attention of the House to the fact that a certified case of Lyme disease had been confirmed in a tick found outside of Winnipeg. At that time, he suggested that information about Lyme disease be included in a future issue of Manitoba Hydro's monthly Hydro Lines newsletter.

I am pleased to say that the May Hydro Lines newsletter, which will be mailed out with the Hydro bills, will contain an article about Lyme disease together with tips for people if they are going into tick-infested land. Through this article, many Manitobans will have useful, timely information about Lyme disease at their fingertips, just as the vacation and tourist season is approaching in our province. The Hydro Lines is a low-cost and effective way of sending vital information to Manitobans and increasing their awareness of a preventable illness.

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

At a time when all Manitobans are working very hard against the effects of our devastating flood, I would like to thank the member for Crescentwood (Mr. Sale) for his suggestion and also thank the public affairs department and other staff of Manitoba Hydro for inserting information in their newsletter. Thank you.

Flooding—Fundraising Efforts

Mr. Oscar Lathlin (The Pas): Do I have leave for a nonpolitical statement?

The Acting Speaker (Mr. McAlpine): Does the honourable member for The Pas have leave for a nonpolitical statement? [agreed]

Mr. Lathlin: Mr. Acting Speaker, this afternoon I am very proud to rise in the Chamber to acknowledge the generosity and the kindness and the caring that people from northern Manitoba have shown for their brothers and sisters in southern Manitoba who are being ravaged by the flood waters this spring. In The Pas last week, the leaders of that community got together with their people, OCN, the Town of The Pas, and the rural municipality of Consol and launched a fundraising drive through the help of a local radio station, CJ-1240.

Mr. Acting Speaker, I am very pleased to report to the Chamber, to members of this Legislature, that at 1:30 this afternoon our mayor, Gary Hopper, our chief, Francis Flett and the reeve of the rural municipality of Consol were at the St. Vital centre presenting a cheque of \$51,000 to the Red Cross people who are in charge of channelling the money that is raised from fundraising activities such as the one that was held in The Pas. I would like to acknowledge the work of those people, the kindness and generosity that they have shown to people from down south. The people from the North, of course, are no strangers to natural disasters, and they know what it feels like to be airlifted from a community into an arena in a strange place. They know the mental strain that people go through when they are being evacuated from their homes and familiar surroundings.

* (1430)

So, once again, I am very proud to do this here this afternoon, and I am proud that I am from OCN and the community of The Pas, and I am proud of what our people have done today, Mr. Acting Speaker. Thank you.

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Mr. Acting Speaker, I would like to inform the House that the meeting of the Standing Committee on Public Utilities and Natural Resources originally set for Thursday, May 8, at 10 a.m. to consider the Annual Report of the Manitoba Liquor Control Commission will be rescheduled to Thursday, May 22, at 10 a.m.

Mr. Acting Speaker, I am seeking leave of the House to make some changes to the sequence for consideration of Estimates set out in Sessional Paper 21 tabled on March 27, 1997, and subsequently amended: first, that the Estimates for Community Support Programs, the Estimates for Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities, the Estimates for Internal Reform, Workforce Adjustments and General Salary Increases, and the Estimates for Urban Economic Development Initiatives, scheduled for consideration in Room 255, be moved to the Chamber for consideration prior to the Estimates of the Department of Culture, Heritage and Citizenship this afternoon.

Mr. Acting Speaker, were you following your list there because there are a number of those appropriations and some of them have long names?

Secondly, Mr. Acting Speaker, the Estimates of the Department of Industry, Trade and Tourism scheduled for consideration in Room 255 are to be moved, with the leave of the House, to be considered immediately after the completion of the Estimates of the Department of Consumer and Corporate Affairs. So following Consumer and Corporate Affairs would be Industry, Trade and Tourism in the committee, and that is the leave I am seeking this afternoon.

* (1440)

The Acting Speaker (Mr. McAlpine): Is there leave of the House that the Estimates for the Community Support Programs, for Allowance for Losses and Expenditures Incurred by Crown Corporations and Other Provincial Entities, for Urban Economic Development Initiatives, and for Internal Reform, Workforce Adjustments and General Salary Increases, scheduled for consideration in Room 255, be moved to the Chamber for consideration prior to the Estimates of the Department of Culture, Heritage and Citizenship. Is there leave of the House? [agreed]

And second, that the Estimates of the Department of Industry, Trade and Tourism scheduled for consideration in Room 255 be moved to be considered immediately after completion of the Estimates of the Department of Consumer and Corporate Affairs. Is there leave of the House? [agreed]

Mr. McCrae: Mr. Acting Speaker, I move, seconded by the honourable Minister of Industry, Trade and Tourism (Mr. Downey), that Mr. Acting Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

CONSUMER AND CORPORATE AFFAIRS

The Acting Chairperson (Mr. Peter Dyck): Order, please. Will the Committee of Supply please come to

order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Consumer and Corporate Affairs.

When the committee last sat it had been considering item 5.1. Administration and Finance (d) Research and Planning (1) Salaries and Employee Benefits on page 24 of the Estimates book.

Mr. Jim Maloway (Elmwood): Where we left off last night, the minister had the advantage of running out the clock, and I did not have a chance to respond. We were discussing at the time the question of the requirement for sticker prices to be left on new vehicles when they are sold and the advisability of having such a requirement such as is the case in Ontario. The minister had been explaining that it was quite a pleasurable experience to shop for a new car and barter with the dealers. I wanted to assure him that all of the studies that have been done, at least the ones that I have been aware of, are almost unanimous in their conclusion that buying a new car is a very, very stressful period for anybody who has ever done it. They do not do it very often in their lives, and they find this method of buying a car quite bizarre actually, having to barter for it, because they are not—if you have ever been to Morocco, you know that you do barter for everything that you buy. I guess if you are brought up in a society where you do barter for each and every thing, then bartering for a car probably would fit in quite nicely. But, when you are in an orderly society like ours where people normally pay the asking price for a product on the shelves, from food to any other kind of consumer item—these people are used to doing that—to all of a sudden have a different set of rules for one of the most expensive expenditures that a person is going to make, makes it very stressful to most people and very confusing for them.

I wanted to challenge the minister on that point because I am certain that he would agree with me over time that he will find very few people that find that a pleasurable experience.

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Mr. Chairman, I do not wish to be argumentative with my honourable colleague, but he was talking about bartering. To me, my understanding

of the word “barter” is to exchange goods and services on a nonmonetary basis, and I believe that really what he was referring to was bargaining. If he is alleging that bargaining is a stressful activity, I can accede to that comment, that, yes, I indeed presume it would be.

There is a whole myriad of issues I think that in our society are subject to bargaining, such as buying and selling a house, and while these are things that we seldom do on a regular basis unless one is a realty agent, I do not know that it would be conducive to order and good government if we as government in charge of provincial affairs were to regulate how someone fixes the value of a house or to have a centrally regulated pricing. I believe there was a Liberal regime once in dim distant history that did get into price fixing, and I think we can only look to the regimes of eastern Europe and the Soviet Union which were centralized economies and did deal on a totally regulated environment, a regulated economy, to show that in fact these run counter to our fundamental human nature.

While I do agree with my honourable colleague that there may be stress involved, I would suggest that for the majority of the community the stress is a healthy stress and that stress is not in all walks of life to be something that is pejorative or a negative influence in our lives and in fact it brings out the competitive edge in many, many people.

I know that if I were to go to my honourable colleague and ask to buy his home, he would I am sure probably assess, do a comparative study in the neighbourhood as to what homes comparable to his were selling for and inform himself, educate himself as to what he would need in order to replace this sort of property. He would educate himself as to other areas of the city and what comparable prices were and then build in the cost of commission, cost of legal services, so he would arrive at a net figure, what we would call a last ditch figure. Then I am sure that my honourable colleague would probably, very likely add on a significant amount, \$10,000, \$15,000 as his bargaining room. That would form the first part of his asking price. Then he would see-saw back and forth and if he found a willing buyer who was willing to buy from him at a price in excess of what his drop-dead price was, he would go away a happier person and think, well, my

efforts were well rewarded and that this was a very pleasurable exercise.

I would suggest as well that when one is shopping for an automobile, as an informed, educated consumer, one almost has a duty really to ascertain what the real value is, and this applies to every aspect of commercial consumption. If we are going to the grocery store, I often look at the prices of articles on the shelves and do my mathematics and divide the price by the units that are being displayed to ascertain whether the blue box, the no-name brand, is a real bargain in comparison, say, to Kellogg's Corn Flakes or to any other name brand that one is purchasing. Sometimes, much to my surprise, the no-name brand is no cheaper than the name brand, and other times it is significantly cheaper. That, I think, is part of being a well-informed responsible consumer. I think that each one of us has an obligation, if we are to spend our resources wisely, to do this sort of exercise.

* (1450)

So extrapolating further from the micro to the macro, I would suggest that with car sales—and it has been a year or two, I think, about three years since I purchased a car; nonetheless, almost time for a new one, I guess—before I were to do something like this, I would do my reading, my consumer guide reading as to which were the best brands or makes of cars these days, research the Ralph Nader-type of publications to see if there are any visible defects, find the safest vehicle that was out, and then I would go through the neighbourhood or the community of Winnipeg and perhaps even travel to Steinbach and ascertain where I could get the cheapest price.

Then you are also looking—[interjection] Well, that is right—as well, I would suggest, at support and servicing as a key component when you are making a major acquisition these days. So that would also weigh heavily on any decision I would make. So whether there was a manufacturer's suggested retail price on the window screen or not, really, Mr. Chair—yes, there is stress because you are combatting your wits against the wits of the fellow in the booth or the sales manager down the hall, and I am not so naive as to know that it is not a game of mathematics and it is a drama that these people do like to play out, but they, too, have

fixed overhead. They have bread to put on the table in their own families and their own homes. They have to have a profit margin. I know they are not there just for the short haul, that they do want to give good service to their consuming public because they want repeat business, and this is very important, I think, for any responsible merchant.

I would suggest with the greatest of respect to my honourable colleague that it would be just a very facile solution to say, oh, thou shalt not remove the retail price sticker. I think that there is far more involved with major acquisitions of consumer products than just looking at a sticker because, quite honestly, the manufacturer may not even know what is relevant for pricing in our particular local area, and something that perhaps might be very reasonable on the streets of Detroit or the streets of Chicago or the streets of Toronto bears no resemblance to the cost of living and the pricing index in the city of Winnipeg or in the town of Altona.

So I think that there are many more components to this issue than just the one issue that my honourable colleague raises, albeit I think that it is a very interesting point that he does bring up today.

Mr. Maloway: Mr. Chairman, I accept the minister's point about changing barter to bargain, but I do think that the requirement for the sticker to be left on the new car until the car is sold is a requirement in Ontario and I think other jurisdictions, other provinces, and has been a requirement for many years. I think it is fair to say that it is likely that a Tory government was in power when this rule was brought in, and my guess is that it was brought in for a reason. I am sure that the sticker prices that are put on the cars are put there for a reason, and the fact that a jurisdiction such as Ontario would legislate that it must remain, and there are several elements to this legislation, but would actually go to the point of legislating that the sticker must remain on the vehicle probably had some good reasoning behind it at the time.

So I guess if the experience had been when we went chasing around with our TV cameras and so on some years ago into these car dealers' lots to check this out, if we had been pleasantly surprised and found that these stickers had been removed and the resulting

replacement sticker was, in fact, less, I think we would be quite happy about that. We would be sitting here today saying, those terrible car manufacturers, they are putting those stickers on the window and the government requires you to keep them on there, and here is this little car dealership in Winnipeg that does not like these stickers. They are taking them off because they want to put lower stickers on.

But that is not what was happening. In all cases, these stickers were being removed, and the new sticker that was being put on the vehicle was a couple thousand dollars higher. I suppose psychologically the reason for that is so that the person would get adjusted to the higher figure and that when the person came down in price, that once they got nearer to the sticker price, they would feel they had saved a couple of thousand dollars and they would sign, right?

You have to understand that there is no level playing field here, you know. The Tories, the neo-Cons, like to talk about the level playing field and getting rid of rules and all this other stuff. The point is this is not a level playing field. You have professional car salesmen who, that is all they do all day, is sell cars. That is how they make their living, and you expect that somehow average guy consumer, or woman consumer, is somehow going to go and buy a copy of Phil Edmondston's Lemon-Aid and is going to read up on it and now is somehow going to put on the boxing gloves and be on an equal playing field with the professional? That just cannot be expected.

The department has emphasized consumer education since the act was proclaimed in 1969 or '70 or whenever it was. Well, if education was the answer and if education was getting results, then why are we having these same problems keep coming up, recurring over time, all sorts of consumer type problems. The marketplace is out there and the education is not necessarily solving the problem. Clearly, there has got to be some sort of a legislative framework put in place.

So we have survived all these years, I guess, without the sticker rule. Ontario has had the sticker rule, and the member for Emerson (Mr. Penner) pointed out yesterday that in a dealership he is associated with, they leave the stickers on the window, so even in Manitoba it is not universal. It is just that our experience was in

Winnipeg, that it seemed to be somewhat universal. It was an issue with the Motor Dealers Association, in fact. We thought we were making good progress on this issue during the minority government period, and then the car dealers rolled into town. The Motor Dealers Association and my old friend Lefty Hendrickson rolled into the building here, sat the Liberal caucus down and straightened them out on the issue, just like that.

Of course, they were just new, and they did not know any better, and they were easily led. The Conservative caucus was a little more stable, but it succumbed pretty quickly, too, because the car dealers simply told the Tory caucus, now this is the way it is going to be. We are not going to have this, we are not going to have that, because there is the backing that you have to worry about come election time.

So we know how the system worked. We know how it currently works. We know how it has always worked with these guys, and it just seems to me that the government should be taking the side of the overall protection here of the public. It might surprise the minister that I even get letters from people who are quite well off. I know of one well-known insurance broker in town whom I have never spoken to in my life except that I got a letter on an issue like this back five, six years ago who was really perturbed that he was purchasing a vehicle, and things did not work out exactly the way he thought they should.

I mean, the point is no matter how schooled you are, not everybody has the wherewithal to go out and buy the lemon law book and read it over and pick a vehicle and then go down and work one dealership against the other to get the best price, because it is a maze. It is too confusing. They confuse you with different options and different this and different other things. There are just so many different areas and warranties and all sorts of things, and their advertising practices are in some cases somewhat questionable because they sell on the basis of gorillas and balloons and stuff like that as opposed to just solid facts. So I think we are going to have to agree to disagree on this point.

I do accept the minister's comments that the public does have a responsibility to check things out and to do comparisons and so on, but the minister also has to

understand that people get worn down in buying situations much as we are doing through this process perhaps, but they get worn down over time and they finally just give up, and the car dealers, the salesmen, they understand that. They know that you have only got so much time in a day, and when you have a spouse and the kids and the dog and whatnot and you allocate so much time to go out and purchase that car, that mathematically if all the dealers kind of stick together, it is only a matter of time until you are just going to stop, give up and just buy the damn thing and walk away.

* (1500)

I am just saying that the consumers are not getting the protection they should from this government, in fact, from most governments. They are not getting the protection that they need and they deserve.

Now, Mr. Chairman, I want to deal with the issue of renovators, and that has been a subject that has produced all sorts of stories over the years and a lot of problems. I recall there was a renovation organization that formed itself a couple of years ago, and once again, dealing with impressionable caucuses around here, they met with the Liberal caucus at that time. I realize the Liberals are not here to defend themselves, but they had the president of this organization—and I think you are probably aware who I am speaking of—the president came to the government and wanted some sort of recognition from the government and some training for renovators and a requirement that they had to belong to the renovation association. This guy was going to become the president and I guess be paid out of government funds for doing all of this stuff.

In any event, within a short period of time, the Liberal caucus issued a press release saying this was a terrific idea. That was the caucus of six, I guess, at that time. Peter Warren had the guy on the radio just a few days later and he caught him. Some caller phoned in and this guy had not paid his bills for God knows how long, and he had been getting sued by a number of people, and that was the end of that issue.

Now, recently, another person, individual, has surfaced, and he has been on 'OB in the last week or two flogging another renovation organization,

demanding self-regulation and the requirement that the renovators take courses and so on. He went so far as to suggest that he was getting a pretty open ear from the department here. One of you people, anyway, has been talking to him, in his view, and he said Manitoba was quite receptive to his overtures.

So I would like the minister just to kind of take some time and tell us about just what is happening or not happening with this fellow in this whole area.

Mr. Radcliffe: Mr. Chairman, as my honourable colleague was outlining this problem, I was reminded of a period of time when I served as the president of the Crescentwood Homeowners' Association. Crescentwood is an area of the city of Winnipeg in which I currently live and has a number of large, old homes which continually require renovations, so the residents in this area are, you might say, somewhat vulnerable from time to time to the depredations of unscrupulous renovators.

We researched this issue as a citizens' coalition committee and came up with the suggestion that we would maintain a registry that different citizens, residents in the area could phone in if they had a good experience with a renovator. Then if we were solicited by another resident, we would be able to say, well, a number of the residents in our area have recommended the following people. You may want to phone Mr. A or Mrs. B or Miss C and get further particulars on them. We found this to be a very satisfactory way of dealing with this problem.

To go beyond that, however, as government and to impose a regulation on something where practically every fellow or even every woman who has a hammer and saw and the skill and the motivation to stand up and say I can do carpentry work in your basement or plumbing—and, in fact, I have a facility for plumbing, although it is not something that I enjoy particularly, but owning one of these homes, I am compelled from time to time to have to solder pipes and fix joints and things like this.

Nonetheless, beyond this sort of issue, I think that our government would be very reticent to regulate who could and could not be a certified carpenter or a certified renovator short of—we can offer the training at

Red River and make available opportunities for people to enhance their skills, but to keep people out of the industry, I think, would be an invasive activity.

I would suggest that from a regulatory point of view, it would be a virtual nightmare. We would almost have to have a policeman for every citizen in order to enforce this sort of regulation, albeit I understand my honourable colleague's intentions that are nothing but honourable and well-meaning, and in a perfect world we would want to see that nobody suffered at the hands of somebody who was fraudulent or failing to come through with what their commitments were, but I think that, again, one must rely on the good sense of the average citizen.

I can recall and recast back to the days when I was going from house to house soliciting support for particular endeavours in which I have indulged, and be the house large or small and be the person educated or not educated, I was struck by the innate, inherent common sense of the individual behind that door. They knew when they were being deceived and they knew when they were being fed the truth, so I would suggest to my honourable colleague that I think we have to have a certain essential reliance on the good sense and the common wisdom of the ordinary person.

Mr. Maloway: Mr. Chairman, I guess the observation that I had on this particular renovation organization was that it was just another example of many, many organizations which essentially demand standards and so on to build sort of walls around themselves to keep others out. I mean, that is the idea. It is similar to the Law Society and medical society and so on. So, on the one hand, you need some standards, but on the other side, you have to recognize too that the public are forced to deal with professionalism at almost every step of the way. So, if these renovators had their way you would have to hire from an approved list of plumbers who had taken all these courses, an approved list of roofers, an approved list of—and they had to be a member of this organization before they could even do work in the city.

We have just seen over the years the travel agents and their desire to become “professionals.” The flip side of the argument is that the reason the organizations want to do that is to keep other people out. The insurance

people want to keep the banks out of their business so they put all these rules in place here to put obstacles in front of the banks, you see, but they sell it on the basis that, well, we have got to be concerned about the public here and protect the public and make sure that they have a certain amount of professionalism.

I can see that particular move by this group of renovators for what it is in that sense, but they do have a point about having some sort of responsibility to make certain that people do not end up in a situation like they did, as I mentioned yesterday, with the sunroom operators and other situations. Perhaps one of the solutions that the department, I would guess, is probably looking at because the department has always been keen on bonding people and the bonding has worked quite well—the solution probably is to register these renovators and require some sort of bonding for them, and let the insurance companies worry about checking them out and taking the responsibility for issuing them the bonds. That may be the solution to the problem or a partial solution. So I would ask the minister whether he is looking at bonding, because he uses bonding right now in a very wide sort of area or fairly wide area.

* (1510)

Mr. Radcliffe: My honourable colleague I think makes some historical allusions. In fact after the Industrial Revolution and in fact even prior to the Industrial Revolution when European society was coalescing into the city states and local towns, there were a number of guilds that sprang up. Guilds were associations of like-minded and like-skilled people who formed craft guilds. One of their primary motives, or directions I guess, was mutual support of one another; education of apprentices, but also a very real and concerted effort to exclude any other individual who was not of their own little cadre or power structure. Consequently, if we were to perpetuate—so I am saying that in the guild environment it was not all bad. On the other hand, in a free and open democratic society and a populist-based society which we enjoy today, it tends to concentrate economic power in the hands of a few. Then you have an oligarchy that springs up, and it only succeeds, I would suggest, from an economic perspective of driving up the price of the service that is being supplied.

We can look at perhaps the Law Society and the medical societies today here in our own communities and see that, while they do insist on appropriate education and standards and codes of behaviour for their different practitioners, there is often a suspicion on the part of the populous as to price fixing. So, to perpetuate or extend that sort of model down to the level—and perhaps that is deprecating—over to the level of the carpenters and the plumbers and the renovators would, I would suggest, visit a restrictiveness on society which is uncalled for at this point in time.

I can only reflect upon my experience when I was a practising solicitor, and I acted for a number of farmers in our community. Here were a number of individuals who were eager to supply and produce food stuffs but because of our supply side economics, which we still have vestiges of and very real vestiges of in our communities, there is quota which one must own in order to be able to own laying hens or to have fryers or to have milk quota. I would share with my honourable colleague that this is an anathema because here were individuals who had the means, had the motivation, had the skill, ready, willing and eager to produce food stuffs, but because of the constrictions and constraints of these quota boards, they were unable to enter into the market of animal husbandry for which their society was directed and, therefore, that only succeeded in driving up the price of the individuals who did possess these quotas. So albeit on one hand I laud the concept of collective marketing—and I think that is an organization in society that we should encourage—the aspect of limiting the supply of any sort of commodity is reprehensible and something that ultimately works to defeat the best interests of our consumer.

I can indeed point to another example where at one point when I was in active practice, a number of my colleagues and I thought that we might like to get into the business of selling general insurance, and we were prohibited, we found, from opening up an insurance agency and being and nominating ourselves as insurance agents because we did not earn the preponderance of our living from the sale of insurance. We thought that at that point, being lawyers, that we were well skilled, understood the concepts and we were honourable individuals and had all the structures and support and resources available, that we could supply

this service, but we were prohibited from doing that and felt somewhat aggrieved in that particular case.

But what we do, and to be responsive to my honourable colleague's question, when we have direct sellers who go door to door who have no virtual stake in our communities, they are required to be registered by the Consumers' Bureau. The Consumers' Bureau monitors them with some degree of care, and they do require bonding. This is to protect our consuming public so that if there is somebody who is ruthless or a person of straw, that they are here today and gone tomorrow, then there is some fallback position where if there is some deceit that has been practised at the door, the consumer is protected. Of course, I am sure that my honourable colleague is also very much aware of the terms of The Consumer Protection Act which allows a cooling-off period and the ability of a consumer to cancel an agreement that is made at the door or at a direct sales—[interjection] My honourable colleague has just mentioned that it is a 10-day cooling-off period which has been a negotiated level—[interjection] We are in the process of formulating regulations now to support this legislation which has amended our act, and as soon as they are ready, of course, we will be proclaiming a new harmonized standard which is in conformity with the other provinces across our great nation.

Mr. Maloway: I wanted to follow up a little more with the renovators, but I wanted to finish the discussion about the professional organizations and so on with one comment that I remember being involved in. About 1989 or 1990, I guess it was, where we had a proposal before the Legislature that Land Titles Office provide—that we allow individuals when there is buying and selling property to go in and register it on their own.

We could not see what the big mystery was and why you were pretty much forced to use a lawyer. At the end of the day there was quite a fuss made by the Law Society about it, and they did not want to go along with this, but why should the public not be allowed to simply go in and if they want to do a simple land transfer from within the family, why is it a requirement they deal with a lawyer? Why cannot they have a clerk there to simply help them process the transaction? I would not say the Law Society went berserk about this,

but the Law Society was concerned. The Law Society felt that there would be a liability potentially on them and it became a liability question. Anyway, my point is that they rallied around and did their best to quash this, what I thought was a very visionary proposal on our part. Maybe after the next election in 1999, we will be sitting here and we will be introducing legislation like that, depending on how many lawyers are elected in our caucus, I guess.

Mr. Radcliffe: Mr. Chairman, I take great delight, great pleasure in sharing with my honourable colleague the unalterable fact that any person can go down to the Land Titles Office at this point now, as we sit. You can file a transfer of land on your own. The clerks who are working in Land Titles Office are unable, as my honourable colleague has pointed out, to offer any legal assistance or direction because, if they were to offer some sort of legal assistance and it were to be misconceived or misapprehended by the individual registrant and it was to the loss of that person, then liability might be visited on the shoulders of that particular civil servant.

* (1520)

In fact, what the Law Society, I would suggest, and for the purposes of the record I would want to make clear, in Manitoba says that any person can represent themselves. You can do that in the highest court in our land; you can stand up and speak for yourself. In fact, we pride ourselves that our citizens have that facility and ability to do, and we must never forget that. This applies to all the branches of the law, but what the Law Society does insist on is that if you are going to put your services out for hire to your fellow citizen to plead before the courts or to act as a solicitor, then you must achieve certain levels of education and expertise and be a person who is known to the society.

My honourable colleague has mentioned that he does not see the need for solicitors when transmitting land and land transactions. I would suggest with the greatest of respect, however, that the ability to read and interpret all the registrations that are against a particular piece of property, albeit it does not take monumental intelligence, it does require thoroughness and care and regard for all the registrations. One has to know where to look. One has to know that when one is buying a

residential property it is often prudent to have a survey certificate which indicates that the residential dwelling is wholly within the bounds of the property upon which one is purchasing, that there are no encroachments thereto, that the zoning memorandum complies with the use to which the property is put, and often banks require that good and merchantable title be conveyed by virtue of the mortgage document.

One thing that I have noticed that sometimes in conveyancing one must be careful of, especially in the country, is the stacking of oil leases by way of caveat. In the past in my practice I have noticed that oil companies will go through a particular area of the country, they will sign up farmers with oil leases, they will register these oil leases by way of caveat—and you actually pull up copies of these oil leases, and you will see that they are only good for 10 or 15 years. Often that time period will have long since expired, but those caveats still remain as a cloud on the title, albeit you say, well, they perform no real substance or real harm to the particular landowner, and I would suggest to the contrary, that if there is, again, another land cruiser coming through looking to sign up farmers so that the farmer can gain more income from leasing his oil rights, he will often pass over those properties which have the old caveats against them and say, ah, well, they are leased out to Imperial Oil, so I will just pass over and move on to more fertile ground.

So there is a very, very small point, but, in fact, in conveyancing I have found that sometimes when you get into meets and bounds descriptions of land, that it is very, very useful to make sure that you have a good solicitor who is accustomed to either country conveyancing if that is a particular case in which you are involved or—

An Honourable Member: Is there such a thing as a good solicitor? Is there such a thing?

Mr. Radcliffe: Absolutely. There is a certain persiflage emanating from the ranks here, Mr. Chairman, but I would suggest that often the skills of a competent and thorough solicitor in conveyancing often saves the landowner, the prospective purchaser, hundreds and hundreds of thousands of dollars which the innocent citizen could fall prey to and lose if it were not for the skills of a competent person.

Mr. Maloway: Having employed the services of lawyers on various occasions, Mr. Chairman, I must admit I have been totally satisfied with the results that have been produced, and so I only have the best things to say about lawyers that I have personally employed over the years.

We may as well deal with the fundamental issue, and I think the member for Turtle Mountain (Mr. Tweed) will be sitting on my side of the table on this issue, and that is that the member for Turtle Mountain got here the same time I did in 1986, and he knows that at that time Mr. Marty Dolin was elected in Kildonan. One of the things that Marty Dolin used to constantly impress upon our caucus was that it was high time that we translated the laws into English because the average person did not understand the law, was cowed by it and fearful of it and would end up going to a lawyer for all sorts of reasons that, if it was made friendly enough, could do himself.

Let me tell you, Mr. Chairman, that one only has to go to Office Depot and you will find little kits for doing your own wills and doing your own divorces and doing your own registrations of companies and doing your own this and that, and probably—I do not know what the percentage is; I do not know whether it is 10 percent, 20 percent, 30 percent of the legal agreements can be done by anybody with a little bit of confidence in themselves, can be done by themselves, and we should be encouraging people to do these sorts of things.

For example, land titles, and this is not really a territorial sort of question, Mr. Chairman, because, for example, even the Law Society and the lawyers of this province supported us, at least I believe they did, when we made moves to increase the small claims limits to, I believe, the 2,500 range and then to the 5,000 range, because the lawyers, quite frankly, did not want to be fiddling around with little rinky-dink sorts of claims.

Also, the organization known as POINTTS has made a business for itself largely I think because lawyers just cannot afford to work for \$10 or \$20 an hour, which is all you could justify for working on something like a traffic conviction. So the people at POINTTS work for \$100 or whatever it is, and they do your job for you. You could not possibly—I mean a lawyer would not necessarily even want that sort of work. So there are

lots of examples where we could, with a little bit of effort—the Consumers' Bureau could make a real effort here, if it wanted to, by sending out speakers to the schools and making an effort to demystify the law a bit and explain to people that, yes, you can do this by yourself and you can do that by yourself.

Now, admittedly, there are going to be many examples of where it is not possible. In doing a will, if the will is going to be complicated and there is a lot of money involved and there are dependents and so on and so forth then, yes, it is not a good idea to be doing that will on your own. There you need a lawyer to be involved in it. But I think the lawyers in many cases add to the mystique and are very territorial in how they want to deal with the situation and want to protect—and that is not just lawyers, that is just any group within society that is trying to protect its turf.

I know, Mr. Chairman, we started here with renovators, and how we got from renovators all the way around to where we have got, I am really not certain. But I want to know what he is going to do about the renovators.

Before I forget, Mr. Chairman, the surveyors—I believe the surveyors too in the last few years have managed to get some sort of a rule and requirement through now that if you are selling a house you cannot—it was customary in the past to use the same survey certificate, you know, after houses were changing hands several times. Maybe a garage was on the first survey certificate, and it might have been torn down or whatever, but that did not stop people from using the same survey certificate. Finally the surveyors' organization somehow convinced the government or convinced somebody to give them the right now—I believe within the last couple of years now, it is a requirement that every time you buy or sell a house you have got to get a brand new survey done. The minister could probably give me more information on that, but I think that is roughly the truth. So if he could respond to those comments, and then we could go back to the renovations.

Mr. Radcliffe: The first issue that my honourable colleague brought up was that of plain language. I can advise that our government, under the able direction actually I believe of my deputy who is here at the table

today, introduced the plain language measures at our Winnipeg Land Titles and Manitoba Land Titles offices.

* (1530)

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

However, as a note of caution, I would put on the table that while the actual document that is registered nowadays is a one-page document, be it a transmission or a transfer of land or a mortgage document, and it is in plain language, it does make reference to, by virtue of number, a standard precedent, for example, with a mortgage, which will be the standard charge terms which the credit granting institution seeks comfort from. These standard charge terms are registered in the Land Titles Office, and then by direct allusion, not allusion—by direct reference every subsequent document includes and incorporates those standard charge terms in the actual terms of the instrument that is registered in the Land Titles Office.

I guess one cannot legislate how people think. One cannot legislate morals. One cannot legislate behaviour. One can modify or restrict the top end of behaviour perhaps. But from a philosophical point of view, if a lender derives comfort from a series of very intricate and complex, sophisticated wording and they understand and know what those clauses mean by virtue of the fact that there have been court decisions that have interpreted them, there have been legal opinions that have been rendered which give them comfort, then it is very difficult for the legislator to subsequently come along and say, oh well, we want you to stop thinking and making reliance upon those clauses and change your thinking to something very simplistic and monosyllabic.

However, having said that, I must point out that I have taken great pleasure over the years in reading the judgments of the Privy Council in Great Britain and in particular those judgments of a Lord Radcliffe, who often was able to take a very complex subject and make it very clear in his decision. I feel—I have taken comfort from that—that when people are speaking from the bench, if somebody has a real grasp of the topic about which they are speaking, they do not need to obfuscate

it with very complex wording. I, therefore, have significant sympathy with my honourable colleague, Mr. Chairman, when he makes a plea for plain language, and I think that in every case where we can in society, these sorts of levels of communication should be rewarded and endorsed.

One further point that my honourable colleague has raised—while he was citing the different areas where an individual can go on a self-help basis and obtain forms from Willson stationery or now Office Depot and fill them out, that is only one aspect of the function that one goes through when one is transferring wealth or effecting and severing one's relationships with one's colleagues or passing on wealth after one's demise. In fact, there is another very, very significant and important aspect to this behaviour which perhaps is barred from the individual consumer and that is the aspect of objectivity; that when one goes to a solicitor or a counsel, one has the opportunity to consult with someone who can be totally objective. They are working fee for service. They have nothing to lose or gain from the transaction, other than to see that it is competently performed and completed, but you have the sang-froid of a professional.

I remember the adage that I think—oh, it was not Lord Denning, but it was another—it was Dr. Schmitoff who came to speak to us when we were neophytes in law school, and he said that the individual who pleads his own case basically has a fool for a client. I have never forgotten that. That is something, I think, a tenet that any self-help practitioner ought to keep in the back of their mind or even in the forefront of their mind when they are approaching the courts or the regulatory offices, and that if there is anything at all controversial, any individual citizen very quickly, because you have a personal stake in it, one tends to lose one's own objectivity and become emotionally involved. One's emotions overrule or cloud one's judgment. Then I would suggest, with the greatest of respect, that one is beginning to lose the day because I would suggest that thought and behaviour and relationships of the law are rational, and if they become irrational and emotion enters into it and becomes paramount, then the process is tainted.

One of the issues that my honourable colleague mentioned, of course, was the aspect of demystifying

the law, and I would suggest that in fact a very good place for this plea would be to present this at the Manitoba Bar. I would suggest that the practitioners at the Bar would be very open to this because, in fact, any function, really, down to the most complex personal property registration with, say, David Voechting at Aikins Macaulay who is recognized as one of the authorities in this particular endeavour in the province of Manitoba, that he can explain these issues in the simplest and most directive terms, if one were to ask him, because he has such a command of his topic. He can explain that to the consumer. Often I have received significant edification from Mr. Voechting when working opposite him on particular transactions through his command of the Personal Property Registry, which is in its case a very specific and technical field of endeavour.

My honourable colleague, Mr. Chairman, has mentioned the aspect of wills, and, in fact, in Manitoba in order to protect the public we have a very specific format for wills and for witnessing wills. In fact, a typed will must be witnessed by two individuals who are not beneficiaries to the testator in order that they satisfy themselves that the testator was of sound mind, was not under any undue pressure, and, in fact, if one of those witnesses to that document were to be a beneficiary under the will, the law automatically assumes that person has disinherited themselves because by virtue of their signing the document, witnessing each page and being a witness to the attestation of the testator, it would be a conflict of interest. This is to go to the protection of the testator.

One also has the opportunity, of course, to execute a holograph will in Manitoba, and this is more upon the populist approach, I guess, of my honourable colleague. One can execute in one's own handwriting a testament which as long as it is expressed in clear language and with a clear intent is perfectly acceptable before our courts and even to this day is accepted and honoured and respected before our Surrogate Court, which is a division of our Court of Queen's Bench.

I would suggest to my honourable colleague that when one gets into the ambit of the law that there are many, many complex countervailing considerations which one must take into account and which, in fact, skilled solicitors and barristers today in our court

system do take into account in a very sensitive fashion in order to make sure that good service is conveyed to their clients.

Mr. Maloway: I think the mysticism of professionalism is really strong in the larger centres, but when you get to the rural areas or further up north, you find people in towns with maybe a hundred people in them. The barber is also the insurance agent, also sells marriage licences, is also the liquor vendor, and that is where professionalism is kind of—where it becomes obvious, that when you are in a situation like that, people just make do with what is reasonable under the circumstances.

For example, in the medical field now, I believe that doctors are going to allow nurses to do some of their functions in rural areas. They are not going to let them do it in the city and downtown Toronto, but if it is way up north, a thousand miles north, then if the nurse is around, the nurse will be allowed to do some of these things.

* (1540)

So I think that professionalism is fine and it has a place, but we have to just understand all sides of it. What I am really asking the minister is what specifically is his department doing or going to do about making these rules more understandable to people and about making people more self-reliant in this whole area of consumer laws, because people are not getting any more educated. We have been trying to educate them for years, but we are still finding ourselves not really making a lot of progress.

Mr. Radcliffe: Mr. Chairman, I believe we touched somewhat on this point when we were talking about Research and Planning, but I am pleased to advise my honourable colleague that the Consumers branch as well does go out to groups of new Canadians, to schools, to aggregations of individuals in the community and explain to them what it is to be a good and informed consumer, what the issues of the day might be that they should be aware of, and basically to bring common sense, wisdom and education to the community and to explain to the individual groups whom they are addressing the meaning and the essence of the particular statutes which the Consumers' Bureau

administers, namely The Business Practices Act, The Consumer Protection Act, The Personal Investigations Act, The Charity Endorsement Act, The Hearing Aid Act and the Bedding, Upholstered and Stuffed Articles Regulations of The Public Health Act.

Mr. Maloway: Mr. Chairman, back to the renovators again. Why would the minister not work out a bonding system and registration system for the renovators? Forget the requirement of courses now and forget the requirement that they have to belong to the central self-administered organization and that stuff; just forget those two issues for a moment. Why would they not look at bonding requirements and registration for these renovators?

Mr. Radcliffe: Well, I guess, first of all, what we have to do is try and analyze the essence of the nature of the question my honourable colleague is asking. He says: Why would we not bond a renovator? You look at the word "renovator," and that means somebody who renews something. I presume implicit in his question is somebody who renews something for hire, for commercial activity. Basically I guess what he is asking, and I am being somewhat presumptuous I guess but he is saying that any carpenter, any handyman, any labourer, any tradesman who goes out and lifts a hammer or saw or inserts a screwdriver or does anything, that person should be bonded.

The cost alone, just the virtual cost of registering and naming and numbering every one of our citizens in this country who is involved in the activity of building a fence or raising a post or putting a new piece of siding on a building, I think, just boggles the mind. It brings up, I think, even a very ancient Scriptural prohibition which was: Thou shalt not number thy people. The ancient Jews when they were roaming around in Sinai were aware of the evils of overregulation of their people. I think that some of that still applies to our society today, that we do not want to make a national industry out of government itself, which would be the logical result if every handyman, every person who were to be employed in a building trade or building a rec room or a cupboard or a shelf were to be registered, numbered and identified and bonded, that we would have a preponderant group of people watching the watchdogs.

I can only look to that excellent tome by John Milton, *Areopagitica*, which was on censorship, where Milton was speaking to censors and that really what one ought to do is go out and murder all the censors if one were to give any credence to the fact that one ought to restrict knowledge or information or publication to the community because, of course, then the censor would become the most tainted and corrupt individual in society. It was sort of the idea of the watchdog watching the watchdog and that you create an endless line of individuals who would be performing this function, and it would basically cripple society.

I do not want to bring the *reductio ad absurdum* element to the argument, but I think that very sincerely one must watch that we do not want to be overly regulatory in our society. There has to be some sort of spontaneity, creativity, and I think probably the fact that we are a very self-reliant people and our experience of the last two or three weeks I think gives testimony to this, that, in fact, we ought not to rely on regulation if there are people in our society who are fraudulent, who are taking advantage, who are not fulfilling their obligations or their promises.

There is a system for dispute resolution and that is called the courthouse. We have mediation centres now where people can submit to resolving their disputes. We have an Arbitration Act in our governance which allows for a very pacific and moderate resolution of dispute, but, beyond that, if we were to resort to trying to define a renovator and then regulate the renovator, I think that the issue would become so complex and insurmountable that government would be brought to its knees.

Mr. Maloway: Mr. Chairman, I would like to ask the minister then, has he been approached, has his department been approached by people wanting this kind of activity for renovators?

Mr. Radcliffe: Mr. Chairman, I am approached by any number of individuals in the community from time to time, and, in fact, I try, bowing to the exigencies of my legislative duties, to be as approachable and open to every element of society. I can advise my honourable colleague that I have had an approach from one of the stakeholders in the industry who was a spokesperson for a group of tradespeople who was exploring the

concept of getting a government endorsement for their exclusive group to the exclusion of all others.

Again, I cautioned him that this was something that government itself was very wary to do because as soon as you say that one group is preferred and another group is not preferred, then you, I think, are becoming exclusive and creating classes of individuals and creating barriers which go to the breaking down of relationships in society and commerce and the free flow of wealth, rather than the building up of these elements that we want to encourage.

*(1550)

Mr. Maloway: Mr. Chairman, I would like to ask the minister, what was the name of that organization and who was the representative?

Mr. Radcliffe: I would be loath to give his name because I do not have the permission of that individual to give his name at this point in time. I can consult with him and if he has no difficulty with my releasing his identity, I would be more than glad to give it to my honourable colleague. I can, by definition, say that it was a group of renovators. It was not just one particular renovator, but it was an individual acting for a consortia of renovators in the province.

Mr. Maloway: On page 13 of the annual report under Licensing, there is reference to the seven days for a buyer to cancel a contract. Now, can the minister confirm that that is, in fact, now 10 days? The Saskatchewan provision was 10 days, and I recall when we got this increased four or five years ago we put an amendment to increase it to 10, vis-a-vis Saskatchewan. At that time the most we could get from the minister I think was seven days. My understanding is now that it is—because of this interprovincial trade agreement, they have deferred to the provincial authority with the highest standards, which in this particular case would be Saskatchewan which would be 10 days. So my assumption is that it is now 10 days, but I am not 100 percent sure. Could the minister explain what is going on with this?

Mr. Radcliffe: I would confirm to my honourable colleague that seven days is still the active status of the law at this point in time. There has been a legislative

amendment that was put through in the last session of the Legislature, and it has yet to be proclaimed, as I think I referenced earlier, because we are working on regulations to support the change in time span. As soon as the regulations are proclaimed and have gone through the vetting process, then it is our intention to put in the 10-day period.

Mr. Maloway: Just a matter of interest. Why would there be a complication in increasing the requirement from seven to 10 days? I mean, why would that take excessive time for changing regulations?

Mr. Radcliffe: I believe, Mr. Chairman, that my department people have the wording, but what is involved is drafting the wording for the cancellation in the contracts that has to be considered by Legislative Counsel and has to clear the different hurdles within government, at which time the process is, I believe, that this will be referred to the minister and if it meets with the satisfaction of the minister, then the regulations will be proclaimed. There is no hiatus or complication with the issue. It is just the mills of the god grind slow, and in this case due process is working its way through the thrall of government, and we are anticipating that these regulations will be up very soon.

Mr. Maloway: I would like to draw the minister's attention to the bottom of page 16 of the annual report. We are dealing with Agape international ministries. I would like to ask the minister what was happening with this particular pyramid scheme. I think I heard something about this type of thing, but I am not sure whether it is the same one.

Mr. Radcliffe: Mr. Chairman, I am advised by my department that, in fact, the department acted very swiftly on this case. They sought and obtained an injunction against the principal who was behind this Agape international ministries here in Manitoba.

There was a similar court process invoked in Austin, Texas where this individual originated from. Criminal Code charges were laid against this individual under Section 55 of the Criminal Code, the charges being that of operating an illegal pyramid scheme. I am advised that the salient points of that are that if one has to pay to participate in a pyramid enterprise, that is in itself illegal. There was a conviction obtained by the Crown

in this particular case, and the individual received a suspended sentence from the courts. The effect of the injunction was in fact to paralyze the operation so that he was rendered totally ineffective in operating in Manitoba.

Mr. Maloway: Mr. Chairman, I refer the minister to the top of page 17 and the situation with Carter Toyota. I would like to get an explanation from the minister as what in fact was happening here, all the ramifications involved with this car dealership.

Mr. Radcliffe: I am advised, Mr. Chair, that Carter Toyota and a number of individuals named were the recipients of charges laid against them by the Crown under The Business Practices Act and that a plea bargain was entered into and a plea submitted, and five charges were sustained. A conviction was sustained in five different situations against these individuals for improper business practices relating to the sale of automobiles and life insurance policies.

* (1600)

Mr. Maloway: This case did not also involve, did it, the failure to collect the GST, basically selling vehicles on reserves. This is not the case that we are dealing with?

Mr. Radcliffe: Mr. Chair, our department would not be involved in the collection or enforcement of the goods and services tax.

Mr. Maloway: The PST.

Mr. Radcliffe: Oh, PST. That, again, would be, I think, Finance rather than our department.

Mr. Maloway: I think we can probably move on a bit now. I do want to ask, though, before we leave this area of the department about—there was a monument company that was selling insurance on—believe it or not there is such a thing. If you have a monument in a cemetery, you can buy insurance from the graveyard. Well, you can buy insurance through a property and casualty insurance company and just tack it on your homeowner's. It was news to me when I first heard of this a couple of years ago, but there is such a thing.

Evidently, one of the monument sellers was, in fact, selling an insurance policy where they collect depending on the value of your marker, so if it was a \$5,000 marker, it would be so many dollars, and if it is \$10,000, it is another amount of money, and it is a self-insurance program similar to what we were just referring to here with Carter Toyota. I am sure you do not know about it. Well, actually, I thought you did, but I had a complaint about it a couple of years ago, and I just wondered if you had heard anything about it, whether anything was done.

They are not a licensed insurance company or anything. They are a monument company, so if you buy a monument from them, they will sell you a little insurance package, that if somebody vandalizes the monument, they will fix it for you.

Mr. Radcliffe: Mr. Chairman, I am not personally aware of this individual practice, and if my honourable colleague wishes to raise this with me, if it is still a current practice, I certainly have no problem referring this to the Consumers' Bureau for inquiry. I would just reflect in passing that, oh, my goodness, the vanities surrounding the whole process of death I think are, in fact, themselves something that is unfortunate in our society.

Mr. Maloway: I believe it was the Brookside Cemetery where this situation developed, and the woman in question had purchased I think it was a \$10,000 monument, and certainly her financial means might not have justified that, but certainly it was a good part of what she could afford to do. So she, I believe, had one of these or certainly had the option of buying this insurance package.

Now, where you would buy a monument for Brookside Cemetery I am not sure, but I think there might be one associated with it up in that area on McPhillips or wherever. I do not know anything more about it than that. This was a couple of years ago. I thought that had been referred to you at the time, but, once again, we are going back a couple of ministers here.

Speaking of having gone back a couple of ministers, where we have another example or another case here, the minister's department might be aware of a company

called Travel Smart that was the subject of a number of press reports back around, oh, circa 1990 or whatever. I think by the looks of things or sounds of things you will be reading about it again relatively soon.

So, if you could dust off your old files, assuming that you have such files, but I would think you do have because what essentially was happening in this case was that the person involved in this company, Travel Smart, was selling once again travel franchises, and at the time he was collecting \$50,000 or \$40,000, whatever the amount was, for essentially the same functions that an outside travel agent would perform for free to a regular travel agency. So there was no real value here in what was being sold. The media, I believe it was CKND but also the print media, carried stories about this at the time. In any event, it has been brought to my attention that this particular individual is back in operation now and has a company called Futronics. I guess we are not suggesting that there is necessarily something wrong with this company, but I guess we or the media are interested in knowing whether or not the person who is setting up this company has in fact satisfied all the old judgments against him from the last debacle that he was involved in.

So that is basically the tenor of it. We wanted to know, given his track record in the past with his previous company and what was done there, we were wondering whether the department was aware of this company and the other company. I think it is called Futronics, and I am just not sure what the other name of it is, but it has got a—there is Telesend, I believe. So do you have any records of this, any complaints about this company, and do you have anything on the old Travel Smart?

Mr. Radcliffe: Mr. Chairman, in response to my honourable colleague's remarks, I would react and say that, as an even-handed government, one must be very careful to maintain the same visage to all our citizens. Sometimes individuals do fall into unfortunate business practices, and they either innocently or maliciously do take advantage of their fellow citizens. They are caught and dealt with to the full impact of the law. But our legal system is such—and I would hope that our community regulations and attitudes are such that—once somebody has paid their debt to society for any

misdeed that they may have done, they then have the opportunity to re-enter and interact with their fellow citizens, and the book is closed on that particular issue.

We have made some exceptions to this where perhaps there are child molesters or people who have characteristics that do not seem to be remediated, but short of that, especially in the consumers' protection world, the business world, we try our best at least not to bring forward old issues and old news. Having said that on one side—and I guess in compliance with that sort of concept and background, if someone under a corporate heading has incurred liability and gone broke and these liabilities, these debts remain unsatisfied, they can be either cleansed through bankruptcy or just remain unsatisfied under the guise of a corporate entity, but that individual has the opportunity under our legal system to start up a new enterprise unless they are debts that are incurred on a personal nature.

So, having said that, I can advise my honourable colleague that we are not aware of the two names that he has mentioned. If there is an individual behind them, which I believe we were discussing earlier, I can advise my honourable colleague that my department is aware of the individual who did get some involvement with the department a number of years ago, but there has been no recent involvement with him. Until somebody were to transgress the law or there were a complaint that had to be sustained, I think the old adage that one is innocent until proven guilty is something that must still rule the day in our society.

* (1610)

Mr. Maloway: Mr. Chairman, I was just checking with the minister to see whether there had been any complaints to his department about this particular issue. I mean, the member can understand that sometimes complaints do not find their way to the department. Even within a caucus such as my own, we have people that come and complain to me when they could be complaining to somebody else in the caucus or complain to someone else when the issue was in my area, because people do not necessarily know who is the critic for this and who is the critic for that. So we tend to get a lot of people, perhaps, covering the waterfront where they will come to our office and they will come to the Consumers' Bureau. They will come

to a bunch of things, but oftentimes where they go first is to the media or they come to the critic, and the last place they go is to the department.

I mean, we know that because of the cases, recent stories about red-lining of downtown areas for insurance purposes. It is the Insurance Bureau who is the last to be approached. That is the refrain that the person at the insurance branch usually is heard putting out on the media, is: Why does the person not phone us; they phone everybody but us. They phone the Free Press, and they phone the television and they may phone the critics, but they do not necessarily get in touch—because they just do not know where to find it. Then I am sure in a lot of cases they do get to the department, and we never hear about it. There are lots of instances where you are working on things that I never hear about. I think that is terrible and it should never happen, but I know that it does.

Now, Mr. Chairman, I would like to ask about the—because this leads me into another area here that we have not dealt with for a number of years now. I think this is a prime opportunity to ask some questions about it, and that is the whole issue of a travel act. Quebec has a travel act; Ontario has a travel act; B.C. has a travel act. What do those three jurisdictions know that we do not know? I can tell the minister that, in those three jurisdictions, I am sure there have been some modifications over the years, but the travel agencies and the tour companies and so on are assessed a certain premium based on their volume of business, I believe it is. The money goes into a—it is similar to the property and casualty and the life insurance compensation funds that have been set up over the last 10 years on an interprovincial basis. Maybe this should be done, the same sort of concept as CAMVAP with the lemon law equivalent, on a national basis as well, ultimately.

But Manitoba probably should look at a travel act because if you are an Ontario consumer, if you live in Kenora and you book a trip somewhere, and the airline or the tour company goes bankrupt—as they do regularly out of Toronto; people have been stranded. If you live in Ontario, you get your money refunded to you. It comes out of the Ontario travel fund. But, if you live in a nonregulated province, of which we happen to be

one, you have nothing to protect you except if you are able to buy an insurance policy that covers basically what is known as default of the carrier. There are exclusions in that particular coverage as well under default of the carrier. From memory now, they do not cover American airlines or other such things, I believe. I could be wrong about that, but there are some exclusions to it. The Ontario travel fund is a kind of a blanket sort of operation and it covers the public, so whenever you see a tour company go out of business and all these customers are stranded in Mexico and so on, you know that all those Ontario people are being taken care of. Whether it is the travel agency that goes out of business or the tour operator, they are protected. If it is Manitobans that are sitting in the same plane just a couple of seats down from the Ontario people, you know that you are going to hear from them because they do not have the protection of this fund unless they were to buy the insurance coverage. I would like to know why the minister has not done anything about this yet.

Mr. Radcliffe: Well, Mr. Chairman, I have had the good fortune to do a bit of travelling myself in my adult life, and I guess I am at a bit of a loss as to know how this legislation that my honourable colleague is talking about would work, because I have always dealt through a travel agent. When I order tickets, the tickets arrive at my house about a week before the proposed trip and my Chargex account is debited the appropriate amount. I get on Air Canada or Canadian or whatever other carrier, Northwest, whatever the carrier might be. My hotel reservations are made, and I am responsible for those hotel reservations, be it London or Paris or Rome or wherever I might be travelling—or the Caribbean.

So, whether the tour operator goes broke or not, I guess the only thing one could be referring to is if there is a prepaid package under a charter, and we have had no complaints to date from any members of the public on this issue. This is perhaps something that might properly be researched by our Research and Planning department.

Sorry, this is perhaps something that might be referred to Mr. Anderson, but we certainly have not been swamped nor even made aware of any business failures which have resulted in hardship to any Manitoba travellers in the recent past.

Mr. Maloway: Mr. Chairman, well, it is sort of preventative medicine that we are suggesting here, and the Ontario fund does pay out quite regularly. There is always one or two agencies in there every few months that go out of business and leave people in the lurch, and those are the minor amounts of \$5,000 or \$10,000 maybe or \$30,000, \$40,000, and then you have the big ones when the tour companies go under, but there are airlines too that go under and once again if the insurance is not provided—now to be fair, the insurance companies and many of the travel agencies do insist on waivers for people who are buying packages, they require them to buy default insurance, so that is probably why you have not had as many complaints as you normally would have because they are being forced under penalty to sign a waiver, and when they have to sign a waiver they usually think better of it and buy the default protection.

That is all fine and dandy as long as the insurance companies are providing the coverage at a reasonable cost, but if in fact the insurance companies get hit by a fairly big loss, then you can see the premiums going up substantially, or maybe insurance companies withdrawing from that area and that would leave you exposed. It is something to keep in mind. When these failures happen, they happen kind of unexpectedly, and that is when you will get a lot of people being stranded and chasing you at the time. So I guess you just want to know that when the time comes, I will be out there saying that, you know, well, I have been after this for a long time. So I would ask you to send it to Research and Planning and take a look at it a little more closely.

Now we could go on for quite a bunch longer on this area, but I think it is probably a good idea. I understand the people from the Public Utilities Board are not available today, so we are going to have to reschedule them for a different time. The Securities Commission people are here, so maybe if we spent some time poking around in the Securities Commission for awhile, we could get some of that done today.

* (1620)

Mr. Radcliffe: Mr. Chairman, that would be very satisfactory. I also would invite my honourable colleague, if he has questions on the Public Utilities Board, my deputy is very conversant with the activities

of the Public Utilities Board and some of the underlying principles and concepts. I have had the opportunity of sharing counsel with Mr. Forrest, who is the chairman of the Public Utilities Board. I would advise that he and his deputy right now are out of town on some interprovincial travel in order to gain some more harmonization, more skills, some more knowledge of what is going on in other provinces so that they may better administer the areas of activity within Manitoba. Having said that, I would not want to curtail or limit any questions that my honourable colleague might have with regard to the Public Utilities Board, and we would gladly entertain those at this time.

If he chooses, we would be glad to produce Mr. David Cheop, who is in the assembly right now, and we could carry on with the Securities Commission.

The Acting Chairperson (Mr. Tweed): Would it be reasonable to suggest that we pass the Administration and Finance portion (d) Research and Planning, as we have basically moved right away from that completely now. Again, I recognize we have been moving back and forth freely. I am just looking at the order of—I guess, trying to get some completions on some paperwork.

Mr. Maloway: Mr. Chairman, I think at this time we could pass everything up to where we are now with the exception of section (d) Research and Planning.

The Acting Chairperson (Mr. Tweed): So then I will ask under 5.2 Consumer Affairs (a) Consumers' Bureau (1) Salaries and Employee Benefits \$876,900—pass; (2) Other Expenditures \$202,200—pass.

5.2.(c) Automobile Injury Compensation Appeals Commission (1) Salaries and Employee Benefits \$437,200—pass; (2) Other Expenditures \$170,500—pass.

5.2.(d) Grants.

Mr. Maloway: I wanted to ask another question about these grants. The minister was going to get back to me as to what the actual breakdown was between the grants for the Community Unemployed Help Centre or there was a credit counselling, I believe, and the Consumers' Association.

The Acting Chairperson (Mr. Tweed): Just before the minister responds, I will advise for the record that (b) Residential Tenancies was passed in a previous meeting.

Mr. Radcliffe: Is it appropriate that I excuse the director for the Consumers' Bureau at this time? Good. Thank you very much.

I am advised in response to my honourable colleague's question that the Department of Consumer and Corporate Affairs issues two grants annually. One is to the Community Financial Counselling Services, which was formerly the Community Consumer Credit Counselling. This is a grant to help provide credit counselling services for low-income individuals. The amount there is \$53,800 for the current year. The second grant is to the Consumers' Association of Canada, Manitoba branch. This grant enables the organization to provide a product information and product-rating service to consumers. It is a service which is not duplicated by any other organizations, provided by a combination of paid and unpaid volunteer staff. The amount involved is \$33,900. So, that is, to repeat, \$53,800 for the first and \$33,900 for the second.

Mr. Maloway: Is that grant to the Consumers' Association up or down over what it has been over the last couple of years?

Mr. Radcliffe: I believe there has been a decrease of 2 percent on both grants, and this was a general 2 percent reduction right across the department on governmental spending wherever we were able to do it. I believe the deputy was very, very assiduous in her savings measures in order to curb the expenses of government.

Mr. Maloway: It just occurred to me that I should ask the minister at this point: There are three SOAs currently in the department, what will be the next area that will be developed into an SOA? I mean, would there be any of the functions of the Consumers' Bureau that we have just dealt with that will be put into an SOA?

Mr. Radcliffe: My honourable colleague is quite correct that there are three SOAs right now in the

Department of Consumer and Corporate Affairs, and we have no active plans at this point to develop any further SOAs, so any further response of mine on this part would be speculative at this point. There are obviously a number of other self-contained departments that do function on their own, and we are continually reviewing them as to efficacy and need in the community and just analyzing them because I firmly believe, as does my deputy, that just because we have done something in a particular fashion for a number of years does not of itself justify continuing to do that. We must be satisfied that it continues to meet the needs of our citizens in Manitoba.

With regard to launching any new SOAs, we have no real plans or concrete plans at this point in time and anything further would be wholly of a speculative nature.

Mr. Maloway: I believe now we are moving to the Securities Commission?

The Acting Chairperson (Mr. Tweed): Yes. At this time, then I will ask for item 5.2.(d) Grants \$87,700—pass.

Resolution 5.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,883,100 for Consumer and Corporate Affairs, Consumer Affairs, for the fiscal year ending the 31st day of March, 1998.

For the record, I would like it to show now that we are moving on to item 5.3. Corporate Affairs (b) Manitoba Securities Commission (1) Salaries and Employee Benefits \$1,305,600.

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

Mr. Maloway: Mr. Chairman, I would like to begin by asking the minister about the advisability of putting the Manitoba Grow Bond Program under the auspices of the Securities Commission and what the minister thinks of that idea.

Mr. Radcliffe: Mr. Chairman, my honourable colleague raises a very intriguing question here, and what I can do is reflect from a somewhat peripheral nature on the issue of Grow Bonds. Grow Bonds is an investment vehicle backed by the Manitoba government

whereby the principal that is lent by the citizen to a particular enterprise is guaranteed by the Manitoba government. It has a community focus and is administered by the Department of Rural Development. Beyond that, I would hesitate to make any comments because this is a matter that really lies beyond the ambit of the Securities Commission.

* (1630)

The Securities Commission is a regulatory body that governs the behaviour of brokers themselves, their professional standards and ethics. It covers the issues of disclosure. I think that in the case of the Grow Bonds, they were launched in 1992 as a vehicle to enhance investment in our communities, and government wanted to make sure that they were very accessible and that we were not layering on any expense to these vehicles.

It was felt that these instruments would be perhaps beyond the reach of the community, which is what they were aimed at, is enhancing the community, if they were administered by the Securities Commission, but, in fact, really, this is beyond the area of discourse by this department at this point in time, other than those general remarks that I have put on the record.

Mr. Maloway: Mr. Chairman, well, we have a different opinion about this matter and just if I could explain to you why that is. We have seen the Grow Bonds—and I believe there are 11 of them or so right now; I could be wrong about that, but I think that is how many there are. Increasingly, more and more of them appear to be falling into problems. The company is having difficulties with them and, at least in a couple of cases, there has been a suggestion that improper disclosure has been made. It seems to me that if this was put under Securities Commission auspices that there would be the rules and so on that would require disclosure and registration and so on. It would tie it down a little better, give it a little more professional approach than appears to be right now.

In other words, this program, I guess, we are saying, is not working out as well as the minister would want to believe that it is, or the government would want to believe that it is. It is not working out well and that in the future that any new Grow Bonds and so on should

be put under the Securities Commission, so that they can at least take a look at them and have a proper prospectus and disclosure and so on would be drawn up and it would prevent—I mean, in opposition it is our job to criticize the government. We also know that sometimes if we are too good at it, we are going to keep the government in power for too much longer. So we do not want to give you too many ideas here, but you know, if you are going to be running into trouble with these and the Achilles heel to the bond is the fact that this thing has not been researched right and it does not have the stamp of approval of the Securities Commission, the situation could be helped by doing that, then I would think as a government you would want to take those steps and hopefully avoid some of the problems that you seem to be developing with these Grow Bonds.

Mr. Radcliffe: Mr. Chairman, well, I am certainly buoyed up by my honourable colleague's support of our government and I would hope that it would ever be thus, but I think that what he is really addressing, and part of I guess the role of government is to look at what the real need is here and the real issue. I would suggest without being argumentative that really what my honourable colleague is concerned about, and I think this is a very worthy concern, is measuring the risk of the enterprise which is the subject of the investment, and the Securities Commission right now does not measure the risk. In fact, there are many enterprises that trade on the Toronto Exchange—and we have a very notorious one right now in the newspapers, but—

An Honourable Member: 70 cents—7 cents, pardon me.

Mr. Radcliffe: Exactly. I believe that Bre-X is trading today at 7 cents, and I am certainly happy to advise my colleagues that I have no holdings in that company. I get through that one unscathed. I think that really what my honourable colleague is referring to here is that he is concerned that the Manitoba government perhaps is being put to expense by backing commercial entities that look like a good enterprise at the point in time when the investment is being made and subsequently, for a myriad of reasons, do not prosper and that a call is made upon the Consolidated Fund of the Province of Manitoba, and the payout has to be made to investors.

That is not something that, with the greatest of respect to the department or the individuals on the Securities Commission, they perhaps have a competence in. In fact, what I think my honourable colleague is referring to is that one would need the services of a good corporate analyst, or an investment analyst, to see if such and such an enterprise is a good investment. Short of that, a government would not perform that service, at least government as it is constituted today under the Securities Commission does not perform that function. What it does is the limits of disclosure are of a much more regulatory nature in the Securities Commission, and so we would continue to miss the mark. I would suggest with respect that all we would be doing would be moving one area of activity from one department to another which was perhaps a glorified shell game, and I do not know that there is a lot of merit or advantage to be gained by the consumer in that respect.

Mr. Maloway: The suggestion had to do with the disclosure question, not the analyst's role of recommending whether the proposition is a good one or not. It had to do with disclosure. I understand that the Grow Bonds procedures did not allow for proper disclosure as opposed to what the Securities Commission requirements would provide.

* (1640)

Mr. Radcliffe: Our difficulty in being responsive to my honourable colleague on this issue is that we would hesitate to comment on the issue on the level of disclosure. We have general knowledge and vague knowledge which is, perhaps, just derived from what one discerns from the public media on the level of disclosure that is practised in the Grow Bond environment and probably these issues would properly lie with questions to the Minister of Rural Development (Mr. Derkach).

Mr. Maloway: I will leave that topic right now and go on to an area that I am sure you will be able to provide me lots of information on, and that is the question of the house-flipping. The house-flipping ring, your staff, Mr. Cheop, is quite familiar with it, and I am sure that he would be prepared to entertain us for quite some time, giving us an update as to where things are with it.

Mr. Radcliffe: Mr. Chairman, I have taken this brief interlude to familiarize myself with the practice of house flipping, and in fact I was never aware of this when I was actively practising law because perhaps my path took me more to rural real estate rather than urban real estate.

An Honourable Member: Much better, too.

Mr. Radcliffe: Indeed, yes, I would concur. But I am told that the m.o. here, and it involved one particular agent who was an individual I can assure my friend is now no longer active in the real estate market in Winnipeg, but it came to the Security Commission's attention that there was a series of very quick sales and a number of sales and transactions sequentially over a few pieces of real estate. Basically what was involved was that a realtor, or a particular individual bought a house for a very modest sum of money, put in some very minimal renovations, got some occupants who were not that skilled or sophisticated to move into the house and then inveigled them to purchase, move from being a tenant to a purchaser, lent them the down payment and arranged for them to get mortgage financing for 95 percent of an agreed value which was an inflated value, significantly higher than that for which the original purchase was very recently before the subsequent transaction.

These were individuals that did not have the financial worth or sustenance to maintain the mortgage. The mortgage fell into arrears, and when the mortgagee came to foreclose, much to their chagrin, they found that the real value was not in that piece of real estate. Now implicit in this is that there may or may not have been a number of other individuals who were either innocently or not so innocently involved with this transaction, and there are a number of ongoing investigations by different bodies other than the Securities Commission. The Securities Commission itself acted very quickly and made sure that this person was no longer—[interjection] I am told that one of the difficulties here was that the agent, the person who was registered, who was involved in the transactions was not the individual who was doing the flipping, but rather was an agent for a principal.

Therefore, there was a report or a referral made to the commercial fraud people by the department, and the

individual agent has since ceased acting in this area. That is sort of an anecdotal situation, and one cannot legislate or regulate against dishonesty as much as one might wish. What the real estate broker society or registry has done is advised all real estate brokers and agents in Manitoba not to become complicit with evaluations or to become personally identified with the owners of these properties. There are regulations right now of disclosure where the agent must disclose on the face of an offer to purchase if this is, in fact, their personal property or something that is connected to them.

The Securities Commission, through the services of the real estate brokers, has made very public what the basis of this transaction was and how the Securities Commission disapproves of it, and how it will be dealt with with the full force of the law and abjured all the individuals in the profession to refrain and abstain from such activity.

Mr. Maloway: Well, will the minister confirm that his department was, in fact, aware of this ring as early as April 1995, because it was during the election campaign of April 1995 that the original person came forward and started the ball rolling on uncovering these series of house flips?

* (1650)

Mr. Radcliffe: I cannot specify that it was April 1995 that this matter first came to the attention of the department. All I can say is that it was in the spring of that year that there was some knowledge shared with the department, and by the fall of 1995 the matter was referred to the mortgage insurer at the behest of the real estate brokers' society. [interjection] I stand to be corrected by my director here, Mr. Chairman. It was in the fall of 1994 that this matter first came to the attention of the department, and in January of 1995 there was a referral to CMHC which was the insurer for the mortgagee, January of '95.

Now, I do want to comment on some of the nomenclature, I guess, that my honourable colleague has used when he refers to it as a ring. The attention of the department was focused on the actions of one particular agent and his principal. It may well turn out that there was a group of professionals who were

supporting or enhancing the activities of this individual, but that is yet to be proven.

As I said earlier, there are ongoing investigations, so therefore it would perhaps be inadvisable of me to comment any further on the subject of any inquiries, but it was, in fact, and I will be specific, one agent that the department investigated.

Mr. Maloway: Would the minister provide me with a copy of that letter or note that he says was sent to CMHC, I guess it was, in the fall of '94?

Mr. Radcliffe: In January '95, the contact was made to CMHC, and I can advise, Mr. Chair, that, in fact, I believe the contact that was made was that of a meeting with CMHC to urge the insurer that they should contact the commercial fraud people. I do not know at this point that there was an actual letter. I think it was a face-to-face meeting.

Mr. Maloway: Well, on what date in January '95 did that meeting take place?

Mr. Radcliffe: I believe it is January of 1995, and we can look it up. I can ask my director to supply that to me, and I will be glad to forward it to my honourable colleague.

Mr. Maloway: Can the minister tell us, at the end of the day how many house flips were involved in this ring? What was the total number?

Mr. Radcliffe: Mr. Chair, we do not have the specific number in front of us right now. I can only give my honourable colleague an indication of the nature, and it was a significant number. The number of 40 to 50 is the recollection of the department. These were different properties that were being turned over quickly, and they were properties of a modest price nature so that when the Securities Commission saw a number of properties with one particular individual involved and a significant number within a short time span, this is what attracted their attention and they became involved.

Mr. Maloway: The fact of the matter is that the numbers that you are giving out are very low. There are probably 100 properties involved. When we were uncovering all of this stuff and trying to get to the

bottom of it, and I had occasion to meet with a lot of these people in their homes. Sometimes before Bill Baluk got to their doorstep, I was there. In some cases he was there ahead of me by, you know, a few days, a few hours, and I guess the problem with this is that the people—this process has taken too long. If I became aware of it or our caucus became aware of it in the middle of the election 1995, you people became aware of it January of '95, or in the fall of '94, passed it on to CMHC.

You have to understand that CMHC was picking up these houses on mortgage foreclosures, so you have to look back to CMHCs role in this thing. CMHC would see that these were houses where people were walking away from them. A lot of them were vacant by the time you guys even found out about them, by the time I found out about them. So I did not become aware of them until maybe May of 1995, six months later, but CMHC should have been on this from the very beginning, because there were a good number of them that were vacant by the time we found out. We found out only because, and you found out only because, there were a couple of people who would not take no for an answer, and they pushed this issue and took it further and retained lawyers, and so on and so forth.

* (1700)

The point is, this thing still has dragged on far too long from the time that the investigations were done to the time that it was turned over to the lawyers and to the commercial crime people. At this stage, how long has it been? It is now going to be three years this fall, and these people are still no further ahead. Now that is not entirely true, because let me tell you that—and it is not just one real estate agent. We are talking about three real estate agents here. We are talking about at least three lawyers. One lawyer did get a judgment against him from the Law Society, and the Law Society paid out on his behalf. So it is true that it is an ongoing arrangement, but throughout the whole process it became evident to us that it was the appraisal function that needed to be looked at, because if you look at the thing as a funnel that was kind of—the neck of the funnel was the appraisals. In other words, the reason they could get away with this is because there was no sharing of the appraisals. So as long as you could get your favourite appraiser out there—and it was almost

done on the basis of appraising to order. You have to understand too, that it also involved a mortgage broker. So what you had was the friendly real estate agent, the friendly lawyer, the friendly appraiser and the mortgage guy from the bank. It had all of those elements. They all had to be in place for it to work, but it was the appraiser that made it all work.

That is why I asked you this in your Research and Planning division the other day, if there was some way you could force a change to the rules that require that when you purchase a property, when you purchase a house, and an appraisal is done for you by your bank, the bank will not show you that appraisal. You have paid for the appraisal, but the bank will not show you the appraisal because it is their appraisal; they require it and they require you to pay for it.

To me that is terrible and it really helps the appraisers out because they do an appraisal on one house and they do it for the bank, and then if anybody else wants an appraisal on it, they will do it specifically for that person, even though the appraisal may be almost identical. They charge a fee each time they do it, you see, and that is what this is all about.

So what would happen is, in this case, I guess, the head guy here, without mentioning his name, the guy who was supposedly running—the Mr. Big in this operation. He has been mentioned in the Free Press when they did the big front-page stories on this issue last year. I mean, when he was doing this stuff, they would have friendly appraisals done, but the key to this whole thing was that they would put an ad in the paper and the unsuspecting—and, I mean, you have to meet the people. I have been out and met most of these people, and most of them are young; some are rural people who have moved in from the country. It is a first-home situation. They are working at minimum-wage jobs, and so they are not in a position where they could afford a down payment on a house.

So they would read an ad in the paper, and the ad in the paper would say, come and look at this house. It is basically a private sale. Then what would happen is the person would get involved, and they would need a down payment to qualify for the mortgage. So what would happen is Mr. Big would provide the money. What he would do is he would provide it in cash. He

would give it to them in an envelope, and I had numerous examples of where they would tell me they had never seen so much money in their lives as this, and they locked it in the glove compartment of the car and hastily drove it across the city to get it into their bank because they were scared, you know, what if they got into an accident and this money never got back.

So he would lend them the money. They put the money into their bank, and then they would write the cheque as the down payment. If they were unemployed, that was no problem for Mr. Big. He just found some fake company that would give them a letter of employment, and there were examples of letters of employment.

In some respects, the victims were culpable in this whole operation because they did not question the inflated price of the house. Well, they had no reason to question it, because Mr. Big was such a nice guy. They did not necessarily all come from Winnipeg, so they were from the country, and he was just a nice, helpful guy. They were not familiar with the land prices. If they were buying in the area that they were used to buying in—but they were not.

There were a lot of city people, too. My point is that the rules are such that you cannot get a mortgage unless you have a job, and you cannot get a mortgage unless you are going to have the cash to put down, the down payment, right? So what would happen is Mr. Big had all the answers. He would lend them the down payment. He would give them credentials to show they had a job, and that was the only way they could own this house, so they willingly got involved in this thing. In many cases, they were not even aware their house was overly priced until we actually came to the door and told them. You know, we were the deliverers of the bad news and said, did you know this, and they would argue, some of them would argue with you, and say, well, no way, my house is worth \$70,000; it says so right here.

So that was the kind of environment that we are talking about, and my disappointment, I guess, is that it has taken so long, that they had nobody really to turn to. We kind of got them together as kind of a support group among themselves and so on, but they cannot

wait for the wheels of justice to turn because they turn so slow.

The province seems remote to them and really cannot give them much in the way of support. Some of them actually have lost their houses since the man from the government showed up and said I am from the government, I am here to help you, and they thought, well, help is here, but in a lot of the cases they have lost out. They could only hold on so long. One of them has gotten divorced over this. Another one has, well, other problems. There are all sorts of problems. By the time this thing winds its way through, and Mr. Big ends up in jail, if that is what, in fact, happens, these people are going to be on to a new house by that time because of the time frame.

So that is what I am really disappointed about, is the lack of action. The lawyers, all three lawyers are still happily plying their trade. Two of the three real estate agents are probably still out there. You say one of them has voluntarily withdrawn and that is fine. What about the mortgage broker and what about the guy himself? Mr. Big is still happily feeding his llamas. Well, maybe with the flood—he was living right on the river so he might be seeing real justice in the last week or two.

Mr. Radcliffe: I can commiserate with my honourable colleague that, in fact, it often appears that the guilty go unpunished and that the innocent are victimized, but I think that one must not paint all departments of government with the broad brush out of a sense of frustration.

One must discern what is the actual area of responsibility of each individual department of government, and here the administration by the Securities Commission of The Real Estate Brokers Act applies to the behaviour and the activity of the real estate broker. I would advise my honourable colleague that within a matter of months, be it one month, two months, at the outside two months from this information coming to the attention of the Securities Commission, contact was made to CMHC who is the mortgage insurer in this case to acquaint CMHC of the nature and extent of the transactions that were going on and to urge CMHC to bring in the civil fraud people, the criminal fraud people.

* (1710)

In no way does the Securities Commission have control or any influence at all over the criminal justice system, and what my honourable colleague is referring to as the ongoing dilatoriness of the Crown and of any tangible results is, in fact, I think a justice issue. I think many people in society feel frustrated at times that either the Crown does not lay charges, even though you know somebody may well be very guilty of some transaction, or that it takes an incredibly long time for an issue to grind itself through the courts. It can take up to a year for an issue to get through the courts, especially ones of a civil nature, involving civil fraud, which are complex and sophisticated.

I can tell my honourable colleague that, so far as this department is concerned, we issued a letter, in May of 1995, to all real estate brokers and authorized officials warning them not to become involved or complicit with activities of this nature and then we closed the book. That was it. We were finished so far as we were concerned.

Now, whether the Law Society is going to be acting to revoke the licence of these lawyers, again, is something beyond our jurisdiction. I can tell my honourable colleague that usually my experience with the Law Society has been that if there is a complaint that comes out of the community with regard to your practice, and I admit that I have been the victim of these complaint letters from time to time, and I think every solicitor practitioner has been, that you receive a letter from the Law Society. You have, I think it is, seven days or 10 days within which to respond to the complaint, and the citizen's letter against the practice of the solicitor is enclosed for you to respond. That matter is then referred to the disciplinary committee. There may be some attenuated correspondence back and forth. Then, usually, the Law Society meets pretty expeditiously because the disciplinary committee meets on a pretty frequent basis and is very conscious of its image, the image of its society and members of the public, and does not want any individual to be victimized by a practising solicitor.

I would, therefore, perhaps suggest to my honourable colleague that if there has been no proceedings to date, and it is two years after the fact at this point in time,

that in fact there may not be any proceedings now against these particular practitioners.

I agree with my honourable colleague that the facilitator who made this whole thing happen was probably the appraiser; in fact, was the appraiser. I am aware of the particular practices of the bank, and I am at a loss as well as to why the bank does not disclose the appraisal material to the homeowners.

An Honourable Member: Can you force that, though?

Mr. Radcliffe: I do not think so. No.

Mr. Maloway: Mr. Chairman, I wanted to ask the minister if there was any mechanism to force the appraisal institute to conduct itself differently in terms of what the appraisals can be used for? I am not sure just how they are governed, but there must be something that can be done in this regard.

Mr. Radcliffe: I would hazard a reply to that, Mr. Chair, that probably our federal colleagues in Ottawa would be the appropriate people because this would fall under the management and jurisdiction of the banks. They are the people who pay for the appraisals, although they extract the fees from the applicant, and the appraiser is, in fact, working for the bank in that particular case. So that would probably be the appropriate place to complain or to advocate for a change of legislation.

Mr. Maloway: Mr. Chairman, you know, even as a compromise to the appraisal, because the Appraisal Institute are the appraisers, they make a fee for doing multiple appraisals. I think you could allow them to keep doing their appraisals on demand, so they would not lose business. But the key would be to provide disclosure because everyone knows that two different appraisers are going to come up with two different prices. So, just as a bare minimum, the bank should be required to at least show you or disclose a copy of the appraisal, and if another one is required by the other party to the transaction, then fine, you know at least you can have two to compare.

I know that a lot of the appraisal people—I gather they are human beings and they do not like to be caught

blind-sided and find out that one guy has appraised something at 50 and the other one has appraised something at 70. So they like to go into a situation knowing what all the facts are so they can come up roughly the same. So what happens is, once they both know what the ground rules are, they will both come out about the same but, if you send them in blind, you could come up with some pretty widely fluctuating appraisals.

Mr. Radcliffe: I think in this case that I do not disagree with any of the comments that my honourable colleague has made, and I think that this is a very cogent criticism. Unfortunately this is beyond the jurisdiction of my department but, just as a follow-up to my previous remarks as well, I wanted to share with my honourable colleague a letter that went out under the signature of Mr. Storsley, registrar to The Real Estate Brokers Act, dated May 26, '95, and I am quite happy to share a copy of this letter with my honourable colleague.

Basically it just outlines that to the Manitoba Securities Commission warning all registrants to avoid participating in any type of financing scheme which is intended to mislead mortgage lenders. It goes on to describe much of what my honourable colleague has described here before us today. Mr. Storsley sums up by saying: All brokers are directed to give a copy of this notice to their sales agents and to provide appropriate warning to avoid involvement in such schemes. I believe, Mr. Chair, that my honourable colleague says that he is aware of this letter and is familiar with the terms of this letter.

Mr. Maloway: I think the minister would also discover that a good chunk of these appraisals were done by the same firm and by the same people as well. Can he confirm that?

Mr. Radcliffe: We have no knowledge of that because, again, the appraisers are beyond the ambit of our legislation.

Mr. Maloway: There were in fact several appraisers and appraiser companies, but there was one in particular that showed up in more than its fair share of cases.

Well, you know, I think we will just have to wait and see how this develops. I wanted to ask the Securities Commission about the Bombay Bicycle Club and what is going on with that. That is a case where they owed quite a bit of sales tax, provincial sales tax. There were investors who lost a lot of money. That was \$300,000, \$400,000, quite a bit of money, and I do not know what the Securities Commission did or could have done to save that from happening, but I would like to get some comments and updates on it.

* (1720)

Mr. Radcliffe: Mr. Chair, my honourable colleague has referred to the financing that was conducted by the Bombay Bicycle Club. I can tell my honourable colleague that the Securities Commission has a practice that encourages small corporations to raise money amongst the public called a limited offering exception, and for small amounts of money—and we are talking about the number of folk that can become involved in such an offering. This can range anywhere from 15 individuals to 50 individuals. The corporation or the entity raising the funds does not need to file a prospectus or go through a lot of documentary formality that is often incurred with a public offering. But in exchange for that, the individual investors must file a notice saying that they are sophisticated investors, and that they do not need the protection of the Securities Commission, and that they have satisfied themselves as to the fiscal viability of the investment which they are making, or that these particular investors go out and get independent financial advice with regard to the transaction which they are anticipating undergoing. At that juncture, after notice has been filed and the investors respond—and it is a limited number of investors who are allowed to respond; there is cap of either 15 or 50.

I would point out to my honourable colleague as well that a private corporation is entitled to have up to 50 shareholders in any given time as long as there has been no public solicitation. But this sort of puts a framework on the whole corporate structure law in our province that the Bombay Bicycle Club was up and running. I can say to my honourable colleague that this is, again, the extent and the nature of the regulation that where a repository for the notice—in this particular case it is a vehicle by which shareholders and investors and

promoters can get together. The issue that gave rise to the problem, however, was the nature and quality of how the business was operated, and that I think was the deciding factor of why these individuals lost their money. It was not the way in which the money was raised. It was not the way in which there was disclosure, lack of disclosure or the amplitude of the disclosure, but rather it was the operation of the business. This, again, is something that is beyond the realm of jurisdiction of the Securities Commission.

I guess this goes back to a conversation that my honourable colleague and I were having a few days ago when I was saying that we cannot as a provincial government legislate, as much as we may have compassion for people who lose money in the stock market or lose money in investments, that people shall not lose money or that people shall not invest in risky enterprises. I mean, as we all would love it to be Camelot and all the regularity of Camelot that was in that lovely musical, that is not the realistic pith and substance of our everyday world. So that is the background and the philosophy, I guess, of our government and our department with regard to the issue of the Bombay Bicycle Club.

Mr. Maloway: Just to go back for a minute to the house-flipping ring. Would the minister endeavour to contact the appropriate federal department regarding the appraisal rules and seek to get them changed?

Mr. Radcliffe: Well, I would invite my honourable colleague to do that because I am at a loss as to which department—I can only think that it would be something under the Bank Act—might be the appropriate department of the federal government to contact.

Mr. Maloway: When the minister does find out what the appropriate body is then, would he endeavour to lobby and send a letter on behalf of the people who were the victims here?

Mr. Radcliffe: I do not wish to be combative with my honourable colleague, but, Mr. Chair, I question when we have a cheat who is fabricating appraisals whether the disclosure of the appraisal by the bank to the homeowner would really cure the problem. I, too, am frustrated and agree with my honourable colleague that it seems unreasonable that the bank would refuse to

release—and I do not understand why the bank would refuse to release the appraisal information to the homeowner, but I am at a loss from a logical perspective at this point to see that that release of information would cure the problem we suffered at that point in time.

If we can get a nexus there, I would be glad to cooperate with my honourable colleague, but I would be at a loss at this point to make an argument that would be addressed to curing that ill.

Mr. Maloway: On November 15, 1996, I sent a letter to the minister's predecessor, and it was concerning—the Manitoba Securities Commission had been investigating complaints concerning the activities of a former investment advisor, Mr. Douglas Mann, for six years. Mr. Mann was at the time a salesman for Richardson Greenshields, and I have had a number of calls from former clients of Mr. Mann concerned that the case has been dropped due to the sale of Richardson Greenshields.

I was asking for advisement on the current status of this investigation and how much longer it is reasonable to assume the investigation will take, and I will provide a copy once again to the minister, as this is one of the outstanding—I see the Deputy Premier (Mr. Downey) has left and it is interesting that—I do not know whether it is because of him, but I saw just the other day a list of—and I thought this was kind of a pretty good idea. It was a list of questions taken as notice by different ministers and aged by, you know, almost like an accounts receivable chart.

So we have every question that the ministers have been asked and have not responded to, going back a number of ways. I thought that was actually kind of a pretty good way of dealing with it because we were finding that some ministers, current company excepted, of course, but certain ministers were not being overly quick about responses.

* (1730)

Mr. Radcliffe: I have for reference the letter that my honourable colleague Mr. Maloway has produced, addressed to Jim Ernst, dated November 15, 1996, and it is a two-paragraph letter which basically says that the

commission has been investigating a former investment advisor, one Douglas Mann at Greenshields, and I am supplied by my director a copy of a letter originally executed by J.A. Ernst, my predecessor in this position, dated January 6, '97, addressed to Jim Maloway, which reads as follows: Thank you for your letter of November 15, '96. I am advised by the staff, the commission originally began formally investigating the conduct of Mann, et cetera, and goes on for some two and a half pages.

If my honourable colleague finds the letter insufficient I would be glad to try and amplify it, or if he does not have a copy I would be glad to give him a copy.

Mr. Maloway: Perhaps you should provide me with another copy of that letter. I am sure my staff gave me this letter to follow up on it and obviously they do not have—at least they do not have it in the right file. It got into some file.

Mr. Radcliffe: I can advise my honourable colleague that, as a practice, what I have done with my office staff is that I keep no files in my office. That way they have sole responsibility over every piece of paper that comes into my office. So that is a good business practice. It was a major leap for me as a lawyer because, of course, in a law firm you tend to hoard every single piece of paper, but when I walked into Consumer and Corporate Affairs, I made the decision that I was going to deal on the clean-desk principle. So I force every piece of paper out into my staff and into a file and make them dispose of it on a daily basis so that when I walk out there may be three or four pink slips of telephone messages unattended, but other than that, everything is off my desk. I recommend that process.

Mr. Maloway: That brings to an end my questions for the Securities Commission, and it seems to me that there are a number of questions I had for the Public Utilities Board, and perhaps the Research and Planning division would take those questions and pass them on to the Public Utilities Board or could provide some of the answers because, in actual fact, some of them are of a general policy nature in the area of the gas brokers and the pipelines questions. So I do not necessarily need the Public Utilities Board to be there on a policy kind of question.

So, if we could move on and deal with, well, we have the SOA people here, so maybe we could deal with them and then save a little bit of time at the end for the Public Utilities Board, specifically the pipelines and the gas broker question.

The Acting Chairperson (Mr. Dyck): Is there will then to pass 5.3.(b) the Securities Commission?

5.3. Corporate Affairs (b) Manitoba Securities Commission (1) Salaries and Employee Benefits \$1,305,600—pass; (2) Other Expenditures \$367,800—pass.

Then, yes, we will move back to 3.(a) Insurance Branch (1) Salaries and Employee Benefits— [interjection] Is it then the will to move on to Public Utilities Board?

Mr. Maloway: No, we will go to the SOAs. [interjection]

The Acting Chairperson (Mr. Dyck): The question the minister has asked is, Trust and Loan Corporations Branch. Could we deal with that one now?

Mr. Maloway: Well, why do we not just leave all that to the end? We just pass the whole thing; whether we finish today or tomorrow, we will just pass everything in 30 seconds.

The Acting Chairperson (Mr. Dyck): So, then, the committee would like to move on to 5.3.(f) Land Titles Office (1) Salaries and Employee Benefits—

Mr. Radcliffe: I think we got Corporations Branch here.

The Acting Chairperson (Mr. Dyck): Moving on then to 5.3.(h) Companies Office.

Mr. Maloway: Essentially, I wanted to ask the same questions of the remaining two SOAs as I did of the first one. We are going to be awfully short of time to do this today if, in fact, we can do it today, but I did want to ask about the Companies branch.

Now, it is a recent SOA and what we wanted to know was—once again, I am doing it from memory, but we

wanted the old fee structure before it became an SOA and the fee structure when it became an SOA and the fee structure now, like where it is today; so those three sets of fees, and, of course, I can tell you what the reason is behind that. We want to find out just where the fees are going and what the public now has to pay for the use of this new user-pay system.

Then we wanted to get into the whole question of the computer system that is driving this new SOA and what it is going to mean for the staff and staff positions and so on.

Mr. Radcliffe: Mr. Chair, I am pleased to inform my honourable colleague that, in fact, there has been no change in the fee structure for registrations at the Corporations branch since 1993. In fact, he brings to my attention the fact that perhaps we should be investigating this to see that we are keeping pace with inflation and rising costs. I would thank my honourable colleague for raising this issue because we want to make sure that government keeps pace and keeps competitive, but I must tell my honourable colleague that there have been no changes since the advent of the—[interjection]

I am told save and except, and I would amend my previous remarks by saying that there were three new charges created by the Corporations branch. One was for a charge for facsimile information, and one was for a file summary for a summary page. The director is not aware of the third charge, but these were all five bucks, five bucks, five bucks.

Mr. Maloway: Just to correct any possible misunderstanding that the minister might have here, we certainly do not support any increases in fees. What we are trying to discover here is whether or not these user fees were being increased in an effort to develop a little slush fund for use around election time for reductions in fees.

That is what we were searching for here, is all these little slush funds that over the years have developed in places like Autopac for reductions before an election. The Workers Compensation Board is running projected huge, huge surpluses for 1999 which will culminate in a big reduction just going into the election and other things. So that is what is driving the questions, and we

certainly do not want increased fees. We want the fees to stay where they are or be lower, not increased.

So you have answered the question about the fees. Now let us deal with the computer system. What sort of a computer system do you have? Is it year 2000 compliance currently or when will it be, software and hardware? What will this do to your staff components in your SOA?

Mr. Radcliffe: Mr. Chair, I can advise my honourable colleague that the current computer system that we have at Corporations Branch is not 2000-compliant.

Mr. Maloway: Hardware or software?

Mr. Radcliffe: The hardware—no, the software, I guess, is not compliant. Yes, the software is the problem. We are functioning right now under the ISM management mainframe system, and it is about a 10-year-old system. The software was designed specifically for the corporation's registry function. What we are looking at right now is we are anticipating that the solution to our problems will come with the resolution of the whole process of Better Systems.

We are anticipating that there will be a resolution by the fall of 1998, but this is a very complex issue and a multifaceted issue which is looking at and analyzing government's needs right across government for computerization, and we are just one very small cog in the wheel. So, until that is implemented, we are really not in any position to reflect on the impact on staffing, because we are not sure where our functionality will go. Each is related to the other so that anything that we would say now would be precipitous.

* (1740)

Mr. Maloway: Well, if the software is 10 years old and the equipment is not, well, even if the equipment was bought this year, it is probably not 2000-compliant.

Mr. Radcliffe: It is not.

Mr. Maloway: It is not. So neither equipment nor software is 2000-compliant.

Mr. Radcliffe: I think the problem and I am starting to tread into some information that I am not too

comfortable with, but I gather that it is peculiarly a software problem. Mechanically, the hardware that we have can receive and register a date, a two-digit date. The problem, as I understand it, is registering a 00 under the software and that has all sorts of ramifications for repeats and spinning out for the software, which makes the thing fall into a fault mode.

Mr. Maloway: Do you have a team working on this to solve this problem, this year 2000 problem, or do you have a representative on a bigger team?

Mr. Radcliffe: There is a team, a Better Systems team, which is operating across departmental levels that is addressing this issue. It is time sensitive, because I think some of the departments, and I hesitate to say which ones, have to be able to register documentation or database material well in advance of the onset of the year 2000, so therefore our absolute time of change must be the fall of '98 or the close of business of '98.

Mr. Maloway: Well, that is absolutely true because the software programmers, computer programmers, I am told, their salaries are doubling every six months now. I mean, the longer you leave this, if you solve your problem now, if you solve your problem today, you might do it for \$50,000; but if you wait until the end of the year, it will be \$100,000; and if you wait for six months after that, it will be \$150,000.

I think MPIC is one where they are having trouble keeping programmers. I know of one fairly well-known large Manitoba computer company who just lost a programmer to, I am not sure who, but I think somebody in the government, who said they wanted \$75,000 or something like that. We are talking about astronomical fees. These programmers are going to make enough money to retire. After the year 2000, they are going to be out of a job, but they are going to have made enough money in the next couple of years to live quite well.

So the argument here is that some departments, I believe in the United States, are quick and are moving ahead with this, and other departments are just sleeping and letting things lie. In the computer hardware area today, as we sit, computers are being sold, hardware that is not 2000 compliant—it is not 2000 compliant—and unless you ask and insist you will walk home with

a—and the theory being that the equipment is going to last 18 months anyway, so for home use what do you need to worry about this for.

I thought it was just a software problem too at one point, but it is not. There is something to do with the bias or something on these computers and so the hardware—so anything you buy, unless you make sure it is year 2000 compliant, then you are going to have some real problems come midnight year 2000. So I am trying to find out how serious your problem is, so it is hard to tell because different areas of the government are working at different rates on this, and you have different kind of computer usage, so good luck. I am glad I do not have to worry about this problem. Well, mind you, like I said before, by 1999, the year 2000, we probably will be the government and by then it will be too late. The government will be shut down at midnight.

So, Mr. Chairman, I am being told then that the action that this SOA is taking, we are not going to see what it is until the fall and when it is done it will be 2000-compliant and the jobs that are lost at that time we will find out next year at this time.

Mr. Radcliffe: Well, I would hesitate to agree with my honourable colleague that there will be any jobs lost because, until the functionality of the department—you see, the Corporations branch is basically a registry office, as I am sure you are no doubt aware, and that is for all limited liability corporations, for registrations under The Business Names Registration Act and Partnership Act. Annual returns are filed on an annual basis with the corporations. There may well be additional information, corporate information, that may be required or to be of advantage to the public of Manitoba or the government of Manitoba, and we are moving towards, and I am just sort of broadly forecasting now into the future, we are broadly moving towards a registry function that we have a general registry office which will be ultimately a one-stop shop.

* (1750)

So all registry functions, whether they be of incorporeal hereditaments or real property—I thought I would get the honourable member for Emerson (Mr. Penner) on that one—or corporations registrations, may

well all fall under the aegis of one administration. I do not know at this point, and it is too early to forecast on that. But, when you see a similarity of function, and government wants to design the most streamlined and efficient process possible and yet still give good service to the people of Manitoba, there may be many changes before the implementation of this computer system.

I just also wanted to take the opportunity, Mr. Chair, I noted that my honourable colleague was speaking with some degree of awe about a programmer being able to charge \$75,000, and this level of emolument was something so stupendous that they would be able to retire. I would point out to my honourable colleague that \$75,000 is a far cry from being a sufficient amount of money on which to be able to retire and live on your investments the rest of your life with the present rate of return which we have in our country now, which is, I believe, around 4 percent or 5 percent, although I know some mutual fund investors are perhaps gaining a higher rate of return. But the real rate of return when you take into account inflation, which is driven by the collective bargaining units that we have and contracts that we have to sign in this country and the ever advancing force of the labour unions which drives up the fans of inflation, we really are forever having to keep ahead of these inflationary forces in our economy which in fact really is a devaluation of our currency. So that \$75,000 really does no longer cut it. I would thank you for the opportunity to put those few remarks on the record.

Mr. Maloway: I would certainly like equal time on this matter. I want to clarify for the minister what the person had told me. Essentially what the person was saying was that this was a very difficult period for him in his business because he was losing programming people that he wanted to keep working for him, and he was paying them roughly I believe it was \$50,000, and this one had just been stolen away from him just a few weeks ago I gather for about \$70,000. The stats that I have read about indicate that every six months, as the date approaches and more people get into the market trying to desperately get 2000-compliant, these programmers are going to be demanding multiples of their old salaries.

What he was saying was that he did not expect that these programmers who did this would be employed

after the year 2000, because they would be taking these year 2000 jobs essentially as consultants. There would be so many of them doing this that he would not be hiring this guy back, because if the guy was going to leave him, you know, essentially leave him in a lurch right now and just leave him over a question of money to head out and do these 2000-compliant contracts, then he was not going to take him back because he was not going to spend this \$70,000 to keep him right now. He just felt he could not do it.

So that was the reason for that comment. I am certainly not suggesting that the programmers were going to be able to retire, just there would be a lot of them unemployed on the year 2000. The schools are turning them out in insufficient numbers currently, and that is the place to go. If we all had it to do over again, that is where we would head. If we were all in our 20s right now or in our teens looking for a future, it is computer programming.

I think it was Autopac, you know, Autopac has a severe problem with becoming 2000-compliant as well, and they are having a hard time keeping their programmers. So what do we learn from that experience? What we learned from that experience is the following, that if you have multiple departments in the government, the department that moves—like in the United States I believe I read an article in January or thereabouts and I think it was the Social Security department, or one department had started to look at the year 2000 problem back a year, two, three, four years ago, as early birds. They have got their system running perfectly, and you know the cheques are going to go out January 1, 2000; there is not going to be a problem.

But a lot of departments have just ignored the problem hoping it would go away, and now they are going to be caught in that bottleneck in the rush. That is all I have been trying to do is to alert the Government Services minister (Mr. Pitura), if he is not up to speed on this stuff, and he is brand new to the ministry as well, that we do not want to be coming down to six months or a year before year 2000 and have to run around and pay excessive amounts of essentially taxpayers' money trying to upgrade this system and get it operational by the year 2000. That is all we were saying, because we know in the United States and in the rest of Canada, there are all sorts of problems with

this because people are just saying, ah, it is off in the future. It is still a couple of years away and if you are a government and you are thinking about only what is going to happen today and you do not care that you might not even be around the year 2000, then, yes, leave it for the next guys to sort it out.

We do not want to see that happen, so we want to see a responsibility. We want to see people starting early on the problem, recognizing the problem, and I am not in my mind right at the moment convinced that this government really kind of has a handle on the scope of the problem. I will tell you why, because the departments each on their own have been buying computers that are not necessarily compatible with one another over the last few years. I mean, take a look at what you have got.

As a matter of fact, you know, Mr. Minister, when the tender was announced last November, the government did not even know how many computers it had. It is only when they sent out the tenders and that we find out that out of 8,000 computers—and I do not have the figures here; I can get them for you tomorrow. I can show you department by department how many computers they have. Did you know that there are only about 300 out of 8,000 that are even Pentium-based computers? You know, anything that is older than Pentium is pretty old at that point. The majority of your computers, you know, there are 2,000 of them that are 286s. I mean, where would you find a 286 today?

There are another couple of thousand that are 386s. Where would you find a 386 today? Then there are another couple of thousand that are 486s. So you are talking about ancient equipment here.

Mr. Radcliffe: I echo the sentiments expressed by my honourable colleague and, in fact, it reminds me of the remarks of former Prime Minister Kim Campbell, who said that we were moving away from an assembly-line economy in Canada and moving to that of an information-based technology. These remarks are echoed by a rather prominent author and person who comes on speaking tours to Winnipeg, a very prominent individual by the name of Nuala Beck.

So I see that my time is up, but I thank you very much, and I just want to re-emphasize to my

honourable colleague that change is an imperative and is perhaps the one constant to which we are all subject, and we will endeavour to continue good government to the people of Manitoba.

The Acting Chairperson (Mr. Dyck): Order, please. The hour being 6 p.m., committee rise.

COMMUNITY SUPPORT PROGRAMS

The Acting Chairperson (Mr. Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates for Community Support Programs.

Does the honourable Minister responsible for—

Point of Order

Mr. Leonard Evans (Brandon East): A point of order, Mr. Chairman. There is agreement on the four topics, the four groups of Estimates, that we will discuss this afternoon, but I wonder if the minister would be agreeable to putting Community Support Programs at the end of the list instead of the top of the list.

The Acting Chairperson (Mr. McAlpine): Is there agreement of the committee? [agreed]

OTHER APPROPRIATIONS

Mr. Leonard Evans (Brandon East): Mr. Chairperson, I would imagine then you are calling Allowance for Losses as the first item for discussion on, I believe it is, page 131 of the Estimates book.

* (1440)

The Acting Chairperson (Mr. McAlpine): This section of the Committee of Supply will be considering the Estimates for Allowance for Losses and Expenditures incurred by Crown Corporations and Other Provincial Entities. Does the honourable Minister of Finance have an opening statement?

Hon. Eric Stefanson (Minister of Finance): Mr. Chairman, very briefly, it is the same two entities that

have been provided for in previous years: The Manitoba Potash Corporation, which provides for the province's share of the corporation's annual operating costs as per a joint venture agreement with Canamax, and then Venture Manitoba Tours. As the member for Brandon East knows, this is a Crown corporation that operates the Gull Harbour Resort and Conference Centre as well as the Falcon Lake Golf Course. It is the same entities, and these are the amounts that are required to meet the financial requirements for '97-98.

Mr. Leonard Evans: Mr. Chairman, I thank the minister for that explanation. I am just trying to reconcile. We have the annual report '95-96 for this particular item, Allowance for Losses, but I gather, of course, we are talking about '97-98, so that explains why the figures do not agree.

At any rate, there is a fair increase in the amount for the Manitoba Potash Corporation, and I wonder if the minister could explain this. It is pursuant to the agreement obviously, and I guess the explanation is that the annual operating costs have increased substantially.

Mr. Stefanson: Mr. Chairman, the short answer is the member is right. It really is a budget based on the expected activity as per our agreement for 1997-98.

One of the reasons it is higher, though, is there has been some preliminary discussion about doing an additional feasibility study as it relates to market opportunities and this operation and so on. So that still remains to be finalized, but, obviously, a provision was built into this estimate to allow for that if it proceeds.

So that was one of the areas that added to the costs here. Other than that, it is exactly as the member said. It is, as per our agreement, our share of the loss for the upcoming year '97-98.

Mr. Leonard Evans: Can the minister tell us, Mr. Chairman, what is the accumulated loss payout by the Crown to Manitoba Potash Corporation to date?

Mr. Stefanson: We are just checking Public Accounts to see if we have that number handy now, otherwise we can certainly provide it to the member, but to give him a sense of what the magnitude has been over the last two years, the actual loss for our share of the loss, the

actual loss for '92-93 was \$120,000; for '93-94, it was \$250,000; for '94-95, it was \$220,000; for '95-96, it was \$160,000; and for '96-97, it was \$145,000.

So that gives him a sense of the magnitude over these last five years. At the end of March 1996, the total accumulation of our share of losses was \$2,575,000.

Mr. Leonard Evans: Well, I appreciate the fact that the operation of this corporation and its function generally would probably be particularly of interest to the Minister of Energy and Mines (Mr. Newman), who would probably have the operating responsibility and that the Minister of Finance has this because he is the minister responsible for coming up with the money to pay the bills, to pay for the losses, so I guess it may not be appropriate to start discussing the pros and cons of the function of that corporation.

I guess we can all only hope that at some point, someday, we may find potash in Manitoba that is feasible to mine and provide some economic benefit to make up for these various subsidies, these various payments for losses that have been realized over the last several years. At any rate, I just mention and the minister has explained it has been quite a substantial increase over the last two years but, again, I guess we just keep our fingers crossed and hope that that is well worth the money.

Mr. Stefanson: Well, Mr. Chairman, the member for Brandon East is right. Time will tell in terms of the ultimate value of this investment. We have provided for all of the contributions to date, that is, the total of approximately \$2.6 million, so it has been provided for each and every year through our budget process. As I have indicated, we are looking at some initiatives for 1997-98 but, ultimately, time will tell what the final value is of this investment in the potash operation.

Mr. Leonard Evans: We do not want to belabour the point here on this item, but I just have this question. Could the minister explain, how large is this corporation? How many people work for the corporation?

Mr. Stefanson: Mr. Chairman, rather than try to spend a lot of time here, where I do not have people who are as directly involved in this initiative, as the member

knows, it is a joint venture with Canamax. As he himself indicated, I think in many respects some of the particulars could be provided by the Minister of Energy and Mines (Mr. Newman) and possibly through other forums like Public Accounts. I would certainly undertake to get any specific information for him but, beyond that, I do not have the information here today.

Mr. Leonard Evans: That is fine. I would appreciate if the minister could send me a note or some material on it. I am sure if I went to the library or someplace there is some material, but if he could undertake to do that I would appreciate that very much.

Just going on to the next item, Venture Manitoba Tours Ltd., I see the request of \$525,000 is the same as last year and, again, primarily I would understand to pay for the losses or potential losses of this company, which operates, I believe, only operates the Gull Harbour Resort. I do not believe it has any responsibility for other operations. I stand to be corrected, but I think essentially it is the Gull Harbour Resort we are talking about. Is that correct?

* (1450)

Mr. Stefanson: Not quite, Mr. Chairman. Starting about a year ago, they also took over responsibility for the Falcon Lake Golf Course as well. I think we might have touched on that during prior Estimates or during Public Accounts. So they have the Gull Harbour Resort on Hecla Island and they now manage the Falcon Lake Golf Course as well.

Mr. Leonard Evans: Mr. Chairman, can the minister advise whether there are any losses being picked up re the Falcon Lake operation as opposed to the Gull Harbour Resort?

Mr. Stefanson: Mr. Chairman, I will provide the member with the specific details, but the Falcon Lake Golf Course does not lose money. It has been functioning to date on a break-even, and the money it has been making has been going back into improvements in the golf course, but it traditionally has either broken even or made a little bit of money.

Mr. Leonard Evans: Well, obviously, any profits from the Falcon Lake operation would not go to Gull

Harbour. I am glad to hear what the minister said but, essentially then therefore this amount of money of \$525,000 is for the subsidization of the Gull Harbour Resort, period. No one likes to see subsidization of this amount and, of course, this has gone on for some time, but I think we all appreciate that it is of great importance to the tourist industry. It is a fine facility, and it does provide recreational services to the people of Manitoba. It also helps to attract tourists into Manitoba.

Has the minister any knowledge of any cost-benefit study of the Gull Harbour Resort? Because presumably at some point, governments may wish to cease subsidization of a continuing loss operation. On the other hand, I guess, an argument could be made to continue subsidization if it could be shown that in terms of the provincial economy, the benefits to the provincial economy outweighed the costs to the taxpayers to subsidize the operation.

Mr. Stefanson: I know there has been various discussions at the committee level when Venture Manitoba Tours appears before committee in terms of the process of looking at that operation. I know it is looked at on an ongoing basis, assessed in terms of its long-term viability, its market potential and so on. I think at the end of the day, the decision has been made for government to continue to support that operation, to continue to operate it.

I should point out that the situation has improved somewhat of late, and if there is some good news, it would be—even looking at the '97-98 projection, we are providing for \$525,000, but the operation does make a profit before interest and depreciation. It actually makes about \$250,000 before interest and depreciation, and no matter what we did with the facility, unless you could get a significant amount of money for it, you still have that debt against the facility, and the depreciation of course is a noncash item requirement. It is a provision against a capital asset.

So on an overall basis it has improved. It does have a world-class golf course facility that is a tourist attraction. It is put to good use in our province. I think the occupancy rates have sort of inched up, I guess, is the best way to describe them at the facility, and we continue to look at the kinds of things that should be

done to minimize the amount of loss that has to be provided. But as the member for Brandon East knows, it is also a significant employer in the Interlake region and that part of the Interlake region with people from the Riverton area and Hecla Island and so on, and it is a tourism destination. We continue to assess it, but at this point in time, the best approach is for us to continue to provide for these losses.

Mr. Leonard Evans: I certainly agree with the minister in his observation of the value of that facility to tourism and recreation in Manitoba. We are pleased to hear that there is some progress being made on the financial side.

Just one last question. I would imagine that the Council of Crown Corporations who reports to the minister also would be analyzing the operation of this facility and would be making recommendations one way or the other on it. I would gather that they are being positive re the continued function of Venture Manitoba Tours Limited?

Mr. Stefanson: The member is correct that this is one of the entities that falls under the Crown Corporations Council which does report to me. They do an ongoing assessment of the financial operations of the capital requirements and provide me with their best advice in terms of some of the things we should be doing or should not be doing with the facility. So they continue to monitor and assess. They certainly have been positive of some of the improvements at the facility in terms of enhanced utilization, some of the physical improvements that have been put in place in the resort itself.

I think the combination of the two golf courses provides a certain level of synergy, because the other one in Falcon Lake of course is in a provincial park as well, so there is merit to the link between the two facilities and so on. So the council does keep a close watch on this facility in terms of its financial performance and also continues to provide advice on an ongoing basis as it relates to this facility.

The Acting Chairperson (Mr. McAlpine): Resolution 27.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,725,000 for Other Appropriations, Allowance for Losses and

Expenditures Incurred by Crown Corporations and Other Provincial Entities, for the fiscal year ending the 31st day of March 1998.

ENABLING APPROPRIATIONS

The Acting Chairperson (Mr. McAlpine): Next, 26.4, Internal Reform, Workforce Adjustment and General Salary Increases. This section of the Committee of Supply will be considering the Estimates for Internal Reform, Workforce Adjustment and General Salary Increases. Does the honourable minister have any opening statement?

Hon. Eric Stefanson (Minister of Finance): No, Mr. Chairman.

The Acting Chairperson (Mr. McAlpine): Does the honourable official opposition critic have an opening statement?

Mr. Leonard Evans (Brandon East): No, not an opening statement. I do not believe it is necessary. I just have a question. I just point out or observe that the amount compared to last year is significantly higher, \$15 million as opposed to \$4 million. I presume, therefore, included in there is some, and I am not sure—oh, I am going to correct myself. I see there is no item in here for general salary increases. There is nothing built in. This total amount of money is related to internal reform and workforce adjustment, I gather from reading it. I was going to ask the question, but I have answered my own question.

Well, in that case, could the minister advise, and I do not know what other department is dealing with this, unless it is the Minister responsible for the Civil Service Commission (Mr. Gilleshammer), whether he could just highlight the major internal reform initiatives that all this money is going towards?

* (1500)

Mr. Stefanson: Mr. Chairman, this really relates to the discussion we had the other day regarding the Estimates for the Finance department, when we talked at some length about one of the initiatives called Better Methods. The Better Methods Initiative, as we discussed, is looking at many aspects of our

information technology. What this line item provides is it provides the dollars which are then distributed to individual departments to meet the information technology improvements. We discussed the Department of Finance specifics.

We are only one department that is affected by the various information technology improvements. There are two very significant information technology issues—well, there are probably more than two, but there are two that fall directly under the Better Methods right now. That is the financial reporting system that we discussed and also the Human Resource Management system, which are both being significantly enhanced and upgraded.

Another component that has to be met within our entire system is the year 2000 and the requirement to convert all of our systems, our software, to meet the year 2000 requirements, so this line item is providing the dollars against the Better Methods that we just touched on. It provides for the year 2000. It provides resources for the desktop management initiative that we have had some discussion about, some questions here during Question Period.

Again, the resources are housed here to move forward with the desktop management initiative. This area also provides some Workforce Adjustment money when we announced our current negotiating position with the Manitoba Government Employees' Union. The minister responsible indicated there are Workforce Adjustment allocations for training and other initiatives. This category provides the dollars for that area.

So those are some examples of the areas of responsibility under Internal Reform. The reason for the growth in dollars is purely that the two issues that we are going to significantly be upgrading our systems. We also have the year 2000 requirement that has to be met obviously by the year 2000, so there is a time restriction here in terms of the adjustments that have to be made.

Mr. Leonard Evans: I thank the minister for that information. Just the other item, the General Salary Increases, no information, no item, no dollars are put alongside this. Of course there were no general salary increases in '96-97, and I understand the government is

in negotiation now with the MGEU regarding a general salary increase.

I would gather the minister and the government deems it wise not to put any figure there for whatever strategic reasons, but therefore I ask the minister, I would expect then that he would be forthcoming at some point with supplementary Estimates for this amount of money or for whatever amount of money is deemed appropriate for General Salary Increases.

Mr. Stefanson: Without getting into too much of the details of our current bargaining with the Manitoba Government Employees' Union, as the member for Brandon East I think is aware, we put forward a proposal for a three-year-agreement, and in year one of the agreement, our proposal was for no base salary increase but allowing employees to cash out, I believe, up to three days of vacation, that rather than take the vacation days, to actually work those days and get paid for them obviously.

The concern being that some employees were indicating that with the workweek reduction, the 10-days-workweek reduction, plus their vacation time, some employees indicated they felt they had more than enough time off than they really needed, and they preferred an opportunity to work and earn some money. So we have put on the table the ability to work for three days and be paid. I will not go into the rest of the contract, but that is the impact on '97-98.

So the direction to departments was, if we are successful in terms of a collective agreement along those kinds of terms with the MGEU, then the department should attempt to find all of that from within to manage their vacation time and so on.

Having said all of that, MGEU has provided their response. We are right in the midst of negotiations with the MGEU. It remains to be seen what ultimately happens. If there was a need for some additional compensation, the first review would be within this total category. We would come back and look at our total line items (a) and (b) Internal Reform and General Salary Increases to see if we needed any resources from that total allocation before we would be into looking at supplementary funding.

The Acting Chairperson (Mr. McAlpine): Resolution 26.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,000,000 for Enabling Appropriations, Internal Reform Workforce Adjustment and General Salary Increases for the fiscal year ending the 31st day of March, 1998.

OTHER APPROPRIATIONS

The Acting Chairperson (Mr. McAlpine): Move to page 131 of the Estimates book. This section of the Committee of Supply will be considering the Estimates of Urban Economic Development Initiatives. Does the Minister of Finance have an opening statement?

Hon. Eric Stefanson (Minister of Finance): No, Mr. Chairman.

The Acting Chairperson (Mr. McAlpine): Does the critic for the official opposition have an opening statement?

Mr. Leonard Evans (Brandon East): It is just an observation, Mr. Chairman, that this particular item can provide for a great deal of debate and discussion because I note, among others, we have the Winnipeg Jets Hockey Club, the agreement between the Jets hockey ventures and the province and the city, whereby the province is responsible for one-half of the Jets operating losses up to and including June 30, 1997. I guess it opens the door to all that kind of debate we have had before.

There is also funding in here, I gather, for Winter Cities, or there has been in the past, and I am not sure whether it is at the present, so this really leads me to the question of \$16.5 million, a slight increase or a bit of an increase over the last year. Can the minister very briefly list or outline the initiatives that these monies are being provided for?

I note in the '95-96 annual report related to Other Appropriations that there is a list on page 13, which is self-explanatory. So I wondered if the minister could be kind enough to just briefly update us with regard to these monies being asked for in this '97-98 fiscal year.

The Acting Chairperson (Mr. McAlpine): I thank the honourable member for Brandon East for those comments.

Mr. Stefanson: The member is right that the detailed breakdown of '96-97 will come out in the '96-97 annual report, and he has touched on some of the areas that are funded from this area. This is the 25 percent urban VLT money, what this represents, the equivalent of the 25 percent rural VLT, which is the Rural Economic Development Initiatives and so on, but some examples of items that were funded in '96-97 was the final payment under the agreement with the Winnipeg Jets that he referred to.

This is also where the \$2 million is provided for the Winnipeg Police Services agreement. Two million dollars it provides for 40 police officers in the city of Winnipeg. It also provides for the Urban Green Team initiative. It also, last year, provided for a contribution to the operations of the Winnipeg Convention Centre, similarly Winnipeg 2000 and similarly Tourism Winnipeg.

* (1510)

Looking ahead to 1997-98, the ones that we anticipate are sort of ongoing—that would be the Winnipeg Convention Centre, although we have not concluded that, but we have made a contribution in the last couple of years. I would expect we would do the same. Tourism Winnipeg, I expect we will be supporting. Winnipeg 2000 we will support. Urban Green Team is provided from here. The Winnipeg Police Services agreement of \$2 million is provided from here. Those would be the ones that are ongoing, and then just about a month ago the Minister of Education and Training (Mrs. McIntosh) announced funding for both University of Manitoba and the University of Winnipeg towards some emergency repairs at those facilities that will also be funded from here in '97-98. So that gives the member a sample or summary of many of the areas that will be funded from this line item.

Mr. Leonard Evans: So, of course, the other items that had been previously listed in '95-96 are, I presume, history so, obviously, the Winter Cities '96 Conference, for example.

What about the Northern Hemisphere Distribution Alliance or is that history as well or is that an ongoing program?

Mr. Stefanson: Yes, Mr. Chairman, the member is right. At that particular point in time, it was a one-time funding source from this area and that is true of many items, as the member points out. The Winter Cities Conference that was held in Winnipeg was funded on a one-time basis from this line item. I gave him samples of the areas that are receiving ongoing funding and the ones that I have outlined are the best information I have at this point in time, those three or four organizations in Winnipeg and the Police Services agreement. Other than that what you will tend to see are either one-time only or agreements that run for a shorter period of time and ultimately have a lapsed date. So I guess at the end of the day you will see a little bit of both, some that we are supporting each and every year and many one-time-only kind of initiatives.

Mr. Leonard Evans: Just to clarify. I gather from the minister then, apart from those ongoing items that he referred to, the only new initiative for this '97-98 fiscal year would be the U of M and U of W support.

Mr. Stefanson: Well, I guess one other area that has been announced in the last several weeks was additional funding for the General Council of Community Centres; \$300,000 was funded from this source as well. So the items that I have already outlined are the ones that have either been announced or are examples of initiatives that we funded in the past and we expect to be funding again. But even all of those areas that I outlined for the member for Brandon East, they do not total \$16.5 million, so there still would be money left in this account for initiatives that warrant support throughout the year.

Mr. Leonard Evans: Mr. Chair, I thank the minister for that information. Just a question on process. I would assume that it is the City of Winnipeg per se that comes to the government with a shopping list, more or less, of items they would like us to support or does the province take the initiative on its own. For instance, the Council of Community Centres that he referred to, I mean, that could be done directly I suppose between the province and the community without involving the

City of Winnipeg whatsoever, the municipal government and the City of Winnipeg.

Mr. Stefanson: Mr. Chairman, it is a little bit of both is really the answer. The City of Winnipeg has made specific requests, given us an indication of some of the projects that they would like to see supported. That is really how we ended up supporting the Convention Centre, Winnipeg 2000, Tourism Winnipeg. In fact, we fund 50 percent of the operating deficiencies of those organizations. We match that 50-50 with the City of Winnipeg, but he is also right that some initiatives come directly to us. The General Council of Community Centres came directly to government, made a case in terms of their requirements and as a result were dealt with directly. So it can happen either way and does happen both ways.

Mr. Leonard Evans: We are prepared to pass this item now.

The Acting Chairperson (Mr. McAlpine): Resolution 27.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,500,000 for Other Appropriations, Urban Economic Development Initiatives, for the fiscal year ending the 31st day of March, 1998.

COMMUNITY SUPPORT PROGRAMS

The Acting Chairperson (Mr. McAlpine): As previously agreed to, the committee will now consider Community Support Programs. Does the minister responsible have any opening comments?

Hon. Eric Stefanson (Minister of Finance): Mr. Chairman, I do have a very brief opening statement. I am pleased to have the opportunity to make some opening remarks. The role of Community Support Programs is really threefold. Firstly, it provides management in co-ordination of grants through government departments. Secondly, it provides access to community organizations seeking information on funding and as well may provide grant assistance to organizations who do not meet normal funding criteria within the system. Its third component is to monitor and evaluate the nonprofit community organizations who receive funding to ensure compliance to the original objectives of these organizations.

Community Support Programs provides an accountable, efficient, accessible and flexible system to support nonprofit organization in the context of quality of life development. Through the Community Support Programs, the government of Manitoba is able to support such diverse cultural and tourism attractions as the Festival du Voyageur, Folklorama and the Manitoba Stampede. It also provides funds to cover the administrative and fundraising costs for the United Way campaigns throughout Manitoba. I do not think I will go into explaining all of those events and organizations. I think everybody in the Chamber knows them quite well.

In a related area, the Community Support Programs, in partnership with the Manitoba Government Employees Union, provides staff-related funding in support of the government employees' All Charities campaign. In 1996 this campaign raised over \$835,000 from Manitoba government employees' contributions in aid of the charitable organizations of their choice.

Today I am pleased to have been able to highlight some of the groups and organizations who benefit from funding through Community Support Programs. As the Minister responsible for Community Support Programs, I am proud to ensure these funds are being used for the benefit of all Manitobans to enhance the quality of life in communities, large and small, throughout Manitoba.

The Acting Chairperson (Mr. McAlpine): I thank the honourable minister for those comments. Does the critic for the official opposition have an opening statement?

Mr. Leonard Evans (Brandon East): Not necessarily an opening statement, Mr. Chairman. I just point out that my colleague the member for St. James (Ms. Mihychuk) has a large number of questions she would like to put on Community Support Programs, but before she does, I wonder by way of overview whether the minister could indicate if there is much change in those organizations who will be recipient of these funds in the '97-98 fiscal year. We have a list based on the annual report of '95-96. I think that is the latest information we have. If he wishes we could look at the table of contents there, and he could just indicate whether there is any change from that list, any additions or deletions.

Mr. Stefanson: Joining me is Mr. Jim Berry, the Director of Community Support Programs.

The simplest thing might be to look in the Estimates of Expenditures on page 22 which shows the comparisons over the last two years. Again I guess the short answer to the question is that in terms of areas being supported, there are no fundamental changes. You can see from that summary that the organizations that were supported last year, in 1996-97, continue to be supported again in 1997-98.

* (1520)

Mr. Leonard Evans: I thank the minister for the explanation. My colleague the member for St. James is deemed our critic of this area. I happen to be sitting here because it is the Minister of Finance (Mr. Stefanson) who has brought it in, and we have some mutual concerns. I know my colleague from St. James has a lot of specific questions.

I just want to ask one question though about the Valley Agricultural Society. I guess it is always a question of judgment why one group is selected over another and why one group gets a particular amount of money compared with another, but the Valley Agricultural Society for whatever reason is selected by this program. I realize as I gather from the report that this is related to the Manitoba Stampede, which is fine, but on the other hand one could ask what about the various other agricultural societies in Manitoba and why is this one singled out as compared to all the other agricultural activities, agricultural organizations, that do a very good job in the various regions, the various communities of the province.

Mr. Stefanson: Mr. Chairman, to a certain extent this one goes back to when there were separate Lottery agreements with individual facilities or organizations. This was done at the time for some of the capital enhancements to the Big M Centre and so on. Over time the amount of support has been reduced periodically based on their financial performance; 1997-98, we are now at \$50,000, as the member indicated, down from \$63,000 last year. I am told that this does continue to be one of our largest tourism attractions outside of Winnipeg, but we have continued

to support agricultural societies through the Department of Agriculture.

There is a line item Agricultural Societies Grant Assistance, some \$368,000 provided directly through Agriculture to various agricultural organizations. As the member knows, we continue to support the Keystone Centre in Brandon for similar reasons in terms of what it does to the economy for tourism in the Brandon area and so on. It is not uncommon to be supporting ag societies and/or events or facilities of this nature, and this has been one that we feel that has deserved continued ongoing support. [interjection]

Mr. Leonard Evans: Mr. Chairman, I want to make it clear I am not critical of this expenditure. I just wondered about the process, because I was quite aware of the fact that the Minister of Agriculture (Mr. Enns) has many hundreds of thousands of dollars to hand out to very worthwhile agricultural societies and organizations—[interjection] Too much? [interjection]

So, I guess, the question is why is this itemized here? Why is not our good Minister of Agriculture directly providing funding for the Manitoba Stampede, as opposed to it being singled out and financed under this Community Support Programs?

Mr. Stefanson: As I did indicate, this is as much historical in that it goes back to the old process of individual agreements with individual organizations. This was one that had a separate lottery-funded agreement. So it has carried on to date, although the level of support because of its overall financial performance has been able to be reduced periodically over these years.

Mr. Leonard Evans: Would there be any thought of transferring it from this expenditure to the Department of Agriculture?

Mr. Stefanson: That certainly is something that we could look at, but at this point in time it really has been historical. It was not necessarily meant to be long-term, because it was originally for capital, but because of a combination of events out there, there has been ongoing support provided. So I think there is some merit to carrying on on a stand-alone basis the way it is now, to continue to assess it every year and hopefully, as they

perform better through attracting more Manitobans and more tourists, they will not necessarily need the same level of support that they do now.

Mr. Leonard Evans: I just want to make it clear again that I am not opposing the expenditure. It is really a process or a method question or a problem that I posed. At any rate, I am going to defer now to my colleague the MLA for St. James (Ms. Mihychuk), who I know has some questions.

Ms. MaryAnn Mihychuk (St. James): Will I be allowed a short introductory statement?

The Acting Chairperson (Mr. McAlpine): Is there leave of the committee for opening remarks by the critic for committee, the official opposition critic? [agreed]

Ms. Mihychuk: I wish to thank the committee for allowing me leave to say a few words. Basically this is my first opportunity to delve into the world of Lotteries and lottery support, so much of my questioning will be a learning experience as well.

There is one of the areas that I have raised in my new critic area of Lotteries, the financial support to the Manitoba Community Services Council, which has seen over the last eight, nine years a dramatic cut. In fact 50 percent of their funding has been cut by this government. So I will be asking some very clear questions on the support for these nonprofit groups, which do provide services directly to the community and why the government has decided that indeed this group will be cut while, for instance, other groups have maintained their funding.

There will be questions of the process and, in addition, questions of accountability. How does the government assure themselves that the programs are operating in an efficient manner that is meeting its mandate? I know that recently there have been some changes. For instance, I understand that the government now has a representative on the board of the Manitoba Community Services Council, but the question remains, over the past eight or nine years, I would assume then that the government did not have direct representation and so I will be delving into the process of accountability in the various sectors.

In general, Lotteries revenues we have seen move substantially from data that I have put together from Manitoba Lotteries, would indicate that in the '89-90 year, Manitoba received through Lotteries net revenue of approximately \$54 million and now, as of '95-96, in excess of \$227 million of Lotteries revenue. I will be asking the Minister of Finance (Mr. Stefanson), who is responsible ultimately for the distribution of Lotteries money, as to why decisions were made to then reduce the percentage substantially.

* (1530)

If you look at the proportion, the ratio of Lotteries money allocated to community groups back in '88-89, it was substantially higher, approximately 10 percent. Now we look at contributions that are perhaps 1 percent. That is a fundamental change in the distribution of money or the proportion of revenue.

I would ask the minister to perhaps give us an overall policy for the distribution of Lotteries money and why we see this dramatic change in the support to nonprofit community groups.

The Acting Chairperson (Mr. McAlpine): We thank the honourable member for those comments.

Mr. Stefanson: Mr. Chairman, I am certainly prepared to respond to a specific question, but I think it is important to recognize that there was a change a couple of years ago in the sense that none of these are lottery-funded areas any more.

Lottery revenue now just comes into the general revenue of government like any other revenue source, and expenditures all stand an equal test in terms of what are priorities of government. So lottery revenue comes in as general revenue. It goes to our health care system, goes to our education system, goes to our family services area, and so on.

The only areas today that receive a percentage of gaming or gambling revenue are the VLT allocations. I think, as members know, that we do allocate 10 percent of VLT revenue on an unconditional basis back to municipalities on a per capita basis, and we do allocate 25 percent of VLT into economic development initiatives. The area that we just talked about a few

minutes ago, the Urban Economic Development Initiative, and of course, the Rural Economic Development Initiative. So beyond that, there are no ongoing lottery-funded areas of expenditure.

The agreements with all of these organizations no longer refer to lottery revenues or lottery sources. These are just areas that we have determined, as part of our budget process, warrant ongoing support from the taxpayers of Manitoba. So there is no connection back to lottery revenue whatsoever as it relates to these or many other expenditures within government.

Ms. Mihychuk: Perhaps the minister could clarify. When the grants were associated with Lotteries, there was a clear association between the Lotteries money and these groups. Are we not talking basically about a change in accounting? What the intent was, was to turn back money raised through Lotteries into the community. That was the intent of this organization, or these groups, and I am assuming that basically that is still the intent.

Mr. Stefanson: Well, the short answer is, that is not right. There is no longer any relationship between lottery revenue and these areas of expenditure.

In fact, as I have already said, the lottery revenue, and that was a policy decision over a couple of years ago, was that the revenue comes in just like any other source of revenue, whether it is revenue from tobacco or revenue from liquor or revenue from other sources, whether it is our provincial sales tax or income tax.

What Manitobans have told us consistently is bring in all of your revenue, and all of these expenditures should be prioritized against one another. You should not be dedicating funding sources because that gets you locked into funding areas that might not be the highest priority of Manitobans or the government. Clearly our priorities are health, education and support to families, as can be determined by looking at our overall expenditures. Those three areas represent two-thirds of our expenditures. I think, on an overall basis, those are still the areas of greatest priority to Manitobans.

Having said that, Manitobans still support other areas of expenditure from government, areas like we are looking at here, but it was a policy decision to get away

from dedicated funding. I think dedicated funding, whether it is dedicating lotteries to a source or dedicating any other gasoline tax back to certain things, you get into dedicated funding, you start to cause all kinds of problems for governments, and you do not necessarily meet the overall priorities of the people you represent. So lottery revenue comes in, and other than those couple of areas where they are dedicated, they are no longer dedicated.

These organizations know that. We have renegotiated the agreements with them. They know they are not linked to Lotteries. There is no reference to Lotteries in the agreements, and I think that is a much more overall responsible way to move forward with dealing with priorities of government.

Ms. Mihychuk: The policy decision to move Lotteries revenue into general revenue was made. However, this program, as I understand it, dates back to the '80s. I am not sure quite when it was established. I have records that go back to '88, and in those documents it was related to Lotteries disbursements.

Given that this is no longer the financial process, are the minister and government perhaps reviewing the whole necessity of having the Manitoba Community Support Programs? Because clearly these programs were established initially, historically to distribute Lotteries funds.

Mr. Stefanson: Mr. Chairman, I think what we have found is that this is a very efficient way to deal with the distribution of dollars with the organizations that we are dealing with, who are basically nonprofit community organizations. So the delivery mechanism has been efficient, has served government well, has served these organizations well, has developed a focal point to deal with, has developed a liaison through Mr. Jim Berry, who really represents Community Support Programs on these various organizations either directly or in contact with them on an ongoing basis. So the process has been very efficient and effective.

Obviously these are still priorities of our government. The fact that we have renewed agreements with these organizations and we continue to support them does show that they still are an overall priority of government. Sure, you could take them and spread

them into individual departments. That would be an alternative that one could look at, but I think when we have looked at the Community Support Programs area, we have found that it has been a very effective and efficient way to deal with organizations. I know the feedback I get from these organizations that are funded have been very complimentary of the process, the access they have to government through Mr. Berry and so on, and I think it has served the organization and served the government well.

I am always open to suggestions as to how—I am assuming what the member is referring to is the process, not the merit of funding these organizations, which is another issue we can certainly discuss, but we have found that this process is working very well and do not see any reason to change it.

Ms. Mihychuk: No, I am not discussing whether the actual allocations are viable or not or meaningful. For the most part, I would say they are. In fact I am arguing that indeed in the case of the Manitoba Community Services Council, they have been shortchanged. If you look at the relationship historically back in, for example, 1988, the Manitoba Community Services Council, and then historically it was related to Lotteries money, received, as far as my calculations indicate, \$3.6 million. Today they receive \$2 million. The \$3.6 million of the \$50-million revenue generated from Lotteries was a significant proportion. I would imagine that that is probably 6 or 7 percent.

Now we see that if you looked at that proportion, and I understand again that the way the accounting has moved we do not actually say it is direct Lotteries money, but Lotteries revenue is well over \$225 million, and these nonprofit community groups are receiving \$2 million. That is a pittance when you look at the revenue that the government has received from Lotteries.

* (1540)

Can the minister explain, if he believes, if his government believes that these are valuable organizations for funding and seriously believes this is an effective and efficient way to distribute money, why did they choose to cut the funding to these groups, this particular umbrella organization, in half? In 1991 the

Manitoba Community Services Council received \$3,987,213. They now receive \$2 million.

Mr. Stefanson: Without debating with the member for St. James (Ms. Mihychuk), I do want to make it clear that it is more than an accounting issue in terms of the change of policy. I want to stress that because, as I have already said, we made the decision to bring Lotteries into our overall revenue, so that when we look at all of our expenditures of government as we should do, and I am sure as she would do if she were in government, and you prioritize them and say you have a certain amount of money, where should it be spent? What are the priorities of government? What are the priorities of Manitobans?

That is the policy change we made when we brought it into income, and when we did that, I am proud that we are still able to support this organization at the level of \$2 million recognizing all of the decisions we have had to make over 10 budgets, Mr. Chairman, that this organization is still funded to the level of approximately \$2 million, still meeting the needs of hundreds of nonprofit organizations that are out there. You have to look at the service this organization provides, requests it gets for funding compared to all of our other needs, whether it is in health care, Education, Justice, Family Services, the list goes on and on.

I am also pleased that we were able to provide them with some additional resources this year by redirecting the funding for the greater Winnipeg community centres to the area we just discussed earlier, the Urban Economic Development Initiatives. That was about \$143,000, so that gives the council some additional flexibility in 1997-98 to deal with any additional requests that they might have from worthwhile organizations.

So it really does come down to priorities, decisions, and I am pleased that we are still supporting this organization to the level of approximately \$2 million and continuing to work with them in terms of meeting the needs of nonprofit organizations.

Ms. Mihychuk: Mr. Chairman, to the minister responsible, basically it is a funding decision then, I understand, by the government who allocates the funding to, in this case we are talking about the

Manitoba Community Services Council. Then it is indeed the government's decision to grant an allocation of \$2 million a year.

When we looked at the Morris Stampede, the minister was assuring us that the need was there, and in fact perhaps if revenues were increased, the need for this allocation would go down. Mr. Minister, I ask you: How can you justify a cut to these groups when the need has gone up and yet your support has gone down?

Mr. Stefanson: I guess one other role that this council plays is they also distribute about \$800,000 in bingo events over and above the \$2 million in direct funding provided to them, which are allocations made to nonprofit organizations, as well. But I have had the opportunity to meet with the council. Mr. Berry serves as a liaison with the council, and I am informed that the levels of request have been fairly consistent over the last few years, certainly. So it is not as though there is this explosion of demand or pressure on this organization today as compared to a year ago or a couple of years ago. Again, I will just go back to budgets are about priorities, and when you only have a certain amount of money to allocate, you establish your priorities. This is a priority for our government, but it is funded at the level of \$2 million. When they distribute that, they also establish priorities. Almost no matter what sum of money this organization had, they might well have more requests than they have money, and they have to establish priorities.

The member for St. James (Ms. Mihychuk) served on school board and had to establish priorities. I mean, that is a reality of serving on an organization or being in government, and clearly, this is a very worthwhile organization, but we also have priority areas in health and education and other expenditures of government.

Ms. Mihychuk: Is the minister aware that in fact in 1988 the Manitoba Community Services Council handed out or was responsible for distributing bingo earnings at that time, as well, to the tune of \$812,000? So the fact that they are distributing \$800,000 today is in fact a symbol of what?—frozen funding, that over the last nine or 10 years, perhaps, we could have expected to see even greater share of bingo revenues, given inflation. Can the minister explain why the amount of

bingo revenues distributed to community groups has actually been frozen since 1988?

Mr. Stefanson: Well, certainly the member is right that bingo events have been an ongoing way of providing additional support through the Community Services Council for several years, but bingo revenues have more or less been flat the last period of time, and if you are going to provide additional resources to the Community Services Council, I would ask her where do you take them from? What other worthwhile organization should bingo events be taken from that are currently deriving support? Again, it comes down to a fair and equitable distribution. Bingo events are provided to other organizations as well, and we feel that this has been a reasonable allocation to the Community Services Council to meet the requests that they have and the needs that they have.

Ms. Mihychuk: Mr. Chairman, to the minister, Manitoba Community Services Council funds such groups as the Adamar Manor seniors group, resource councils, the Argyle drop-in centre, many community centres, the Brandon Friendship Centre, Broad Valley community centre, Brokenhead library, the Charleswood Curling Club, the city kids, and the list goes on and on and on. These are groups that are at the front line, and so when we talk about need, there are many, and I go on. The J. H. Bruns parent council, many parent councils, many schools, many parent-teacher associations, community centres. Now, fortunately again, we see daycares being eligible. Can the minister explain, given that these groups are on the front line, are facing the challenges which we all agree are increasing, have not seen a proportional increase to their funding? Will the minister make that commitment or at least prepare to review the situation? Because indeed when the government talks about supporting communities, this is an area that does give money directly to the communities that are facing the challenges that we know are increasing.

Mr. Stefanson: First of all, Mr. Chairman, a good majority of the funding from the Community Services Council is not meant nor has it been meant in the past to be base-funding support for various organizations. It has been more related to projects or special initiatives and so on.

I just want to go back to—there are two points. First of all, in this budget we are able to provide a little bit of additional support for the council by redirecting the funding source for the greater Winnipeg communities centres council that will provide \$143,000 for this organization, and we will fund that source from elsewhere. I just go back to the overall issue of budgets being about priorities.

* (1550)

Starting a year ago, in fact, starting in 1995-96, with significant reductions in funding from the federal government, over the next five to six years we are going to be faced with about \$1.1 billion less in funding. So I think the fact that we are able to maintain the funding levels for these organizations is very positive, that we have shown our support for them by maintaining their level of funding when we are being hit with very significant funding reductions from another level of government. That is a major challenge for our government in terms of balancing our budget and so on.

Ms. Mihychuk: The minister, in his response, said that these grants were never intended to be a supplement to their revenues and that is true. Unfortunately many of the groups, and here in particular, are community centres that I want to refer to. Many community centres have seen a dramatic loss of ongoing revenue because of, and many of them attribute, to the proliferation of VLTs and the casinos in Manitoba and particularly in Winnipeg.

So what they have seen is the loss of revenues from their bingos or the actual shutdown of bingos which were a major source of revenue for community centres. Because of the government's policy to expand VLTs and to have casinos in Winnipeg, it has pulled away from the ongoing revenue that community centres were able to, indeed, earn on their own. Many of them then turned to the Manitoba Services Council because historically it was delivering Lotteries money.

They turned to the Manitoba Services Council as an opportunity for them to continue those front line services. In my constituency alone, I have four community centres. Each one of them has seen a loss of revenue which exceeds \$10,000 annually. So I turn to the minister and suggest that it is indeed government

policy which has had a direct effect on communities, and will he, for the issue of community centres, look at the distribution or the redistribution of funds and make community centres a priority by increasing the allocation to the Manitoba Community Services Council.

Mr. Stefanson: Mr. Chairman, I think certainly as the member for St. James knows, probably the main funder of community centres in many respects is the City of Winnipeg. We have certainly been very supportive of the City of Winnipeg with our funding commitments over the last several budgets, unlike what is happening in many provinces. There have actually been increases in funding for the City of Winnipeg, along with other municipalities, for various reasons, because we are one of only two provinces that actually share VLT revenue on an unconditional basis. Also, we are the only province in Canada that shares our personal income tax and our corporate income tax with the municipalities.

But the issue of the funding for the community centres, certainly in Winnipeg, with the announcement that was made just a few weeks ago by the Minister of Urban Affairs (Mr. Reimer), last year the Community Services Council funded, I believe, about \$143,000 to community centres in Winnipeg. The greater Winnipeg community centres council made the request that they be the distribution body for funding for community centres. As a result, we have entered a three-year agreement directly with them, providing them \$200,000 in assistance annually to be distributed to community centres.

That is a growth of about \$57,000 over last year's budget. So it accomplishes two things. It puts more money into the area of support for community centres in Winnipeg, which I think the member for St. James would agree is a positive initiative, and it also frees up \$143,000 for the Community Services Council to distribute to other worthwhile projects. So it really offers greater opportunity on both of those fronts, for community centres and for the council to meet some of the needs that are out there. I think that is a positive aspect of the '97-98 budget.

Ms. Mihychuk: We will continue on this subject as I will be speaking for my communities and argue that

indeed support needs to be increased dramatically for community groups.

Can the minister tell us, the requests for grants from the Manitoba Community Services Council last year, how much was requested? Do we know?

Mr. Stefanson: Mr. Chairman, I do not have that information here, but I will certainly undertake to provide what I can in that area.

Ms. Mihychuk: I thank the minister, and if it is not too burdensome, if there could be a historical record of the grant request in that area, I would appreciate that information.

In terms of the Manitoba Community Services Council, my question to the minister: Given that overall the distribution of the funds occurs through this umbrella group, but it is government money that is funnelled to the umbrella group, which then distributes it to the community, is it government that is responsible for the overall policies of these umbrella groups?

Mr. Stefanson: I think, as the member for St. James (Ms. Mihychuk) knows, the council is quite an autonomous body. There are 17 members that are appointed by a committee which is made up of the past chairperson, along with a representative from the province and two other individuals. So the province does have one representative on the council, but all of the rest are appointed through a process where they are determined from the public at large. So they function very much on an autonomous basis, they have their own criteria, do their own analysis. A similar process, I am told, has been in place for many years in Manitoba.

Obviously there are vehicles. If the government was not happy with performance, the most significant vehicle is the funding and the funding agreement that is in place, but the fact that we have been renewing this agreement on an ongoing basis and continue now to maintain the level of funding over the last several years would show that we are supportive of the job they are doing and of the need that they are meeting.

* (1600)

Ms. Mihychuk: Just so that the record is clear, that it is my understanding that actually there has been a cut to funding over the past three years, that in fact the past two years we have seen stable funding, but there has been a reduction in funding previous to that.

My question is: The Manitoba Services Council, as an example, has a policy of, or its overall mandate is to provide, I understand, nonprofit groups with grants. Is the minister aware that until last year a significant proportion or a fairly large body of nonprofit daycare centres were ineligible to collect money from the Manitoba Services Council? These are nonprofit, community daycare organizations.

Mr. Stefanson: I guess on the issue of funding, it has been more or less stable since 1993-94. From '93-94 to '95-96 the direct funding was \$2 million; and then in '96-97, '97-98 it has been \$1,980,000; so it has been more or less stable since '93-94. On the issue of funding daycares and the nature of support that the council should provide, those are policy decisions that the council makes. The member asked about how the council does, in fact, function. It has been autonomous for several years. It functions on an autonomous basis, makes decisions about what organizations it feels warrants support or does not warrant support, so it will continue to function on that basis.

I understand that whole area of support for daycares and nursery schools is being reviewed again. I think in light of the fact that they do have some additional resources this year that I have already explained in some detail, so I will not do it again. So those are decisions that are made by the council.

Ms. Mihychuk: What accountability does this government have to these groups; or what accountability do these groups have to the government, let me put it that way? The mandate of this group was to distribute grants to nonprofit community groups. Under that mandate it would seem to me to be logical that daycares would have, in fact, been included under that mandate. Is there not a component of responsibility that the government, which provides the money to this group, insures that this umbrella group is, indeed, fulfilling its mandate and providing fair and reasonable access by nonprofit groups? I will let the minister answer that question.

Mr. Stefanson: I just go back to how this board has functioned under our administration and I think previous administrations, as they have been autonomous, and unless we are really unhappy with the overall performance, I am not so sure that we should be injecting ourselves into the process or forcing our views on the council. I think we look at them on an overall basis, and overall I think most would agree they are doing a good job.

I do not get any complaints about the council. I have met with the council themselves and generally they are satisfied with the role they are playing. We have discussed issues like funding, and they are not making requests for huge increases in funding from myself directly. So I think it is like any organization. You assess your overall performance and give them the autonomy to make decisions and be held accountable.

Ultimately, as I said, they are held accountable through the agreement that we enter in with them. If we were not happy with their performance obviously we would review that agreement and the funding levels. But we have been happy on an overall basis with the performance of the council.

Ms. Mihychuk: Well, Mr. Chairman, I am somewhat shocked. There have been numerous daycares who have appealed to me to somehow have the government intervene and look at having the Manitoba Community Services Council in fact allocate some grants to daycares. I use them as one example, and I know that the Manitoba Community Services Council has attempted to change its process and, indeed, I believe this year is allocating about \$100,000 to daycares. That is a small step because, at one time, they received almost a million dollars of money from this group. So a million dollars from two million of total money to allocate does indeed seem to be impossible at this time.

There was a group, and I use it as an example, that was excluded. How can the government justify such a clear, I will say, discriminatory policy? It is the government's money that is going to this group, that is supposed to be distributing these funds fairly to nonprofit community groups. Daycares clearly fall under that, and there may be other community groups that are not eligible. I do not know. Those are the

questions that are raised when you have one sector of the community that was not eligible for a while.

I asked the government again through the minister, is it not the government's responsibility to ensure that the government's money is distributed fairly according to the mandate of the community, this umbrella organization?

Mr. Stefanson: I am not sure if the member for St. James is aware that in the 1997-98 budget we have provided \$42,947,000 for child daycare, support that has been at a consistent level of funding for the last several years. As part of the budget process, I have met with child daycare organizations. Our Minister of Family Services meets with them on an ongoing basis. I think we are recognized as having one of the better child daycare systems in all of Canada. So I think that part of our society is generally quite satisfied with the treatment they are receiving from the provincial government, the level of financial support they are receiving from the provincial government and so on.

You have a Community Services Council that has 16 representatives from the public at large. They have all kinds of requests from worthwhile nonprofit organizations. They set the policies, they set the priorities, and I do not feel we should be—I think what the member for St. James seems to be suggesting, we should do away with the council and take control of it and government should just impose all of their priorities, all of their decisions. Well, then we do not need a council. We might as well take the \$2 million back into general revenue and have government just distribute it. Here we have a chance for public input, for community input from people who are genuinely interested in all of the priorities of our community, and they set those priorities. I think to be active members of a council, they want to have certain delegated authority. They want to have certain decision making. They have that and, as I have said, on an overall basis they are doing a very good job. Our priority for daycare support, I would argue, is amongst the best in Canada when you look at the direct levels of support that we provide, Mr. Chairman, and I have certainly heard similar comments from people directly in that industry in that area.

Ms. Mihychuk: Mr. Chairman, my line of questioning is not to suggest that daycares do not deserve funding or that the Community Services Council representatives are not trying to do their best. In fact, I know several of the people who sit on the Manitoba Services Council. I have heard them lament that the need by far exceeds the amount of money that they have and that they have a very difficult situation trying to distribute the limited amount of money to some very wonderful organizations that can use this money. The fact is that we have seen this umbrella group, for reasons that I understand made that policy decision, were unable to allocate money to daycares.

* (1610)

Would the minister then suggest that this was indeed fair and reasonable for daycares? Would he then agree that it would be fair and reasonable to exclude all community groups in Assiniboia, St. James for a period of time? It is equally as discriminatory. Does the government not have an overall responsibility to ensure that the money is distributed equitably?

Mr. Stefanson: Well, Mr. Chairman, we seem to be on a merry-go-round. I think all I will do is be repetitive here, to indicate that this is an autonomous body that has community representation on it and that does establish priorities, does its best to meet the needs that are out there to establish the priorities against those needs. We do that as a government every day in terms of establishing priorities across the board, and we have a high priority for daycare and child daycare. Obviously, this organization has to look at all of the requests they have and establish their priorities. We believe on an overall basis they are doing a good job. We believe also, on an overall basis, Manitoba is doing a good job of meeting the needs in the child daycare area.

I will be careful not to lead into political debate here, but the solution from across the way for everything is always more money, and it is more money in daycare, more money for councils, more money here. That is always the solution from members opposite. Instead of recognizing governments today, people of nonprofit organizations everywhere in society have to establish priorities and that is part of decision making in all of those areas.

Ms. Mihychuk: Mr. Chairman, my line of argument is that basically we have seen an increasing need in the community. These are front-line organizations that are distributing very small amounts of money that have seen cutbacks since this government took office and, indeed, that the needs have increased. There are other organizations that this government has provided funds on a stable or increasing basis. Those decisions are the government's, but it is also my responsibility to ask and question the government's priorities when they have decided to reduce funding to community groups, and in this case it is daycares, community centres, seniors groups, other organizations that deal with the front line.

I sense some sense of uncomfortableness by the minister, and I would suggest that he deal with the Manitoba Services Council like he deals with the other groups in the Manitoba Community Support Program. The minister stated that the government was very supportive of the other organizations, and I congratulate the government to be sensitive to needs. He said, if I recall, that the Valley Agricultural Society was seeing increasing revenues, and therefore the support or the need for the Community Support Program was going down.

So I am asking, as an overall policy, that the government and himself as minister who is responsible for this line item, that he treat the Manitoba Community Services Council in the same manner. If need is determined to be increasing, will the minister then look at providing larger grants?

Mr. Stefanson: I want to make it clear I am not the slightest bit sensitive in this area, but I did point out for the member for St. James (Ms. Mihychuk) that in this budget year we have maintained the same level of funding for the Community Services Council at \$1,980,000, but by shifting the funding for the Winnipeg community centres away from this council, that frees up \$143,000 for this council to distribute towards worthwhile projects. So \$143,000 against a \$2-million budget is about a 7.5 percent increase in terms of additional resources that they will have to meet other needs.

I think in today's fiscal climate the member knows—and I do not need to go through reminding her of the significant challenges to the federal offloading in

reductions and establishing priorities. I think that was a significant improvement for the Community Services Council in this budget year. It gives them an additional \$143,000 to meet the additional requests and demands out there. It also sets up the delivery vehicle for the Winnipeg community centres through the greater Winnipeg Community Services Council which is something that council has been promoting, and I believe the community centres in Winnipeg support. So I would view that as a win-win. There are more resources for the Community Services Council to distribute, and there is the additional refocusing for the Winnipeg community centres.

I would hope that the member for St. James would acknowledge that as a significant improvement in this budget year if her concern is to see more resources made available for the Community Services Council.

Ms. Mihychuk: Mr. Chairman, the community centres, and if we just average—we have over 70 community centres—with a grant of \$143,000, that adds up to \$2,000 per community centre. Indeed that is useful money, but the minister cannot deny that each community centre has seen the loss of revenue of between \$10,000 and \$15,000, so that his returning \$2,000 does not come anywhere near the needs of that community centre or what those community centres have actually lost in ongoing revenue.

So will the minister come clean, and for the record, in fact point out that a grant of \$7 million would be required for community centres if that fund was actually going to be restored to the community?

Mr. Stefanson: I think that is the most telling tale of where we differ. I have had the opportunity to meet with the greater Winnipeg community centre council. They do not come asking for the kinds of dollars that the member for St. James is asking for, for a whole range of reasons. They know what the priorities of Manitobans are today in terms of when you look at their governments at all levels: school boards, municipal, provincial, federal, whatever level of government in terms of establishing priorities, living within our means, balancing our budgets, all of those kinds of areas. They also suggest that the areas of greatest importance continue to be health and education.

I think what community centres have done is in a very significant way through their resourcefulness have drawn on the volunteers that are available in their communities. They have found ways to continue to meet the services in their communities without necessarily coming back to government saying give us a whole bunch more money. Certainly the discussions we had with the greater Winnipeg Community Services Council in terms of increasing the funding this year from \$143,000 to \$200,000 were very well received by them.

They also wanted more autonomy in terms of how that money is distributed by allowing it to go through the greater Winnipeg Community Services Council. So that has been provided. So that has been very well received by that organization and by community centres in Winnipeg.

Unfortunately, the member for St. James (Ms. Mihychuk), I think, is still locked in the 1980s, where everything is determined by just throwing more money at every situation. Whatever the situation, it is always, just give it more money. It does not matter whether we run deficits or increase taxes or quadruple our debt like happened in the 1980s, just put more money, that will solve everything.

* (1620)

Thankfully the attitude and the approach of community centres has not been that. The leadership that they have provided has been recognizing governments have to live within their means, and they have drawn on greater resources within the community and continue to do a great job out there without the simplistic kind of approach that members opposite bring consistently on issues.

Ms. Mihychuk: Mr. Chairman, the example of community centres is a good one to look at as shallow and poor economic decision making. The decision to expand the Lotteries program has, as my Leader suggested, vacuumed or sucked out the revenues of community centres quite dramatically.

Indeed I would like to cite that we have recently seen in two core community centres, both the one in Elmwood, the Kelvin Community Centre, and in

Orioles Community Centre, and in fact in the community centre of Isaac Brock the annual meetings having to be rescheduled or in the two cases of Elmwood and Orioles, they had to hold two meetings because they could not achieve quorum. Many of the community centres that we see in our core and in the city are actually closed in the evening and in the later parts of the night and are closed many times when the community would actually like to access them.

So I would suggest that the minister actually take a tour and visit the reality out there that in fact these are front line centres that in fact have the doors closed. The taxpayers of Manitoba have built the facilities and are calling upon volunteers who are trying to operate and maintain a system which is woefully underfunded. The province has gained substantially from its policy of Lotteries, taken money completely, taken money directly out of communities into general revenues and is refusing to return the money into community centres, meaning that front line services and those facilities that Manitobans invested in are in many places not operational because there is insufficient funding for community centres.

So when the minister suggests that community centres are continuing as they were back in the old days, I would have him take a tour of the community centres in my riding, in Elmwood, in the core of Winnipeg, and I am assuming even in his riding, and see if operations have not been affected by this government's Lotteries policy.

Mr. Stefanson: I guess we could debate this for quite some time. Community centres, like all kinds of organizations, have been changing, have been adapting. Even within Winnipeg different community centres have been changing and adapting in different ways to the needs within their communities.

As I have already indicated, we provide reasonable levels of support. We just concluded a three-year agreement with the greater Winnipeg community centres council that increases that level of support. It has been well received by them, well received by community centres. I guess I just go back to the overall issue that the member seems to forget is that budgets on an overall basis are about priorities.

This is the same member who on occasion is asking for more money for education, the next day asking for more money for health, and the next day asking for more money somewhere else. The solution always seems to be more money, but I think the reality today is governments that functioned that way in the '80s ran up deficits, ran up debt, and if we did not have the \$520 million that we pay today on interest on debt that was mostly accumulated from 1981 to 1988, we could do an awful lot of things in this province. We could reduce taxes, we could provide more support for community centres. We could provide more support for health care. We could do an awful lot of things with that money that primarily pays debt, over \$4 billion of debt accumulated in seven short years under an irresponsible administration. So that is the real root of an issue if you want to look at freeing up resources, to either put more money in the pockets of taxpayers to meet the needs that they deem are appropriate or required, or to allow governments more flexibility for other decisions, Mr. Chairman.

Ms. Mihychuk: Well, Mr. Chairman, the suggestion that I sit on this side demanding money is somewhat true. I have asked for more money for education, and I am asking for more money for community centres. I would suggest that those two programs are indeed a priority of mine.

What is not a priority of mine, which is a priority of this government, is the sweetheart deal with private schools, other investments, the Jets deal which promised to be \$10 million that turned out to be, I believe, over \$40 million. The litany of programs that this government believes is a priority is indeed, in my opinion, quite scandalous. What we are talking about here are the fundamental basics, the structure of our community which we built around community centres and schools. This government is full of rhetoric about supporting communities, parents, community centres, youth in the community so that we can deal with the issues of youth crime and recreation and education at the front line. However, when it comes down to where the dollar goes, we can see that their commitment is elsewhere.

So, yes, it is a matter of priority and, yes, I have been in the position where I have had to make those decisions, some very tough decisions as a member of a

local government that did see a reduction in funding to an organization, and I had to make the choices. So I can understand the minister's role. I am not in it now. I am going to argue very strongly for what I believe is a wise investment.

Mr. Chairman, we know, for example, that investing in the front-end of education in the early years that each dollar invested saves \$7 in the future, yet this government chooses to turn its back on nursery schools and early childhood education programs. We know that front-end support to community centres, as the former Minister of Justice will know, is an important investment to dealing with youth crime and the gang situation that we see here in Winnipeg. Yes, those are choices that the government makes. I believe, in this case, that we are seeing a program here that is well run, and I have confidence in the umbrella organizations that distribute the funds. In this case, I am talking again, about the Manitoba Services Council that they are worthy and deserve more attention by this government, that indeed they are exactly what this government trumpets to be supporting. They are front-line community people that are trying to put forward the services to our community. So the support that it receives is a matter of priorities, and I think that my record shows that I am not one to stand up and ask for exorbitant amount of monies for every program.

I want the record to be clear. I believe in sound fiscal management and my record stands for that. In this case, I believe that the government is being shortsighted and in the long run will cost Manitobans money if we do not invest in our communities.

So I urge the minister to review the line item. The Manitoba Services Council is a very worthwhile umbrella agency and request that perhaps next year we will see a substantial increase in this line. That concludes my line of questioning in this area.

Mr. Stefanson: Mr. Chairman, I will not rise to debate.

* (1630)

The Acting Chairperson (Mr. McAlpine): Item 33.1.(a) Administration and Grants (1) Salary and

Employee Benefits \$112,600—pass; (2) Other Expenditures \$27,700—pass; (3) Grants \$276,100—pass.

- 1.(b) Festival du Voyageur \$319,800—pass.
- 1.(c) Folk Arts Council of Winnipeg \$301,000—pass.
- 1.(d) United Way \$2,216,300—pass.
- 1.(e) Valley Agricultural Society \$50,000—pass.
- 1.(f) Harness and Quarterhorse Racing support \$466,100—pass.
- 1.(g) Manitoba Community Services Council \$1,980,000—pass.
- 1.(h) Winnipeg Football Club \$346,500—pass.

Resolution 33.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,096,100 for Community Support Programs for the fiscal year ending the 31st day of March, 1998.

This now concludes the Estimates of Community Support Programs.

CULTURE, HERITAGE AND CITIZENSHIP

The Acting Chairperson (Mr. McAlpine): This section of the Committee of Supply will be considering the Estimates of the Department of Culture, Heritage and Citizenship. Does the honourable minister responsible have an opening statement?

Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship): Yes, Mr. Chair, I do. On behalf of Manitoba Culture, Heritage and Citizenship, it is my privilege to introduce the department's 1998 Estimates for review.

Manitoba Culture, Heritage and Citizenship's mission is to promote and enhance the well-being, identity and creativity of Manitobans, while contributing to the economic viability of the province. This is our mission statement, and it reflects the Manitoba vision to continue to make Manitoba a better place to live, work

and invest, by ongoing development of an environment committed to improving our high quality of life.

My department's many areas of responsibility and activity include supporting recreation opportunities, arts funding, library support services, immigration issues, identifying, evaluating and preserving heritage and historical resources, providing translation services, encouraging multiculturalism and assisting in providing communication services to all government departments.

I am very proud of the partnerships my staff have fostered in Manitoba communities and with other government departments. These partnerships maximize the use of our resources and help to provide quality services to Manitobans.

As my department begins a new fiscal year, we have defined specific priorities which will help us to contribute to the vision of Manitoba as a vibrant, vital and dynamic society built on healthy communities. The strategies we have formulated for the 1997-98 budget period centre around these key objectives: To sustain Manitoba's positive climate for arts and culture, to increase film and sound recording production, to augment the economic impact of cultural and heritage products, to promote wellness, to stimulate economic growth through increased immigration, to develop Manitoba's Internet presence on the World Wide Web, to promote public access to information and ensure privacy protection for Manitobans. Working with these objectives as the basis for our actions, Manitoba Culture, Heritage and Citizenship is committed to meeting our responsibility to assist Manitobans in building a stronger, more vibrant and economically dynamic community.

I would like to speak, first of all, about the major agencies. Since 1989 my government has invested over \$25 million in restoring, maintaining and enhancing the facilities of our major cultural institutions. Provincial investment in many cases has been supplemented by contributions from the federal and municipal governments as well as private funding from donors and foundations. Recent initiatives supported through the Major Capital Program include facility repair and upgrading at the Winnipeg Art Gallery and the Manitoba Centennial Centre; facility development at the Manitoba Museum; a multiyear renovation at the

Western Manitoba Centennial Auditorium; the addition of the Centre d'Patrimoine at the Centre Culturel Franco-Manitoban; construction of the Italian cultural centre and the Jewish Community Campus.

We will also continue our support at community initiatives to build and enhance recreational, cultural and social infrastructure so essential to the quality of life and wellness of Manitobans. For example, Community Places Program is expected to assist 150 such projects this year. Since 1988 this program has contributed some \$43 million to more than 2,200 community facility projects valued at approximately \$150 million, creating jobs and economic spin-offs.

My department has maintained its level of support for operating grants to Manitoba's major cultural institutions in the 1998 budget recognizing their contributions to the province's economy and quality of life. The Winnipeg Art Gallery, the Manitoba Museum and the many organizations supported through the Manitoba Arts Council offer cultural and heritage programs that benefit Manitobans throughout the province. The Western Manitoba Centennial Auditorium and the Manitoba Centennial Centre provide modern, well-appointed spaces in which performing and community groups can offer their programs to the public. The province of Manitoba and the Manitoba Arts Council continue to enjoy a reputation throughout Canada as leaders in innovation and arts funding and for governance. The council plays a lead role in stimulating our arts and cultural sector by providing financial support to Manitoba's professional arts community through grants and scholarships. My department's continued support of the council's activities has contributed to the development of a vibrant arts community whose energy and creativity have established our province as the performing arts capital of Canada and whose hard work adds immeasurably to Manitoba's economic advancement.

In 1997-98 the Arts Branch will continue to assist the arts and cultural industry's growing contribution to our quality of life and our economic well-being. The cultural sector currently employs about 19,000 Manitobans, making an annual contribution to the province's GDP approaching \$.5 billion. By initiating partnerships with the community and other government

departments and agencies, the branch will provide strategic assistance to support the sector's rapid growth.

Last year at this time my predecessor the Honourable Harold Gilleshammer announced a proposed Manitoba Film and Sound Recording Development Corporation Act to establish a statutory corporation to support our film and sound industries. I am happy to announce that Bill 71, The Manitoba Film and Sound Recording Development Corporation Act, received Royal Assent on November 19, 1996. I look forward to the proclamation of the act and the appointment of the board in the very near future.

Through its support to the Manitoba Film and Sound Recording Development Corporation, my department provides just over \$2 million annually towards the promotion, production, marketing, viability and growth of the film, television and sound recording industries in Manitoba. The growth of Manitoba's film industry has really been truly remarkable. An independent study commissioned last year by the Manitoba Motion Picture Industries Association indicated that between 1989 and 1994 film production in Manitoba grew 230 percent compared to 70 percent nationally. A 1995 Manitoba Bureau of Statistics report estimates that for every direct job in the film industry an additional 1.4 jobs are created and that for every dollar spent by the industry there is a \$2.18 gross benefit to our economy. While total production budgets for 1996-97 total \$20 million, the industry anticipates that in 1997-98 that figure may reach \$45 million.

* (1640)

The past year has been an eventful one for the Manitoba film production industry as the province hosted a number of high-profile projects. In June 1996 the four-hour, \$8-million miniseries *The Arrow*, starring Dan Ackroyd, began production here. Broadcast on CBC on January 12 and 13 of this year, the miniseries received much acclaim. In August 1996 the 13-episode series *The Adventures of Shirley Holmes* began shooting in Winnipeg. The half-hour mystery series for seven- to 13-year-olds premiered on YTV on February 24.

Manitoba's Credo Entertainment Corporation continues to gain recognition for quality children's

programming. The Alliance for Children and Television, ACT, awarded Credo's Heck's Way Home the 1996 best drama award of excellence. It won the world medal at the 39th annual New York Festival's international competition and received a Gemini nomination for best youth program or series and best writing in a children's or youth program.

To further encourage this phenomenal growth and more production opportunities, the Manitoba Film and Video Production Tax Credit was announced in the provincial budget. This tax credit will put us in a more competitive position with other Canadian provinces.

Other artistic sectors such as the recording industry, in which Manitobans are gaining recognition, are also demonstrating their potential. Five Manitoba recording artists were recently nominated for Juno Awards. The band The Watchmen, singer Chantal Kreviazuk, banjo player Danny Koulack, children's performer Jack Chenier, and classical violinist James Ehnes.

Our literary sector is proving itself to be a steady contributor to Manitoba's advancement. In Manitoba book publishing is now a \$3-million industry. The Book Publishers' Support Programs administered through the Arts Branch will continue to help Manitoba book publishers to expand marketing, make company improvements and develop new product lines.

The crafts industry comprises between 3,500 and 4,500 producers across the province. These artists generate between \$30 million and \$38 million in total annual sales. The value of the total GDP is between \$24 million and \$30 million, I am informed. In the 20 years between 1971 and 1991 the number of visual artists and craftspeople in Manitoba has grown by over 150 percent. We recognize this area as one of great potential for economic development.

Acting on this information, in 1997-98 my department will launch a new program to support innovative marketing projects by Manitoba's private art galleries.

The Visual Arts and Craft Marketing Program will make it possible for galleries to participate in joint marketing initiatives and to take advantage of major arts marketing opportunities through the year of Asia-

Pacific, the Canadian International Business Strategy, and the Pan American Games. Under this program, we are confident that our visual artists and craftspeople will substantially increase their role in stimulating Manitoba's artistic and economic development. A buyer's guide to arts and crafts in Manitoba, produced by my department, has received very positive response by the arts community and the public. This publication provides further impetus to the rapid growth of Manitoba's craft industry.

Mr. Chair, just for my critic's information, I have brought some of these brochures to table. I am not sure if she has had an opportunity to see them, but I am happy to table. I believe it is three copies that are required, and I have three copies, including the English and French versions.

Culture, Heritage and Citizenship is very pleased to support the development and delivery of the arts and cultural component of the 1997 Canada Summer Games in Brandon this August. This component of the games will showcase Manitoba's talents and promote the province as a tourist destination. For this reason, my department will also continue to provide consultation and administrative services to the Arts and Cultural Initiatives Committee of the Pan American Games, which are coming to Manitoba in 1999. We are providing clerical assistance to the committee and maintain an ongoing liaison with the festival's division.

We will continue to provide services in both official languages and to administer programs of financial assistance for developmental arts programming in communities throughout rural and northern Manitoba, including remote communities. Through these programs, my department will assist over 600 performances and exhibitions in rural and northern Manitoba and over three-quarters of a million hours of community-based arts instruction for Manitobans in all regions of the province. These programs provide meaningful alternatives for young people and provide valuable skills development for future vocational success.

My department continues to administer financial assistance for the international touring by the Royal Winnipeg Ballet. This fall, the RWB will represent Canada's performing arts at the European Festival of

Arts in Thessaloniki, Greece. It will also be a featured guest performer during the Commonwealth Heads of State Conference in Edinburgh, Scotland. These are great honours reflecting on the RWB's international reputation and enhancing Manitoba's image as a culturally rich province.

My department will also administer the 11th annual Pre-Manitoba Awards. This year, the awards will recognize the contribution of individuals and organizations in Heritage and Recreation.

In conjunction with the Manitoba Women's Directorate, the department will co-ordinate an exhibition and provincial tour of works by Manitoba women artists from the province's exceptional collection to promote International Women's Day in October, 1997.

In Public Library Services, my department has initiated several projects to improve the accessibility and range of services offered in rural and northern public libraries. Our public library automation projects are progressing on schedule, I am informed. The Manitoba Public Library's Information Network, or MAPLIN, enables automated public libraries to connect with the Manitoba Union Catalogue and the Public Library Services circulation system. Thirty-nine of the 49 regional libraries are now using this network to access our central data base. The MAPLIN network establishes libraries as community resource centres and helps them provide access to global information networks. Sixteen public libraries in rural and northern Manitoba provide public Internet access to their communities, and more will soon follow.

My department, along with the provincial departments of Industry, Trade and Tourism, Education and Training, and Rural Development, is co-operating with Industry Canada to encourage communities to provide public access to the Internet through the Community Access project.

In the Historical Resources branch, I am pleased to note that all across Manitoba there has been a significant growth in the interest in the experiences and the opportunities afforded by our heritage. Visitors and Manitobans alike are exploring heritage sites and museums, canoeing designated heritage rivers and

planning trips along highway routes having heritage themes. Recently, three highway routes have been officially identified to commemorate aspects of Manitoba's rich history: the Dawson, the La Verendrye and the Assiniboine Trails.

We are also seeing more Manitoba-based businesses, such as tea rooms, bed-and-breakfast lodgings and gift shops, make use of the many unique late 19th Century and early 20th Century homes built by Manitoba's early pioneers.

The integration of heritage resources as a viable part of community life is a fundamental mission of my department. Currently, we are working with a dedicated volunteer group in Inglis, Manitoba, to determine the possible reuse of five early grain elevators considered by experts to be the last such row of elevators left standing in Canada, and declared to be of national heritage significance.

We are also continuing our work in northern Manitoba, in co-operation with Manitoba Hydro and First Nations, to identify sites in that region associated with Manitoba's aboriginal heritage. Working closely with members of native communities, we have been able to investigate new sites in both a scientific and a culturally sensitive manner. In addition to valuable historic and archeological information, these projects have had a positive economic impact on northern communities. New educational and employment opportunities for aboriginal people have emerged from these activities as well as a greater public awareness of aboriginal contributions, culture and history.

* (1650)

Partnerships with Manitoba communities and businesses to safeguard our heritage for future generations are leading to new audiences and opportunities. My department, in co-operation with Manitoba Rural Development, is sponsoring a workshop on community-driven heritage tourism as part of the Brandon Rural Forum to be held now in June, in response to the ground swell of interest expressed by community groups in developing local heritage sites.

In 1991, the Historic Resources branch of my department proposed to produce a series of brochures highlighting heritage sites in each of the six rural regions of the province, to promote heritage as a part of tourism and economic development. The proposal was seen as complementary to the Explore Manitoba promotional material then being prepared by Industry, Trade and Tourism. Our colleagues in Industry, Trade and Tourism agreed to cost-share this initiative with us. My department selects information for the brochures, oversees both design and publication preparation, and our Tourism colleagues assist in the production and distribution of the 45,000 brochures printed each year. Titles to date include: The Heritage of Westman, 1992; The Heritage of the Central Plains, 1993; The Heritage of the Interlake, 1995; and our new brochure for this year, The Heritage of the Parkland, 1996.

Mr. Chair, I also have some copies of this brochure for my colleague. She may have seen it, but in case she has not, she might like to have it for her own records.

Underway in 1997-98 is work on the Norman Region. Eastman will be completed in 1998-99.

The heritage tourism regional brochures are distributed in Manitoba through the seven Travel Manitoba Information Centres and through Travel Manitoba bulk mailings to Chambers of Commerce and local information booths. The Historic Resources branch also distributes the brochures to Culture, Heritage and Citizenship regional offices, museums, schools and libraries in regular mailings and to the community participants in the project.

I am pleased services and programs offered in the heritage field by my department are based on working co-operatively with community volunteers, businesses and other provincial departments. Together, we are supporting increased interest, commitment and ingenuity shown by the public in celebrating Manitoba's rich heritage.

Recreation and Wellness Promotion Branch. The establishment of the Recreation and Wellness Promotion Branch has positioned my department to develop preventative strategies designed to enhance individual and community wellness. The work of the branch centres on the key principle of empowering

individuals to take a greater responsibility for sustaining their own health and well-being, thus contributing to our overall goal of healthier communities.

A key component of the branch strategy is the development of a planning document titled Physical Inactivity-A Framework for Action. This will lead to the implementation of Manitoba's physical activity strategy.

Another area of concern to me and to my department is youth at risk. A national research study has focused attention on the positive role that recreation and physical activity can play in the development of young people and in the reduction of risk factors. To better co-ordinate the delivery of service, the branch has developed an action plan titled Manitoba Framework on Youth-at-Risk: Strategies for Collaboration.

The Provincial Coordinating Committee on Recreational Water Safety represents 22 community and government agencies. This committee was established in June 1996 in response to recommendations advanced by the Chief Medical Examiner. The committee is developing a resource manual of guidelines for waterfront safety to be distributed in draft form to identified waterfront operators this spring. A final copy will be released in time for the 1998 waterfront season.

The Regional Services branch of my department supports rural, remote and northern communities in stimulating positive change and encouraging sustainable growth and improved quality of life and wellness. Regional staff provide delivery for programs of 26 agencies and branches from 10 provincial government departments.

The Information Resources division of my department co-ordinates and manages government advertising, communications and the delivery of public information services. Through this division my department is helping establish Manitoba's presence on the Internet and realizing its tremendous potential in providing access to government information services and programs. To date, 16 departments are on the Internet and the remaining department will be on line this year.

The Provincial Services Division of my department oversees a variety of activities for both public and government clients, including the delivery of English and French translation services, management of the Provincial Archives, responsibility for the Manitoba Legislative Library and the handling of government records.

When Manitoba introduced its first Freedom of Information legislation a few years ago, responsibility for administering the act was placed with the Provincial Services Division. A new act will be introduced this session. Public consultations have provided important guidance for this new legislation, which will balance protection of personal privacy and the right to access information.

I am pleased to report that Manitoba's endeavours to access and utilize emerging technologies are proceeding very well. We have, for example, recently collaborated with the Hudson's Bay History Foundation to launch a new 300-page Internet website, highlighting the priceless Hudson's Bay Company Archives collection.

The Citizenship division of Culture, Heritage and Citizenship played a lead role in the completion of negotiations for the Canada-Manitoba immigration agreement signed on October 22, 1996. Through this agreement, Manitoba has now gained a solid commitment from the federal government to assist the province in meeting its immigration objectives and playing a role in national immigration policies.

The effective implementation of the agreement will boost our ability to bring new businesses and industries to Manitoba to address unique industry employment requirements and to stimulate the expansion of existing Manitoba-based businesses. This agreement will also support Manitoba's commitment to family reunification and our ongoing commitment to humanitarian initiatives designed to assist refugees.

One of our most successful undertakings this past year has been the completion of the sewing machine operator program. In this initiative we completed negotiations on the terms and conditions to recruit 157 sewing machine operators for the rapidly growing Manitoba fashion industry.

Another initiative is our promotion and recruitment campaign, focusing on highly skilled, independent immigrants. The promotion strategy includes targeted print advertising, Internet advertising, Internet communication and conducting information seminars with Canada's diplomatic posts abroad.

The Citizenship Division has also partnered with Industry, Trade and Tourism to develop a new initiative this year on information seminars abroad. This joint approach was adopted to reduce cost and also to maximize Manitoba's exposure to potential immigrants, whether business immigrants or independent immigrants.

To date this year, information seminars have been conducted in the Philippines, Kiev, Argentina, London, Scotland, and Ireland with encouraging results. Our goal is to increase Manitoba's share of immigration from 1.7 percent or—and these are the numbers, I am informed—3,541 arrivals in 1995 to Manitoba's proportional share, which is 3.5 percent or approximately 8,000 arrivals, I am informed, based on the 1996 national immigration plan.

The good news is that preliminary 1996 figures are already showing a significant increase in our immigration numbers with an increase from 1.7 percent in 1995 to 2 percent of overall immigration in 1996.

I am pleased to report that our activities have definitely stimulated interest in Manitoba. Last year we reported that Citizenship Division's Manitoba home page on the Internet had approximately 53,000 website documents access. This year I am proud to tell you that this number has doubled in the past year, representing well over 100,000 inquiries through this high-tech portal.

I am also pleased to inform you that from 1994, the inception of the promotion and recruitment campaign, to 1996, the skilled independent category of immigration has increased, I am informed, 100 percent. Manitoba had 563 arrivals in 1994, and in 1996 we welcomed 1,130 new arrivals to our community.

* (1700)

The Citizenship Division has pursued many other initiatives to enhance its ability to respond to the needs of newcomers. It has, for example, completed the Innovative Pathways Project. This is an interactive computer model pilot program which provides information on Manitoba's accreditation processes with respect to six professions and 29 trades. The division has developed information fact sheets in conjunction with the Department of Education and Training that outline the accreditation processes in 40 trades. Accreditation processes with professional associations have been documented and fact sheets have been developed for 31 professions.

In partnership with nine school divisions, numerous employers and community college and community organizations, the division offers a complete adult English as a Second Language system. In the last year, I am informed 2,450 students obtained ESL training through this system.

A variety of violence prevention initiatives, such as Family Harmony Conference, has been underway in conjunction with community groups, agencies and the federal government. In this conference a series of workshops for teachers, ethnocultural service workers and youth peer counsellors were offered on preventing interpersonal violence among youth. These workshops coincided with training for the introduction of a healthy relationships curriculum, which is being piloted in two Manitoba school divisions over the next three years. It is intended to assist young people, Grades 7, 8 and 9, to develop their communication skills and to critically assess information they receive, particularly from the media, about violence, sex roles, power, control and sexuality, in order to make healthy and positive choices for their relationships.

On the Multiculturalism Secretariat recent restructuring of my department has seen the assistant deputy minister of the Citizenship Division assume responsibility for the Multiculturalism Secretariat and its activities. As part of the Citizenship Division, the Multiculturalism Secretariat is a central source of assistance to citizens from ethnocultural communities in their efforts to access government departments and services. The secretariat in turn will benefit from a broader access to technological and human resources. My department considers the secretariat with its

programs, initiatives and services, and its strong links to the ethnocultural community, an invaluable resource to Manitoba's immigration and recruitment plans.

At Manitoba Culture, Heritage and Citizenship, we are very proud of the work that we do and the contributions that we make to the advancement of Manitoba. Our programs, initiatives, activities and partnerships touch the economic, social, personal and environmental aspects of the lives of our citizens directly and indirectly virtually every day. Manitobans place a great importance on their communities and the opportunities which are available. The key objectives we have identified and built our strategies around will enable my department to promote and enhance the well-being, identity and creativity of Manitobans while contributing to the economic viability of the province. I am confident that through the Estimates I have placed before you, Manitoba Culture, Heritage and Citizenship will be able to meet the expectations of Manitobans in positive and realistic ways. I am also confident that this budget will allow us to maintain and strengthen Manitoba's communities now and into the 21st Century. Thank you very much, Mr. Chair.

The Acting Chairperson (Mr. McAlpine): I thank the honourable minister for those comments. Does the critic for the official opposition have opening comments?

Ms. Diane McGifford (Osborne): Yes, Mr. Chairman, I do. Thank you very much. Certainly in her opening statements the minister has made clear the pleasures of this ministry. I told the former minister last year that I considered myself very lucky to be involved in Culture and Heritage, and I continue to have that good fortune. I am pleased to share it with the current minister, and I thank her for her statement. I am very glad that the two of us happen to be off the sandbagging line at the same time, so we have the opportunity to meet today.

I wanted to take the opportunity to once again congratulate the various cultural groups and heritage groups which have opened their doors to persons who have been victimized by the flood. I am sure the minister joins me here. I also wanted to take this opportunity to formally thank Joanne DiCosimo who is soon going to be leaving the Manitoba Museum,

congratulate her on her new appointment and thank her for the work she has done in Manitoba amongst which has been the change of name from the Museum of Man and Nature to the Manitoba Museum, which, as I indicated last year to the former minister, I thought was quite an advance.

I wanted to outline for the minister the areas in which I was going to be asking questions. I thought that might be helpful as far as arranging staff. I wanted to begin today by asking some questions about some of the acts for which the minister is responsible. Then I want to ask a few questions about the Film Classification Board. I have quite a few questions about Culture, Heritage and Recreation, about that division; some questions about information resources. Then if it is possible and if the minister agrees, I would like to move on and ask some questions about capital appropriations, and then my colleague from Point Douglas (Mr. Hickey) will ask questions on citizenship and multiculturalism. So I put that out, and maybe the minister can respond to it later.

In preparing for these Estimates, I looked back through former Estimates books and, of course, through former annual reports. I found that in 1990-91 the actual expenditure in the Department of Culture, Heritage and Citizenship was \$59,614,200 and in 1995, the actual expenditure was \$52,308,500. Of course, the actual expenditure for 1996-97 is not yet available. For 1997-98, the estimated expenditure is \$51,528,300. So what I notice here, then, is more than an \$8 million or 13 percent reduction to Culture, Heritage and Citizenship, which concerns me. I do not think that this bodes well for our province or suggests necessarily that we do have a strong commitment or that this government does have a strong commitment to arts and culture, because I think if we include inflation in this figure, it could be almost double the \$8 million or the 13 percent. I do notice that the only steadily increasing line in Culture, Heritage and Citizenship is the minister's salary, and I say this with no disrespect to the minister. I realize the minister does not have control over that, but this still is a fact that the Minister's Salary in 1990-91 was \$20,600 and today it is \$25,700. So it does not surprise me, Mr. Chair, when I hear from the community that they remember the golden days when Eugene Kostyra or Judy Wasylycia-Leis were the ministers.

Now, I know that one of the things that this government is very fond of is corporate partnerships and encouraging corporate partnerships. It certainly seems to me to be a very good idea. I would support that; my side of the House would support that. Of course, it is not always a possibility. One example that leaps to mind is the recent Manitoba Theatre Centre production of *The Glace Bay Miner's Museum*. Apparently it was impossible to find a corporate sponsor for this play. I think it is probably because this play was pro-labour and pro-union, so there was no corporate sponsorship available.

Corporate sponsorship is a possibility, but in other cases it is not a possibility and for a host of reasons. It is more possible for some art forms than it is for others. For example, I think it is probably much more easy, and I think the minister would agree with me, for the opera to find a corporate sponsorship than it is for a small arts magazine.

I think that the minister and I both agree that government has a responsibility to the culture and heritage of our province, though we probably have some different ideas on exactly what these responsibilities are, to whom we are responsible and how we should fulfill these responsibilities. Certainly in her opening remarks, the minister's opening remarks, reflect the decisions of her government, the policies reflect her ideas and her goals. Mine and the ideas of my caucus I think will emerge through the comments and questions I make as we go through the Estimates process.

* (1710)

I wanted to make a few comments on the minister's opening remarks. I was very glad that the minister stressed the importance of art in the economic development of our province, and stressed the economic spin-offs of the arts. Certainly, the growth in film production at 230 percent is quite remarkable. I think we need to congratulate that sector. The minister also recognized the importance of the arts in job creation, and I quite concur with her. She mentioned several of the film productions that had taken place in Manitoba. She mentioned *The Arrow* and she mentioned Dan Ackroyd. I certainly enjoyed watching *The Arrow* and sharing some time with Dan Ackroyd

on July 1 in Osborne Village where he was our guest speaker, a very able and very exciting speaker for everybody present I might add.

The minister also commented on the production of Shirley Holmes. I am sure both the minister and I, since the minister as well as being the minister for Culture, Heritage and Citizenship is also the Minister for the Status of Women (Mrs. Vodrey), and I am also the critic for the Status of Women, we are very pleased with this series, because here we had a young woman in a central role. I think the minister and I both agree that we need more of this kind of modelling for young women in the province of Manitoba and indeed in Canada. So I was very happy with that series, and the minister obviously was too, because she is nodding assent.

The minister I think was very right in saluting our musicians and our publishers, acknowledging the craft industry and the role it plays in Manitoba. She also mentioned visual artists and I share her appreciation for all of these people. I look forward to the launch of the arts marketing program that the minister has cited. I believe it would include visual and crafts people. I look forward to reading the minister's remarks when they appear in Hansard. Hearing them I did not quite get everything, so I apologize if I am not quite accurate. I certainly look forward to that. I thank her for the Art & Crafts Buyer's Guide and I do have a copy, but I do not know if this is the same one I have or whether it is updated. I will have to check when I am back at my office.

I join the minister in saluting the RWB. It is just an absolutely wonderful company. We are very, very fortunate to have the Royal Winnipeg Ballet with us and we wish them the best of luck in the tours that the minister mentioned.

The minister also mentioned something that I find very exciting, and that was a tour of women visual artists, I understand she said in recognition of IWD in October, International Women's Day, but I think International Women's Day is on March 8. So I wonder if it was Persons' Day, just to put that out.

I am very pleased to hear of the evolving interest and increased interest in heritage and historic properties.

The minister mentioned the growing numbers of tea rooms and bed and breakfasts. As I am sure you all will agree, NDPers are always interested in economic development, and we are especially supportive of small business and this kind of local enterprise. I think this is certainly going to make Manitoba more attractive to tourists. These are very wonderful places to stay, to be with the family, so I think, the more, the better.

Also, working in the North with aboriginal people, the minister cited employment opportunities, which of course is only to be encouraged. I also am very pleased that the projects that the minister cited are projects that are very aware of the cultural sensitivities, and that will be very much a part of what takes place there.

Thank you for the Heritage brochure. I have not seen the others. I appreciate the one in the Parkland, and I certainly look forward to perhaps seeing the rest of them. With those few remarks, Mr. Chair, I think I will close. Just to tell the minister, once again, I do look forward to reading her remarks in more detail once I get my copy of Hansard.

The Acting Chairperson (Mr. McAlpine): We thank the critic for the official opposition for those remarks. I would remind members of the committee that debate on the Minister's Salary, item 1.(a), is deferred until all other items in the Estimates of this department are passed. At this time, I would invite the minister's staff to take their places in the Chamber.

Ms. McGifford: I wanted to ask the minister, if the minister agrees, about a couple of the acts for which she is responsible. I do not know what the protocol or procedure is, whether I can do it now, whether staff should be here, there or—I wonder if you could clarify it for me.

The Acting Chairperson (Mr. McAlpine): The staff will please take their places in the Chamber. The honourable member for Osborne, one second, please. I had asked the honourable minister to please introduce the staff present in the Chamber today.

Mrs. Vodrey: Mr. Chair, first of all I would like to introduce Mr. Dave Paton. He is the acting deputy minister at the moment and he is the Executive Director of Administration and Finance at all other times. This

is the ADM of the Programs Division. This is Lou-Anne Buhr. The others are not coming at the moment. So that is who we have here at the moment.

The Acting Chairperson (Mr. McAlpine): I would invite the honourable member for Osborne to pose her remarks or her comment now.

Ms. McGifford: Yes, Mr. Chair, I wanted to ask the minister about one or two acts for which she is responsible and I wanted to know whether this is an appropriate time.

Mrs. Vodrey: I think the best way to proceed is to have the member ask the questions. If I am able to provide the answer this time, I will. If not, I will take it as notice or ask that it be deferred to the line in which the appropriate staff might be here.

Ms. McGifford: I have an Order-in-Council 166. I notice that on this Order-in-Council it does not include The Liquor Control Act for which I understand the minister is responsible. I wonder if there is something here that I do not understand. I wonder if the minister could explain the situation. This list begins with Statutes Responsibility Minister of Culture, Heritage and Citizenship, but that particular act is not here, so that is my question.

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

Mrs. Vodrey: As I do not have a copy of the Order-in-Council, I would have to look into that. Certainly what is listed in our Estimates book is the responsibility of the Minister of Culture. The Minister responsible for the Liquor Commission is in addition and unrelated to my specific responsibilities as Minister of Culture; it is a separate one. As is the Minister for the Status of Women, it is in addition to this particular responsibility.

Ms. McGifford: Is it appropriate at this time then to ask the minister some questions about the enforcement of The Liquor Control Act?

Mrs. Vodrey: The issues relating to The Liquor Control Act are dealt with before committee, before the Public Utilities committee. I believe that is being scheduled or rescheduled for May 22.

Ms. McGifford: May I ask some questions then about The Freedom of Information Act?

The Acting Chairperson (Mr. Penner): Yes, you may.

* (1720)

Ms. McGifford: The minister spoke in her opening remarks about the replacement of this act with what I believe she described as an access to information and privacy protection act. I wonder if the minister could outline the process for collecting public input into this proposed act.

Mrs. Vodrey: I would like to welcome to the table Sue Bishop, who is the executive director of Provincial Services.

I am very happy to talk a little bit about the process. First of all, I understand that there was prepared a public discussion paper. With that public discussion paper that was circulated, there was, I understand, quite a good response back to that. We felt that many of the responses were, in fact, very thoughtful and very constructive. I understand that, in response to that discussion paper, meetings were held with individuals, with organizations, and with businesses during October 1996. Submissions were received from outside of government and also from within government. Government departments and agencies were asked to provide advice on this initiative as it would relate to their services, their clients, and their stakeholders.

Ms. McGifford: I wonder if the minister could tell me if there were any public meetings, public meetings meaning open to the public where the public came and made presentation to a committee of people.

Mrs. Vodrey: I understand, Mr. Chair, I am informed that meetings were scheduled on request. Those requests may have been at the request of individuals or groups who wanted to make comment. To my knowledge, those people who wanted to be heard on the issue certainly were heard on the issue.

Ms. McGifford: Could the minister tell me please how many meetings there were and where they were?

Mrs. Vodrey: I am informed that there were approximately 25 oral meetings in which people came and provided information verbally, based on their comments.

Ms. McGifford: I am sure the minister agrees that a freedom of information act, by its very title, would suggest that the more public input we have into that the better. With that in mind, I wonder if the minister could tell me something about the numbers of persons who attended the public meetings.

Mrs. Vodrey: I will have to get further information on the people who attended the meetings. I do not want the member to be mixed up in terms of the fact that the public will still have a very full opportunity in which to look at this information, which deals both with freedom of information and protection of privacy. It deals with both, while the old Freedom of Information Act dealt only with one part.

So when the legislation is introduced into the House, and when we go to committee, then we will have another opportunity for the public to comment fully. So there was some opportunity for the public to comment on concepts and issues which they had, based on the discussion paper. Then when decisions have been made and when the legislation is prepared, there will be another opportunity during the committee hearing process for the public to comment.

Ms. McGifford: I am very well aware that it is an access to information and privacy protection bill. I think it is high time that we had one and caught up with the other jurisdictions in our country. So I am very pleased about the fact that this bill will be tabled. I look forward to reading the bill. I do think that producing a sound bill ahead of time and not depending on people to come to committee and make presentations to straighten it out makes good sense. I am concerned that the public be well represented ahead of time, ahead of the bills being drafted, ahead of the bills being tabled in the legislature, and also that the public come out at the committee level and provide more information. I do know that it is a bill that covers both areas.

Now, earlier the minister mentioned, and I do know that the former minister last year circulated a document

inviting discussion papers on the proposed legislation. I would like to know to whom that document was circulated, how was it decided who got one and who did not, how many went out and perhaps the number of responses. The minister might have told me that. If so, I am sorry I did not jot it down.

Mrs. Vodrey: Mr. Chair, I am informed that there were approximately 2,000 copies of the paper distributed. The paper was made available in both English and French in printed form and also on the Internet, and because it was so widely available in all of those mediums, it was certainly available for people to access it. In terms of a list or anything more detailed in terms of who actually received any of the 2,000 copies, I will have to follow up with the member. Certainly there was an effort, as I can see, to reach a broad number of people to gain responses and also by placing it on the Internet to make sure that people who wish to access their information in a number of forums would be able to do so.

Ms. McGifford: I do not need to have a list to whom the discussion paper was sent. I am interested in knowing what the criteria were in determining who received the document.

Mrs. Vodrey: Well, I am informed, if this is helpful, some of the 2,000 groups included rights groups, included consumers association, education and municipal stakeholders. I have a list of some: Manitoba Association for Rights and Liberties, Consumers' Association of Manitoba, Canadian Association of Journalists, Legal Data Resources Corporation, the Manitoba Teachers' Society. So that is an example of some of the groups who received the discussion paper.

* (1730)

Ms. McGifford: I believe, in fact I know last year in Estimates, the former minister told me that once the submissions to the discussion paper were received, they would be gathered together and there would be a compilation of papers and responses to the original discussion document. I believe he said it would be called, "What you have told Us," and I understand that he also said the "What you have told Us" document

would then be sent out and responses received to that. I wonder if this process was followed.

Mrs. Vodrey: I can just say that I was not present in Estimates, obviously, in this role last year, but I understand that there was not a commitment made to individuals or groups when they made their submissions that there would be a follow-up document other than the fact that those who made oral presentations, I understand, would have an opportunity to review notes regarding their presentation before they were filed. Notes or documents for all submissions would be available for public review, and all submissions have been made available to the public through the Provincial Archives and the Legislative Library.

Ms. McGifford: No, the minister made a commitment, at least I thought it was a commitment, in Estimates, that the documents that were submitted would be gathered together and sent out to those who submit it, and I wondered if that step had been taken. I know that the documents are available in the Provincial Archives because I have looked at them.

Mrs. Vodrey: I suppose the difficulty is always trying to make sure that we in Manitoba have the protection that we believe and the public believes is important to them in a timely way.

I am sorry, the commitment made in Estimates, I am not sure—I understand that was not made to the presenter, is my understanding. Our commitment is that we want to have this legislation tabled this session. So we have proceeded, having had public input at the front end, having had available the submissions that were given if people want to check and find out what you have told us is available. It is not as if it is not available. It is available, and it is available to the public. It has not been compiled by my department or specifically by this government, but it is available.

For us now, our goal is based on the thinking of a lot of submissions which were given and decisions ultimately which this government has to make based on legislation. We have moved ahead. We will be moving ahead in the interests of Manitobans because, not only do we need the freedom of information side, the member knows this, but many other people perhaps

realize only that there is a freedom of information and there is not the protection of privacy. Our commitment is to move ahead with the legislation. I will be tabling that legislation this session.

Ms. McGifford: It seems to me the minister is telling me that ministers are not bound by remarks that they make on the record in Estimates. That seems to me somewhat strange, if I might say. I do know, Mr. Chair, that the documents are available for persons to go down and peruse them. I believe they are in the Legislative Library as well as being in the Archives. I think that a group who made a submission would be more likely to respond to a set of documents sent to them than have to come down here and go through documents and make response that way.

It does seem to me, to get back to the point that I began with, a commitment on Hansard is a commitment to Manitobans, and the government, the minister should stand by it.

Mrs. Vodrey: I certainly believe that commitments do need to be followed up on. The method, it seems to me, that this commitment has been followed up on is to make available to the public all of those submissions, to make available to the public the information which was provided. The member began her line of questioning in terms of the public's participation, the public's ability to make comment. I understand that they did make comment, and those comments are publicly available. There has been certainly no effort not to have that information available. I understand that if there has been a specific request, copies have been sent out on request, but the availability is there. The member may not feel that that has met the minister's commitment. The minister's commitment would have been what you have told us, the availability of that material.

Sometimes we are told, if we produce the document, that we have censored the information. I have heard that in Estimates already this year, and so what is available is not any kind of document that the members may want to suggest we have somehow put together ourselves. What is available is in fact my understanding is what people have said. That is I think important and certainly a way to meet the commitment. The next part of the commitment, Mr. Chair, is to table the legislation. So that is what will happen now.

The member, I am not sure if she wants to put another staff in this. I believe it may have the effect of delaying. I think that what is available has accomplished the effort. I see the member for Wolseley (Ms. Friesen) shaking her head and, yet, the member for Osborne (Ms. McGifford) and I appear to be having a fairly equitable discussion on issues. We may not agree totally, but I believe we were at least answering and asking questions fairly.

Ms. McGifford: I think that the minister and I probably will have to agree to disagree on this particular issue. I do stand by the point that the minister made a commitment to gather responses together and to send them out to those who had originally made submission. I think it is regrettable that the process is not being honoured. I do not mean to claim, Mr. Chair—I certainly do not mean to claim that there is not the opportunity for public input. It is a question of process, but, as I say, perhaps we should move on.

I wanted to ask a question that really grows out of the 1995 Ombudsman's report, and if I might quote from that report. The report says that the Premier (Mr. Filmon) in a memo to the deputy minister advised that Culture, Heritage and Citizenship had been requested to propose measures to enhance and co-ordinate the level of service and quality of training. I wonder if I could have some details about both, about service enhancement and training.

Mrs. Vodrey: I am informed that there were two initiatives addressing this issue. In June 1996, there was an informal meeting with all the FOI co-ordinators, and I am also informed that in October '96 there were informational meetings on fair information practices held.

Ms. McGifford: I wonder if the minister could give some details about these meetings and how they acted to enhance service and improve training.

Mrs. Vodrey: Although Sue Bishop is here, the information that the member is seeking is, in detail, not here at the moment. So what I would ask is that, on line 14.3 (d), if the member would like to re-ask the question then, we will make every effort to have that information available at that time.

* (1740)

The Acting Chairperson (Mr. Penner): Before we continue with the questioning that is going on, I think we probably were remiss in making a statement that we normally make. I think what I need to do then, as Chair, is bring the issue of the Estimates process, in other words, the financial statements, into proper discussion. If you would allow me to do that, I would do that now.

I would just like to remind members of the committee that the debate on Minister's Salary, which is item 1.(a), is deferred until all other items of the Estimates of this department are passed. At this time, I would invite the minister's staff to take their place. I do not think—[interjection] That was said? Okay. I am reminded that that was said.

I would then ask that 14.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits be considered at this time.

Ms. McGifford: I see that we have an acting deputy minister with us today. I wonder if the minister could tell us if the former deputy minister is no longer with Culture, Heritage and Citizenship.

Mrs. Vodrey: The deputy minister is away on sick leave at the moment. She is not expected to join us during the course of Estimates.

The Acting Chairperson (Mr. Penner): Item 14.1. (b) Executive Support (1) Salaries and Employee Benefits \$423,800—pass; (2) Other Expenditures \$74,200—pass.

14.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,908,600—pass; (2) Other Expenditures \$266,000—pass.

14.1.(d) Manitoba Film Classification Board.

Ms. McGifford: I think I indicated earlier that I wanted to ask some questions about the Film Classification Board. I wonder, I would ask some straightforward questions. Initially, I wonder if the minister could tell me the number of board members in the Film Classification Board and tell me something

about the reviewing process for making decisions about the classification of film.

Mrs. Vodrey: There are presently 22 members on the Film Classification Board. The process is that they sit for feature films in panels of three, and for videos in panels of two. They then reach a consensus report on the classification.

Ms. McGifford: Could the minister tell me, I notice that there are three staff members, are these three persons—no, they are not inspectors. Are inspectors included in these three staffpersons?

Mrs. Vodrey: Yes, Mr. Chair.

Ms. McGifford: Could the minister tell me which persons, the professional, technical, or administrative support, are the inspectors?

Mrs. Vodrey: There are two individuals who do the inspections. I understand that there were focuses on complaints.

Ms. McGifford: Sorry, I did not get the last bit from the minister because of the door.

Mrs. Vodrey: A great deal of the work of the inspectors focuses on complaints which are given.

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

Ms. McGifford: The minister said that the inspections then are complaint driven, which of course makes sense because we see in the Estimates book that there are 850 video retail licensed facilities and 50 video distributors. I do not know how many theatres there are in Manitoba, but it would obviously be impossible for two inspectors to do all this inspection on a regular basis. Of course, we have to consider here the complexities of geography in Manitoba. There are people in the North, the east, the west, theatres there and video outlets there. So I appreciate regular inspection would be extremely difficult and appreciate that it is complaint driven.

I wonder if the minister could tell me how frequent complaints from the public are, and I mean, especially,

of course, complaints regarding the classification of films and videos.

Mrs. Vodrey: I just want to clarify that, although I understand the inspectors act on complaints in terms of their numbers, they also do inspections that are not necessarily complaint driven, although I understand that a large proportion is in fact responding to issues which are presented to the Film Classification Board. I am informed that we do not have today the number of complaints, but we will get that for the member.

Ms. McGifford: I find it interesting that the minister has said that, although the process is basically—or I may be misquoting her—but generally complaint driven. There are also regular inspections. I wonder if the minister could tell me how inspections are done throughout the province. Is there a regular junket on which an inspector goes up to Churchill and works his or her way down, or what is the process here?

Mrs. Vodrey: I am informed that the inspection occurs as a priority on adult video stores and that there is a regular rotation of inspection of the adult video stores. Also, that tends to be the focus of complaints as well.

* (1750)

Ms. McGifford: I have always found adult video stores to be a contradiction in terms, but I do not necessarily expect the minister to do anything about that. Adult video stores are then the 18-plus, the category would be the 18-plus category?

Mrs. Vodrey: Yes, I am informed. Yes, that is right.

Ms. McGifford: I understand that The Amusements Act was either passed or at least last revisited in 1987. Last year the then minister said in Estimates that, since 1996 was the 10th anniversary of The Heritage Resources Act, he thought it was a good time to review the act. So I want to ask this minister since this is the 10th anniversary of The Amusements Act, I wonder if this minister has any plans to review this act and especially to review not the work of film classification, but the classification categories themselves.

Mrs. Vodrey: At the moment there are not plans to review The Amusements Act. At the moment that has not been one of the issues that had been put forward.

I understand at the moment that there have not been complaints about the current act, identifying specific issues.

However, I am told that we are certainly willing to work with other provinces in an effort to try and standardize or make similar classification among provinces so that it will have the same meaning in each province. I understand at the moment that is one of the efforts of the people involved in the Film Classification Board, our chair in particular.

Ms. McGifford: I wanted to tell the minister that any connection or any communication I have had with the people from the Film Classification Board has been very helpful. I find the people very helpful. I am sure that everybody is doing his or her job as it is defined in the act. I am very impressed with these people. I wonder if the minister herself is content with the system, with the categories, and whether she believes that our current system is working in the best interests of all Manitobans.

Mrs. Vodrey: I think it is probably best just to be quite straightforward in my answer to say that I am just really coming to know in detail the work of the Film Classification Board and their issues, having them bring to me some of the issues that they see and also having people begin to talk to me about those issues.

I have not yet had a lot of exposure or comments made in that area. That does not mean to say that I would close the door on any of those issues. I hope over the next while to be able to develop more fully a very good comprehension of the issues that people are bringing. At this point my understanding is there has not been a series of complaints. There has been an effort to work with other provinces, and there is some effort on the part of the Film Classification Board to identify what may be issues. In terms of anything further at this point, I think I am just going to have to wait, and the member and I can speak about this at another time as well, if she would like to.

Ms. McGifford: I wonder if I could just pursue the matter a little bit, however. I understand that the Film Classification Board merely classifies films and it does not make judgments on films. I appreciate that, and I appreciate the complexities of making judgments as to

what is obscene, what is not obscene, and that kind of thing.

I note in the video update from the Film Classification Board, the one that goes to the retailer, I note the note that reads, as some titles classified as 18-plus may be considered offensive, please place the 18-plus video updates in a separate catalogue not available to individuals under the age of 18.

I can appreciate that retailers are frequently called upon to make judgments on age, whether that be with selling cigarettes, renting in this case certain kinds of videos, or indeed in purchasing alcohol. What I wanted to ask the minister, does this mean then that a video that the law might determine to be obscene may, indeed, be in an outlet and would be there until a member of the public raised a complaint with the police who would then perhaps seize that video and make a determination.

Mrs. Vodrey: I know that the member knows that the Film Classification Board's role is only classification. They are not able to censor, and the identification of a material as obscene comes through the federal Criminal Code. There has to be, in fact, a way in which to determine that it violates a community standard and so on. There are a number of issues that relate to that. So it is very difficult for me in a hypothetical scenario to actually make a statement on what she has put forward.

I believe that the Classification Board is diligent. I believe that when our government put in place, at least the 18-plus, that was another step in terms of trying to make sure that material, which may not have been classified as obscene, but which is clearly adult, is not available easily and openly to particularly young people.

I know too that there has been consideration of these issues in terms of our correctional institutions and so on in making an effort that there not be something which may incite violent behaviour or whatever available easily.

That can be made, not by the Film Classification Board, but by the institution itself. I am informed that the mandate is to provide information to parents as to

the content and to guide a viewing choice. That is the focus of the Film Classification Board.

The Acting Chairperson (Mr. McAlpine): The hour being 6 p.m., committee rise. Call in the Speaker.

IN SESSION

The Acting Speaker (Mr. McAlpine): The hour being after 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

