



Third Session - Thirty-Sixth Legislature

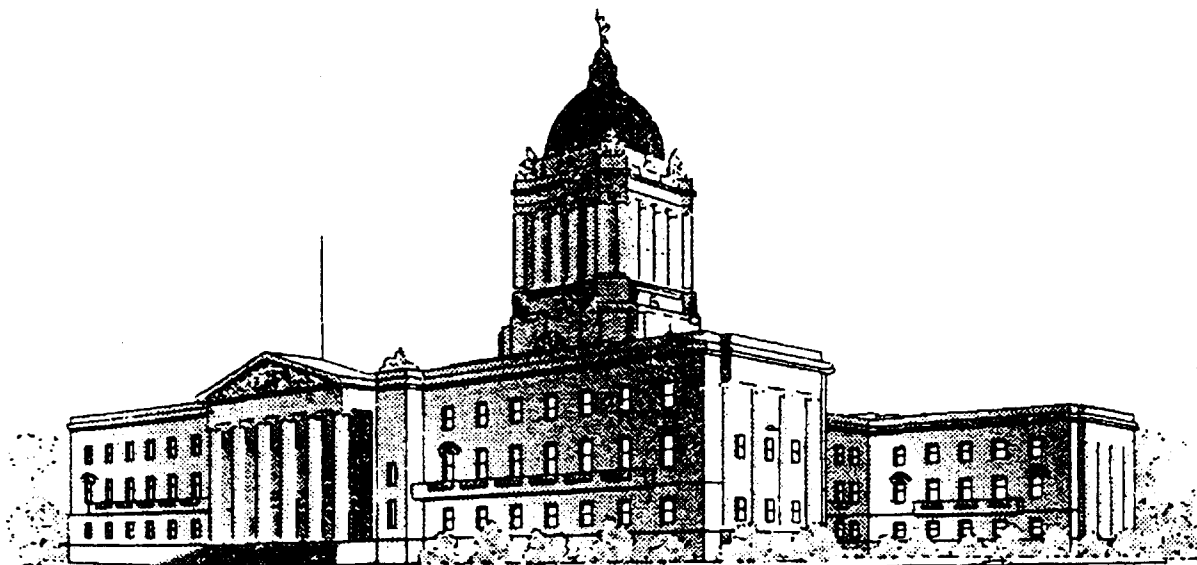
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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authority of
The Honourable Louise M. Dacquay
Speaker*



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 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.	Rosmere	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 13, 1997

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mobile Screening Unit for Mammograms

Ms. Rosann Wowchuk (Swan River): Madam Speaker, I beg to present the petition of Mary Jackson, Wilda Kieper, Paulette Van Damme, praying that the Legislative Assembly of Manitoba request the Minister of Health (Mr. Praznik) to consider immediately establishing a mobile screening unit for mammograms to help women across the province detect breast cancer at the earliest possible opportunity.

READING AND RECEIVING PETITIONS

Mobile Screening Unit for Mammograms

Madam Speaker: I have reviewed the petition of the honourable member for Swan River (Ms. Wowchuk), and it complies with the rules and practices of the House. Is it the will of the House to have the petition read? Dispense.

WHEREAS medical authorities have stated that breast cancer in Manitoba has reached almost epidemic proportions; and

WHEREAS yearly mammograms are recommended for women over 50, and perhaps younger if a woman feels she is at risk; and

WHEREAS while improved surgical procedures and better post-operative care do improve a woman's chances if she is diagnosed, early detection plays a vital role; and

WHEREAS Manitoba currently has only three centres where mammograms can be performed, those being Winnipeg, Brandon and Thompson; and

WHEREAS a trip to and from these centres for a mammogram can cost a woman upwards of \$500 which is a prohibitive cost for some women; and

WHEREAS a number of other provinces have dealt with this problem by establishing mobile screening units; and

WHEREAS the provincial government has promised to take action on this serious issue.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Praznik) to consider immediately establishing a mobile screening unit for mammograms to help women across the province detect breast cancer at the earliest possible opportunity.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Ben Sveinson (Acting Chairperson of the Committee of Supply): Madam 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 St. Vital (Mrs. Render), that the report of the committee be received

Motion agreed to.

INTRODUCTION OF BILLS

Bill 34—The City of Winnipeg Amendment and Municipal Amendment Act

Hon. Jack Reimer (Minister of Urban Affairs): I move, seconded by the Minister of Government Services (Mr. Pitura), that leave be given to introduce Bill 34, The City of Winnipeg Amendment and Municipal Amendment Act (Loi modifiant la Loi sur la

Ville de Winnipeg et la Loi sur les municipalités), and that the same be now received and read for the first time.

I would also like to table the message from the Lieutenant Governor recommending this bill to the House.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon thirty Grade 5 students from the F. W. Gilbert School under the direction of Ms. Jamie Davison. This school is located in the constituency of the honourable Minister of Health (Mr. Praznik).

Also seated in the public gallery we have thirty Grade 9 students from Grant Park High School under the direction of Mr. Norm Roseman. This school is located in the constituency of the honourable member for Crescentwood (Mr. Sale).

* (1335)

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

ORAL QUESTION PERIOD

Elective Surgery Waiting Lists

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, I think, on behalf of all of us, we would like to thank the Canadian Armed Forces. Some of them just passed by the Legislature a minute ago, and they are getting a very friendly Manitoba sendoff for a great job on behalf of many of our citizens. I know others stay in our community.

I would like to ask the Premier (Mr. Filmon) a question on the flood situation and health care. As we know, there was some elective surgery cancelled during the flood crisis and during the situation that was

developing in our communities. Constituents are calling us, quite concerned about what the line-ups will be. They have been concerned about long line-ups to begin with.

I would like to ask the Premier: What has been the cancellation policy of elective surgery in Manitoba during this crisis? What has been the impact on the line-ups for surgery in Manitoba, and what is the strategy to deal with it?

Hon. Darren Praznik (Minister of Health): Madam Speaker, an excellent question from the Leader of the Opposition.

As the member is very much aware, over the last few weeks we faced a number of worst-case-scenario issues within the city of Winnipeg. As we did this, we were at the point where there were potentially 1,490-some beds between hospitals and personal care homes that were at risk, potential risk, should a worst-case scenario develop. Manitoba Health, working through regular channels of emergency services, emergency measures with the various hospitals, managed to develop a variety of plans to accommodate those patients. Part of those plans was, obviously, the cancellation or reduction of elective surgery throughout the city system in order to provide for beds should we have needed them had we had to get into large-scale evacuations.

Madam Speaker, as the crisis tends to lessen, elective surgery has been rescheduled, is being rescheduled, and we obviously are working with those facilities now to figure out exactly how we can make up for the lack of that elective surgery during the process.

So I appreciate the concerns. We have had many calls to our offices, and I hope to have more information as we work out the details over the next number of weeks to accommodate those people.

Mr. Doer: I thank the minister for his answer.

Madam Speaker, people and constituents are quite worried about line-ups that were taking place for surgery and then cancellations of elective surgery due to this crisis in the last month. They are very concerned about what that will mean for surgery that has been postponed and what it will mean for a line-up that they

will have to go through now for surgery here in the province of Manitoba.

On March 7, 1995, just prior to the last provincial election, the government acknowledged that there was a problem with line-ups and surgery and announced a \$500,000 program to ensure that people received elective surgery. Is the government contemplating a similar type of program to aid Manitobans in their elective surgery and to reduce the unnecessary wait and line-ups in our surgical programs here in Manitoba?

Mr. Praznik: Madam Speaker, at the current time Manitoba Health, with the various hospitals, are just assessing exactly what any backlog will be and hopefully being able to develop plans to accommodate that. Until I, as Health minister, and from an overall viewpoint, have a better sense of exactly what effect this has had on elective surgery, I cannot give to the member opposite, as I am sure he appreciates, an answer to his question. But I do know we recognize this was an emergency situation. I do not think anyone is critical of the system for accommodating that. We hope that the system can accommodate the bulk of that change. I know as of this Sunday people started to move back into facilities. When we have a better handle on the exact effects, then we will have to make a decision with those facilities, how to handle it. I appreciate the member's concern.

* (1340)

Mr. Doer: Madam Speaker, of course, the minister will know, with the delay in promised capital spending on many of our surgical areas in our hospitals with the tremendous cutbacks that have taken place in our hospitals in terms of operating staff in our urban hospitals and many other hospitals, that our health care facilities are stretched to the limit. So I would like to ask the Premier (Mr. Filmon): Will he have the same priority for the backlog that has been necessitated due to changes in elective surgery based on the flood? Will he have the same priority for that backlog as we had on March 7, just prior to the provincial election being called?

Mr. Praznik: Madam Speaker, with respect to the larger issue of waiting periods for surgery, there are a number of factors that contribute to that, one of which

is the way in which we organize the system. One of the challenges for the new Winnipeg Hospital Authority is to get better efficiency and use of that system. The member may be aware that we have operating theatres within the city that are underutilized or not used at all. We have others that are in need of work.

I do not think any members would be too critical of the fact, in trying to meet the very necessary fiscal targets that the province required for our overall fiscal health, we made decisions with respect to capital. That freeze has now, I would not say been lifted but it has been replaced by a new capital program. One of the high priorities in that has been a significant revamping of the Health Sciences Centre, a major capital project. Planning is well underway on that. We are even looking and exploring some ways that the decision on the project on laboratories gives us to make capital improvements faster because of space that becomes available. So we are trying to work those through that in a reasoned and rational manner.

Laboratory Services Privatization

Mr. Dave Chomiak (Kildonan): Madam Speaker, in a plan conceived five or six years ago by the then Minister Don Orchard and his Deputy Minister Frank Maynard, the government embarked on a privatization initiative toward the lab sector. We have since then seen numerous studies that indicate improvements in the lab sector can be garnered for the province through dealing with the question of private labs, but the government has chosen to privatize, in fact, public labs.

My question to the Minister of Health is: Yesterday the minister was somewhat inaccurate in his response, and, I wonder, to assure Manitobans as to exactly what is happening in the public lab system the government is privatizing, will the minister table in the Legislature today the agreement or the agreement that they are proposing entering into so that Manitobans will know precisely what is happening with respect to the privatization of the public labs in the city of Winnipeg, the majority of which do the majority of tests for all citizens of Manitoba?

Hon. Darren Praznik (Minister of Health): Madam Speaker, the issue of laboratory services in the province

of Manitoba is a very important one. I think if he were to talk to people who are involved with the Association of Health Care Professionals, which is a partner of MDS, the union that represents the employees who currently work in our labs, and got a sense of their view of labs—they recognize very fully that there are major changes taking place in the provision of laboratory services because of changes in technology. We certainly want to be there.

With respect to tabling a particular contract, I think, as we have discussed in this House, the process we are entering into now is to negotiate a contract with the proponent who came first in the proposal call and solicitation of interest, and there is no possible way I can table that information today. First of all, we do not have a contract, and, secondly, we are into negotiations, and I am sure the member would not want to put at risk those negotiations by tabling very confidential information that will be used in those negotiations.

Mr. Chomiak: Will the minister explain to the House and the people of Manitoba precisely what we are negotiating with? Is MDS going to take over the labs? Are they going to operate them? Are they going to contract other labs? Is Cadham Lab part of the process? Are the rural labs going to be provided?

Madam Speaker, the Premier (Mr. Filmon) is belittling a multimillion-dollar privatization and trying to do it behind closed doors. Manitobans deserve to know what is happening to their public system that they have built up.

Mr. Praznik: First of all, before the member for Kildonan gets too excited, the questions that he asked in terms of the range of what is being negotiated are certainly very relevant, and I am prepared to answer those. The part of the solicitation of interest that is being negotiated today—we will be entering into negotiations—deals specifically with the laboratory services now provided in the eight particular facilities. Whether or not Cadham Lab becomes involved in that or not is a decision that has not been made and does not form part of those negotiations.

With respect to rural services, now that we have in operation our 11 regional hospital authorities, including Brandon, those CEOs and chairs through their council,

we have asked them for their input and direction in terms of what type of laboratory services they would look at as being reasonable for their facilities. As well, the new Winnipeg Hospital Authority will be involved in these negotiations, but the contract that we are negotiating with MDS does not include provision for rural and northern labs.

* (1345)

Mr. Chomiak: Can the minister indicate whether or not this contract that is being entered into between MDS and presumably the Winnipeg Health Authority or the hospitals, I am not sure, can the minister indicate whether or not MDS will acquire ownership of the now public facilities? Can the minister indicate whether or not the recommendation in his own advisory report with respect to labs will still see the introduction of a lab board to oversee all lab processes in Manitoba and the division of Manitoba into four lab regions?

Mr. Praznik: With respect to specific assets, I would take that the member is talking about the physical space that is now used in facilities throughout the province. The plan and the proposal that was made by MDS as well as by other bidders was for a consolidation of the bulk of the lab services in one particular location, so the current space there is not being turned over to anyone. In fact, some of that space becomes very critical to us in our capital planning, enabling us to advance improvements to several of our hospitals. That obviously is a factor in consideration.

But let us indicate very clearly that we are not about to enter into a contract, we are about to negotiate one. As I said yesterday, if we are not able to achieve our objectives in those negotiations with this particular consortium, then we will proceed to negotiate with another on the short list that is there.

Disaster Assistance Agricultural Losses

Mr. Stan Struthers (Dauphin): My question is for the Premier (Mr. Filmon). This morning, farmers who live on the west and the east side of PR 330 met at Sanford in the municipal office to express their concern about the blockage of the Manness and the Domain drains. They have been blocked for three weeks. It has caught

all the flood waters and also the natural runoff in the area. They were told that it will be 40 days before the water levels will be reduced.

My question for the Premier is: Water Resources has acknowledged that this situation is not entirely natural. Does the Premier agree with this statement?

Hon. Glen Cummings (Minister of Natural Resources): The situation is indeed one where the Manness Drain has not been functioning. At the same time, we should be aware of the fact that the waters that have risen there would have far exceeded anything that that drain could ever have handled, and in fact it would have funnelled those waters over into the next area of the region.

Mr. Struthers: The concern that farmers have in the area is that they will not be able to get out to do their seeding in that area because of the blockage of these drains. Since the farmers will not only lose their houses but possibly their livelihoods for this year, will the government give special compensation consideration to the farmers of that area?

Mr. Cummings: Madam Speaker, as I said a moment ago, this water is far in excess of anything that might ever have been managed within the local drainage system, and the Department of Natural Resources and the Department of Highways are working as we speak, as a matter of fact, to see what can be done to open the drains in that area. If we consider the total volume of water that has risen in that area of the province, you will find that it is now the reverse of the ice-cube-tray analogy that occurred before. The water rose over the existing roads and became trapped. He might well make an argument that the drains could be opened as soon as possible, and that is exactly what is proceeding. The fact is, this is a matter of the water becoming entrapped behind not only the dike that is there but all of the sections of land. The roads around them are indeed trapping the water. As I said, we are looking today to begin those drains flowing.

Mr. Struthers: The farmers in the area understand the big picture and that the decisions are made for the larger common good, but they are faced with a situation where for 40 days they are going to be off their land without the ability to get their crops in. So I would ask

the minister: Given this situation, the farmers are asking for a special consideration, and will the government consider their request for assistance above and beyond the normal crop insurance?

* (1350)

Mr. Cummings: There are a lot of situations similar to this that are occurring across the valley. I will not make comment one way or the other on the gravity of the matter that the member brings forward. We are reviewing all matters, as he knows, but I have to emphasize the enormous volume of water that came up that way. You have to then ask what, if any, impact the drains being left open would have had.

Manitoba Public Insurance Corporation Advocacy Services

Mr. Steve Ashton (Thompson): This morning we had the opportunity to deal with the situation at MPIC, and it has been pretty well confirmed that many of the concerns expressed about the way in which this government brought in no-fault insurance in 1993 are coming to fruition, particularly injury claims have been cut from \$197 million to \$103 million, and many accident victims are concerned about the processes that they are faced with in trying to get fair treatment from Autopac. I would like to ask the minister if he will reflect on the discussions we had this morning and commit today, nearly four years after we proposed in this caucus that there be an advocate for injury victims—will he give victims the same kind of fair treatment that victims are given by Workers Compensation through the advocacy office? Will he give them a fair shake with Autopac?

Hon. James McCrae (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): Madam Speaker, I am moved to observe that after the abuse the ratepayers at MPI took from the previous New Democratic administration in this province, the best possible advocate for the ratepayers of Autopac seems to be the government on this side of the House today here in Manitoba. I listened carefully to the things being said this morning by the honourable member for Thompson. Where we differ seems to be on how to achieve the end upon which we all agree, and that is the best service for the

people of Manitoba at the lowest possible cost. He thinks that by having an advocate there is a way to go. We think that having no-fault was an appropriate move to make and that having a review of that no-fault aspect of Autopac after three years' performance of the program was the appropriate thing to do, and that is exactly what we are doing. Unlike the honourable member, I do not wish to prejudge the outcome of the review but will await the results of that review.

Mr. Ashton: Madam Speaker, I am wondering how much longer accident victims at Autopac have to wait to get nothing more than what we proposed in 1993, which is in place in terms of Workers Compensation. Why will he not apply the same model that has worked effectively since the 1980s for Workers Compensation through an advocacy office? Why will he not bring that in today for Autopac victims?

Mr. McCrae: The honourable member wonders how long accident victims have to wait. Well, Madam Speaker, with the move to the PIPP method, we have claimants waiting much, much shorter periods of time to get the proper award and to get the proper justice out of this program than they did under the previous tort program. Again, the honourable member seems to wish for the old system and yet advocates for the new system. As I said to him before, you cannot have both.

Mr. Ashton: Madam Speaker, I do not want accident victims to get shafted by this uncaring government.

Surveillance Procedures

Mr. Steve Ashton (Thompson): I want to ask a final supplementary, because the minister this morning seemed to have no knowledge of concerns that have been expressed by accident victims about surveillance. I would like to ask the minister if he will withdraw the suggestion he made this morning that somehow he was not made aware of this, in view of the fact that I have copies of letters here, including responses from the Minister responsible for MPIC himself, indicating there are concerns about the extent to which people are being subjected to surveillance that goes above and beyond any reasonable surveillance. Will he now withdraw the comments he made this morning and look at the current surveillance that is in place to make sure that accident

victims are not harassed and are treated fairly by the surveillance unit?

Hon. James McCrae (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): Unfortunately, in our society we need to have police forces to see that the laws of the land are properly enforced. Unfortunately, in the running of an insurance program, you need to have a special investigation unit, because unfortunately, again, a very small number of Manitobans seem to think they can get away with defrauding their fellow taxpayers and fellow ratepayers by acting dishonestly. So, therefore, we do have to have some kind of investigative unit, and, of course, it has to be bound by appropriate restrictions and not proceed in ways that are not appropriate to the circumstances.

* (1355)

No, I will not be withdrawing anything. The honourable member has further evidence to bring to my attention. I said to him that I would follow it up, and any evidence that has been brought forward has been looked into by myself or by the corporation in the past.

Health Care System Waiting Lists

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health.

Over the weekend, Madam Speaker, I met with a constituent who had surgery done over at the Seven Oaks Hospital. It was interesting hearing what he had to say with respect to what led up to the surgery, where he went to the Medical Arts Building to a doctor, and the doctor indicated that he required a test. He had to wait, in essence, somewhere around four weeks, unless he was prepared to pay. By paying, he was able to get the test done sooner. Had he not had that test done at that point in time, he would not have been able to have the surgery when he needed to have that surgery.

My question to the Minister of Health: Is he concerned that Manitobans are not necessarily being able to get the tests when they are needed unless they are prepared to pay?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I think all members on this side of the House share that same concern, we would expect. We are spending a great deal of the taxpayers' money to buy medical services and health services for the people of this province, and we would hope and expect that they are going to be organized in a manner that is efficient and delivers those services. When I hear stories such as the one that he has indicated, they certainly raise a level of concern. I look forward when we get into Estimates to getting into the details of these issues with him in those discussions.

Mr. Lamoureux: Madam Speaker, I am wondering if the minister can indicate what he would suggest Manitobans who cannot afford to pay these extra fees—what would he recommend that they do in order to get the test done in a more timely fashion?

Mr. Praznik: Madam Speaker, the instance that the member raises in many ways is similar to that raised by the member for Brandon East (Mr. Leonard Evans) last week with respect to a bone scan. We work through many of those issues, and I know a great deal of the work that was done by my predecessor, the member for Brandon West (Mr. McCrae), was to look not at just ad hoc situations, which has been the tendency, I think, over 30 years of health care in our system in which to deal with particular issues, but to look to the systemic way in which we organize these services. He laid much of the groundwork for the reforms that we are now implementing that I think at the end of the day are going to work to alleviate many of these situations of long line-ups. I look forward to the discussion in Estimates again, with respect to bone scan and to these particular areas, because often the solutions tend to be more based on how we organize than other particular issues.

Mr. Lamoureux: Madam Speaker, to that end then, does the minister feel safe in stating that indeed these line-ups have been going down over the years or have they been stagnant? What sort of general direction is the government taking Manitobans with respect to these tests?

Mr. Praznik: Madam Speaker, let us put a couple of things into context. I think the debate in the federal election last night demonstrated very clearly that the

Liberal Party, which he represents and campaigns for, has made a significant, a huge reduction in transfer payments to provide for health care, and yet, despite that, this government and many others have backfilled dollar for dollar to replace that money.

Point of Order

Mr. Lamoureux: Madam Speaker, the Minister of Health has taken the opportunity of using his third response to attempt to sidetrack the issue of responsibilities that this government has. VLT revenues, equalization payments have more than compensated any deductions from the federal government, and the federal government has reinstated in most part those finances, so there is no excuse. Take responsibility for your own actions, Mr. Minister.

Madam Speaker: The honourable Leader of the official opposition, on the same point of order.

Mr. Gary Doer (Leader of the Opposition): On the same point of order, I think that it is in order to discuss federal cutbacks. It is in order to discuss Jean Charest's promise to cancel \$8 billion in health care spending in 1993, and to discuss Jean Chretien's cut of \$7.5 billion and its impact on people. We say a plague on both your houses, and we say that is in order, Madam Speaker.

Madam Speaker: The honourable member for Inkster did not have a point of order.

* * *

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

* (1400)

Mr. Praznik: Thank you, Madam Speaker. The point that I was making is that the health care system has had a massive reduction of dollars to it from federal governments over the past number of years. This administration has backfilled that money. Now that is part of it. Secondly, the way in which we organize the system to make sure things will work efficiently is an area that we are now addressing. But, for a member of the Liberal Party to get up and be critical, I would love to see him try to defend his federal Leader's plan to

eliminate the GST that they seem to have forgotten as well.

Workers Compensation Employer Rebate

Mr. Daryl Reid (Transcona): Madam Speaker, in 1991, the Filmon government grossly overreacted when they introduced Bill 59, The Workers Compensation Amendment Act. For the last five years, injured workers in this province, in addition to their injuries, have paid the financial price. Long-term-injury claimants suffer an additional 10 percent initial penalty on their wages. In addition, a further 10 percent penalty is applied after two years of long-term disability.

I want to ask the Minister of Labour, who is responsible for the Workers Compensation Board, if it is his government's policy to cut the wage-loss benefits of injured workers to balance the books and then give a \$40-million insurance premium rebate to employers at one period of time within the same months and then yesterday give another \$8.7-million rebate to employers while injured workers get absolutely no improvements in their benefits after having suffered the loss in 1991. Is that fair?

Hon. Harold Gilleshammer (Minister of Labour): Madam Speaker, my honourable friend wants to talk about some of the history of the Workers Compensation Board. This board operated very well in the late '70s and early '80s until about 1984 when it started to accumulate a debt, and that debt, which started in 1984, went up to \$232 million. That was accumulated in a four-year period under the NDP government. We are very pleased that the board has taken steps to remedy that situation. That debt has now been completely eliminated. They are putting in place a rate stabilization fund. They are reducing the rates, and they are also offering service enhancements. I take my hat off to the board for the tremendous decisions they have made to eradicate that debt and to put the corporation on a sound fiscal basis.

Mr. Reid: Well, will the same minister then please explain how it is fair that the nearly \$60-million surplus announced, that not one cent will find its way to the injured workers or their families, while the other WCB stakeholders, the employers, receive a \$49-million

premium rebate as a result of the actions, the gross overreaction of your Bill 59 which penalizes the injured workers of this province up to \$50 a week in addition to hundreds of thousands of dollars for those who are killed in this province? How is that fair for those families?

Mr. Gilleshammer: Madam Speaker, I find it difficult to understand the honourable member being so critical of the board. The board has done a tremendous job, a board chaired by Wally Fox-Decent and made up of representatives from workers, from employers, and representatives of public interest. They have had to grapple with these issues, and they have made tremendous strides.

A couple of weeks ago in committee—and I will read from Hansard—the member for Transcona said: “I have trust and confidence in members of the board and in Mr. Fox-Decent.” Now, some two weeks later, he is being very critical of the decisions that the board has made, and I do not understand that.

Mr. Reid: Madam Speaker, I am critical of the government's gross overreaction through Bill 59; that is what I am critical of.

Employee Benefit Increase

Mr. Daryl Reid (Transcona): I want to ask this minister, this government and this Premier: If you have any common decency in you, will you move to restore the benefits that you took away from the injured workers and their families in this province through Bill 59, since there is projected to be surpluses in the Workers Compensation system in the coming years? You have given it to the employers now, but will you restore the benefits for those workers and their families, if you have any common decency?

Hon. Harold Gilleshammer (Minister of Labour): Madam Speaker, when the member criticizes the decisions that were announced yesterday, those were decisions of the board, not of the government. This is the same board that the honourable member spoke so highly of in committee only two weeks ago.

The real issue here is to look at the benefits that the Manitoba program offers in relation to other provinces.

In terms of income replacement rates, in terms of maximum insurable earnings, and in terms of the maximum impairment awards, Manitoba compares very favourably with what other provinces do.

ManGlobe Federal Government Contracts

Mr. Jim Maloway (Elmwood): Madam Speaker, my question is to the Deputy Premier.

While Karen Alcock was the project manager of ManGlobe and a shareholder, she negotiated contracts with the federal government, and one such contract was the federal Department of Industry. Since the minister approved the hiring of the management of the ManGlobe project, would he check with the board of ManGlobe and provide us with a list of all the federal government contracts negotiated by Karen Alcock and update this House on the various stages the contracts were at when Karen Alcock was fired?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, as I have indicated previously to the member, when issues are related to the federal government, it should be to the federal government that the member is asking his question. However, I have tried to be as co-operative as possible with this member and will attempt what I can to help him to acquire the information.

Shareholders' Agreement

Mr. Jim Maloway (Elmwood): I would like to ask the same minister: Can the minister check with the management and board of ManGlobe and determine how the federal government contracts affected the value of Karen Alcock's shares in ManGlobe? And would the minister release a copy of the unanimous shareholders' agreement?

Hon. James Downey (Minister of Industry, Trade and Tourism): Again I believe it would be appropriate for the member to ask either the federal government and/or the management of ManGlobe these specific questions. As I have indicated previously, I will attempt to assist the member all I can, but I think it is important that he ask the appropriate government.

Partnership Agreement

Mr. Jim Maloway (Elmwood): My final supplementary is to the same minister. The minister has been asked many times to table a copy of the Canada-Manitoba Communications Agreement with ManGlobe. Will he stop sitting on this information and table this contract today?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, I do not believe that there would be any problem other than it could in fact in some way impact on the company which the agreement has been signed with, and I will make sure before I do provide it that there would not be anything that would be harmful to that business. I would hope that the member would also appreciate the fact that there is a business operating as ManGlobe, hiring people and providing services, and it is in fact generating some income for those individuals within that company. I would hope he would be conscious of that, that there is in fact a business that is operating, far different from MTX that the Leader of the Opposition (Mr. Doer) was fully involved in.

Sawmill Operators Quotas

Ms. Rosann Wowchuk (Swan River): Sawmill operators in the Swan River Valley continue to face difficulties because of lack of wood supply. People who bought quota last year were promised by the then Minister of Natural Resources that if they were successful in bidding for quota, they would have a long-term wood supply for their sawmills.

* (1410)

This unfortunately is not the case, and these sawmill operators are now at risk of losing their investment. I want to quote from a letter which I will table: Not only are my son and I losing our livelihood, eight men are also losing their jobs. Again, if nothing is done to this situation immediately, I stand to lose everything I worked for in the last 40 years.

I ask the Minister of Natural Resources what steps he is going to take to ensure that the promises that were made by his government that there would be wood supply for small sawmill operators will be kept.

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, I will take a look at the letter the member tabled with some interest because it is my understanding that there were a number of quotas that were put up for auction which would be available to the operators in the area. I would assume that perhaps this was an unsuccessful bidder, but perhaps there is more to the story.

Ms. Wowchuk: The minister is wrong. It is a successful bidder who has bid but has no wood supply. Since the minister's office has known about this problem since early in January, and since the minister took the time to come to Swan River to attend a loggers and haulers banquet, to attend the fish enhancement banquet and hand out a cheque, why did he not take the time to meet with these loggers who are having their livelihoods taken away from them because they cannot get wood for their sawmills?

Mr. Cummings: Madam Speaker, I made every attempt to meet with the operators in the area. If there is a desire on the part of this particular individual to meet with us, I will be more than glad to do so. I think there is a situation that is probably not all that surprising in that we have seen a tremendous rise in the interest and the demand for not only logs available for chipping but also saw logs, and there is a tremendous competition between the various operators in the valley and across the province. I am more than glad to review this particular situation.

Ms. Wowchuk: Given that this is not a problem of only one sawmill operator, lots of operators are having difficulty and they are being given the runaround from Natural Resources to Repap to Louisiana-Pacific, will the minister convene a meeting of his staff, Louisiana-Pacific, Repap and the quota holders to see that this problem is resolved and sawmill operators can continue to operate and provide a livelihood for their families?

Mr. Cummings: Madam Speaker, lest the member forgets, there are operators in her home constituency that have taken significant advantage of the opportunities and are expanding and buying up quotas and operations. In scanning this letter, I would be

interested to find out why this operator says that he is unable to continue or obtain the appropriate saw logs that may have something to do with the nature of the quota, but I will certainly review it.

Employment Statistics Low-Wage Positions

Mr. Leonard Evans (Brandon East): I have a question for the Minister of Finance. We now have data on employment in the first four months of 1997, and while we see that total employment has indeed risen by 3.3 percent compared with the same period last year, there is a disturbing trend evident. We have an expansion of lower-paying personal service and retail sector jobs but a serious decline of higher-paying jobs in the transportation, communication, utilities and construction sectors. This trend is substantiated by the latest data on average weekly wages where Manitoba had the second-lowest increase in Canada only after Newfoundland so far this year.

My question to the minister is: Will the minister acknowledge that Manitoba is becoming characterized as a low-wage economy, becoming even lower?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I will certainly acknowledge no such thing in terms of if you look at the increase in average weekly earnings over the last several years in Manitoba, they have been amongst the best in all of Canada. But I think what the member for Brandon East continues to fail to acknowledge and recognize is that Manitoba today, in the first four months of 1997, has the best job growth in all of Canada.

It is also important, Madam Speaker, that every single solitary one of those jobs created in Manitoba is created in the private sector with private-sector investment, and 70 percent of those jobs are full-time jobs. That is nothing but good news for all of the economy of Manitoba, and it would be great to see the member for Brandon East start to recognize some of that.

Madam Speaker: Order, please. Time for Oral Questions has expired.

Introduction of Guests

Madam Speaker: I would like to draw the attention of all honourable members to the loge to my left where we have this afternoon Councillor John Angus, Speaker of City Council and former member for St. Norbert.

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

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, I am requesting leave of the House to adjust the Estimates sequence for Room 255 tabled on May 12 so that the following Estimates will be considered in the following order: First, Canada-Manitoba Enabling Vote; second, Industry, Trade and Tourism; third, Sport; and the remaining Estimates in the order listed.

Madam Speaker: Is there leave to adjust the Estimates sequence for Room 255 tabled on May 12 so that the following Estimates will be considered in the following order: Firstly, Canada-Manitoba Enabling Vote; secondly, Industry, Trade and Tourism; and thirdly, Sport; and the remaining Estimates in the order listed. [agreed]

Mr. McCrae: Madam Speaker, I am also requesting leave for the Standing Committee on Public Accounts and the Subcommittee of the Standing Committee on Privileges and Elections to sit as previously scheduled on the morning of Thursday, May 15, while the House is sitting.

Madam Speaker: Is there leave for the Standing Committee on Public Accounts and the Subcommittee of the Standing Committee on Privileges and Elections to sit as previously scheduled on the morning of Thursday, May 15, while the House is sitting? [agreed]

Mr. McCrae: Madam Speaker, I move, seconded by the honourable Minister of Finance (Mr. Stefanson), that Madam 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)

ENERGY AND MINES

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 254 will resume consideration of the Estimates of the Department of Energy and Mines.

When the committee last sat, it had been considering item 1.(b) Executive Support (1) Salaries and Employee Benefits on page 45 of the Estimates book.

Ms. MaryAnn Mihychuk (St. James): Can we get clarification as to how the amendment to the Estimates plays into our Estimates book. There was a supplementary amendment which was tabled in the House. I am not quite sure where the differences are, so maybe that could be highlighted.

Hon. David Newman (Minister of Energy and Mines): Before I address that question, did you want me to provide the information about affirmative action? I think I was going to provide detail before the day ended yesterday, and I would be pleased to do that if that is your wish. I note you are nodding agreement it is.

I had indicated that we had an affirmative action plan in place, and the new three-year affirmative action plan is a three-year plan, 1997 to the year 2000, and it includes department-wide objectives and individual branch plans and commitments. The department-wide objectives include: All managers' and supervisors' position descriptions will include responsibility statements for affirmative action, and performance appraisals for all managers and supervisors will assess performance respecting affirmative action policies and plans. All branches will submit semiannual progress reports on affirmative action in their respective areas, and these reports will be compiled and circulated in the department.

Specifically with respect to women in Energy and Mines, the percent of total staff who are women as of

March 1997 is 43.95 percent. With respect to women in management, as you did point out yesterday, in terms of senior management there is an absence of females, but in the middle-management area 21.42 percent are female. That is three of 14, and I might say that is an increase of one from the previous two of 14 or 14.29 percent. With respect to women in summer positions, as of May 12, 1997, 45 percent are women.

* (1440)

The strategies in the three-year affirmative action plan I referred to at the outset, which address women participation and/or development, are as follows: (1) anticipated vacancies identify specific recruitment strategies, including outreach recruitment through agencies such as the Immigrant Women's Employment agency and the executive development for women program; (2) the specific commitment to employ development plans towards more senior positions, both technical and managerial. This includes 100 percent educational assistance; (3) formal commitment to upgrade skills for women through formal training programs, on-the-job training, field visits, participation on committees, secondments, et cetera; (4) development of a management training program for existing and future managers with Energy and Mines. The program will include assessment tools and training plans and mechanisms addressing both existing management training needs and those for nonsupervisory staff who aspire to develop towards managerial positions.

Ms. Mihychuk: I appreciate the minister's response to my final question. It raises the issue of progress that we have seen, or the lack of progress that we have seen in the department. The department has undergone some downsizing, so it is very difficult, and I understand that, to promote and change some of the statistics. One of the other areas that is of concern to me is the number of aboriginal staff that we have in the department. There is a close link between Northern Affairs. The minister himself is responsible for Northern Affairs and the Department of Energy and Mines.

Can the minister tell us how many First Nations representatives we have employed in the department?

Mr. Newman: The figures are, for 1996-97, 2.55 percent for Energy and Mines.

Ms. Mihychuk: I would ask and urge the minister to look at this as a possible vehicle for providing training and access for aboriginal people. The summer positions available are a good opportunity to provide hands-on experience both to women and aboriginal students. Having had some experience in the industry, these groups sometimes face barriers getting employment in industry, and government can be a useful vehicle in providing that initial training and actual hands-on experience. So I would encourage the department to look well beyond the 45 percent target. Perhaps the department could commit to a 75 percent target by making an outreach and providing that first step for women and First Nations people so that then they would have that experience and be more available for industry. So I would encourage the department to take much more significant steps in terms of affirmative action, and I hope we can count on the minister's guidance in this area.

Mr. Newman: There certainly is a commitment to improving that percentage, and some progress is immediate in that I agree with your idea about summer employment as being an entry opportunity. Three opportunities were offered to aboriginals, and two aboriginals accepted those positions. That is an avenue we realize.

Part of this is an issue of training of aboriginal people as well. Another part of it is an attitude of the aboriginal people towards working in this particular industry. Because we have become, I think, quite well informed about the need to address those issues, we have the commitment in the throne speech in our desire to partner with the aboriginal people in this province and our commitment to training of aboriginal people. All is part of the momentum behind this commitment to improve these statistics in the department. We are also very conscious of the quality of the people that are there now. We are looking at taking advantage of opportunities but not at the expense of quality people, of course, performing in the service of the province.

However, we are looking forward to a major reaching out by the aboriginal people to become more involved in the mining exploration and mining development and

service to mining in the province of Manitoba in a whole variety of ways. It is simply a natural relationship given the importance of mining to the North and given the importance of mining to the province. The indications are that there is an increasing desire of the aboriginal people to get involved, and that means whether it is teaching in schools or the way parents treat children, elders communicate to their people.

All of those have probably the most important impacts on the orientation of those young people to particular kinds of workforces. So we are overcoming a lot of views and some of the political views are in effect negative towards—I am speaking of aboriginal politics' views are negative towards mining and speak of it as being exploiting and so forth. All of those thoughts are matters that impact on the willingness, desire, aspirations of the aboriginal people.

I feel optimistic that we are going to have a greater respect for and appreciation for what mining contributes to the province and more involvement of aboriginal people over time, and with all of that we hope our department will be an example for the rest of the industry and the successful aboriginal candidates will be ambassadors. I note that one of the great ambassadors for aboriginal people in our government is a former employee of Energy and Mines, and that is Clayton Sandy, who was a cartographer. He is a role model for others as a civil servant in this province now with the Department of Education and Training.

Ms. Mihychuk: It seems to me that we are in a natural position to maybe move on the minister's commitment to take a leadership role, and that is with the community of Cross Lake, which is looking to partner on a mineral development there at Pipestone. That may be an opportunity to partner, and I wonder if the minister would consider a scholastic grant program to encourage young people to enter the field of geology.

* (1450)

Mr. Newman: If you have any specific ideas in relation to that, certainly pass them on, anything that will encourage, induce the people in the Cross Lake area on the Cross Lake Reserve and the Cross Lake northern community to become involved in what

appears to be an exciting opportunity right adjacent to, and Cross Lake is welcomed. There is, I think, a great opportunity for the local leadership in that community, for the schools in that community, for the employees, the people that are participating in the joint venture with Gossan Resources. I think all of those people can play a role in encouraging the greater participation of the people in that area, and they could also provide some very specific ideas to us as to what the impediments are to them getting involved. We have had involvement of aboriginal people in our prospecting programs, and that seems to be a place where—you are right, so to speak, on the ground floor of mining, and that is where it all starts.

The other thing that should not be forgotten is getting ready, if that is a mine in waiting, titanium mine in waiting there, at some point, if there is a readiness to provide all the basic services to contribute to the successful functioning of a mine, everything from transportation to accommodation to construction to all the different services that are needed by people who are going to work in that area. There is an unlimited number of things you provide to a major undertaking that could develop in that sort of place. So just developing a capacity to work in that sort of environment would be useful.

The department has already committed to a training program for Cross Lake once a mine is confirmed, so we are looking forward to fulfilling something tangible which can be measured by actual job statistics, and then we could have some success stories which can be passed on as well.

So right now that opportunity in Cross Lake is probably the best unrealized development at the moment. I might say in Bissett, the Rea Gold site, Hollow Lake Reserve members are beneficiaries of the presence of that mine, and the employment rates in that reserve are well over 50 percent thanks to their participation in the mine, and that still is not up to capacity. We are looking at something in the order of 242 jobs there, I believe. It is very interesting. The owners of that company, the management of that company, one of them being one of the owners, met with me and suggested ideas for entrepreneurial involvement of the aboriginal people. One of the suggestions was getting involved in transportation of

workers to the site, because it would be far more sensible to have a van or something to bring everyone together. It is more cost-effective, and someone could make some money at it. Those sorts of ideas, the local communities have to get their heads around and take advantage of it.

Ms. Mihychuk: The opportunities are clearly available, and, again, I look for next year when we see what new initiatives are going to be forward in terms of affirmative action and, again, urge the department to be vigilant and much, much more dramatic in their goals and provide those opportunities, provide the first step.

I know that sometimes you have to take the risk or take others that maybe in terms of the whole opportunity of staffing you might not take the best field staff available, but you are providing an opportunity for those who might otherwise not have an opportunity at all.

So I do ask you to be generous and provide that opportunity to women, and I guess we also do not see a whole lot of other ethnic groups in geology, so I would encourage visible minority participation, but, first and foremost, aboriginal people have generally not been participative. I think the door is there, and, hopefully, we can get more involved.

I do not have any further questions on affirmative action, so I would like to get into the Estimates and hope to conclude today on the department.

The Acting Chairperson (Mr. Dyck): 23.1.(b)(1) Salaries and Employee Benefits \$271,200.

Ms. Mihychuk: I just ask the department to clarify the amendment that we got to be included with the Estimates, please.

Mr. Newman: Maybe the best thing is to do it in sequence. I think the first amendment was with respect to page 11. There was a transfer of one staff year and salaries from the Petroleum and Energy branch to the Marketing branch. That required changes to be made to the right-hand column of the Estimates of Expenditure for 1996-97, if you refer to the columns on the right-hand side, the last two columns on pages 11, 23, 25 and 27.

The reason for that is in preparing this year's supplement, staff anticipated that the transfer of one staff year and associated salary and benefits from Petroleum and Energy to Marketing would be included as part of the '96-97 adjusted vote. Our supplement was therefore printed with this change incorporated.

However, in the 1997 Manitoba Estimates of Expenditure for the fiscal year ended March 31, 1998, the transfer is shown as an increase for Marketing and a decrease for Petroleum and Energy. We have therefore revised our Estimates supplement pages to correspond with the official printed Main Estimates, and these changes do not affect the total proposed Expenditure Estimates for '97-98 for the Department of Energy and Mines.

The other change is with respect to the Minister's Salary. The staff recommended we add an explanation at the top of page 19 to reflect the fact that the salary increase is shared between Energy and Mines and my other department, Northern Affairs.

The other point is that the changes that I have referred to with respect to pages 11, 23, 25 and 27 do not affect the current year but only the previous year, the year just completed.

Ms. Mihychuk: I can see that Marketing is increased to 17.26. Petroleum and Energy has also gone up, I understand from this—no, has gone down, right, has gone down one position, but the totals actually are quite significantly different at the bottom of the line. If I look at the number of staff, there is 147 versus 155, and the total amount is also quite different.

Mr. Newman: That is because of the assay lab being contracted out.

* (1500)

Ms. Mihychuk: The decision not to show any staffing to the Industry Support Programs has been ongoing for several years, I think. We have not seen any staff positions accordingly appropriate. What is the staffing appropriation for those programs? How many people are involved in the administration and the monitoring of the Industry Support Programs, and why do we not see them associated with this area?

Mr. Newman: I am advised that the Industry Support Programs are provided through approximately two full-time staff equivalents. Those staff equivalents are found within the branches of Marketing, Petroleum and Energy, and Mines. I am talking about equivalents; I am not talking about two human beings who are doing those tasks full time. It could be sprinkled within those branches.

Ms. Mihychuk: I am prepared to move on 23.1(b).

The Acting Chairperson (Mr. Dyck): 23.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$271,200–pass; (2) Other Expenditures \$75,500.

Shall the item pass?

Ms. Mihychuk: This is the supplementary expenditures for the Executive Support, is that correct? [interjection] Go ahead.

The Acting Chairperson (Mr. Dyck): 23.1.(b) (2) Other Expenditures \$75,500–pass.

Then 23.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$629,300.

Shall the item pass?

Ms. Mihychuk: I try to keep up, but I am not quite sure if—are we on page 23 now?

Mr. Newman: On 21.

Ms. Mihychuk: We are on 21. Oh, yes, because that is not amended. Financial and Administrative—we actually see in this section a decrease in wages in one area. I am assuming that has been a change in staffing, perhaps a—[interjection] My blue book. Oh, that was last year. Sorry, I was looking at last year. It looks like we got somebody new, and they have maybe moved up in the ranks. So there have been no significant differences. There is some difference in supplies and services and in grants and transfer payments. Can the minister please elaborate those changes?

Mr. Newman: I do not see those.

Ms. Mihychuk: I take it all back. The way this is going, we might be here for another week. I have no questions on Admin Services.

The Acting Chairperson (Mr. Dyck): 23.1.(c)(1) Salaries and Employee Benefits \$629,300–pass; (2) Other Expenditures \$150,600–pass.

Moving on to 23.2. Energy and Mineral Resources (a) Marketing (1) Salaries and Employee Benefits \$811,400.

Ms. Mihychuk: This is a growing branch, and we have seen a number of people brought into this section. Perhaps the minister could outline the goals and direction of the Marketing branch as he sees it now.

Mr. Newman: I am sorry, you are asking how I see the Marketing branch now.

Ms. Mihychuk: The goals.

Mr. Newman: I see them very positively. I see them realizable. I see them broadly supported by the community and the industry as would be indicated by the, I think, very positive story in the Winnipeg Free Press of Tuesday, May 13, headed “Staking claim on the future: Mine exploration rises as incentive plan kicks in.” Bill Redekop in that article I felt captured the kind of positive attitude that I was talking about yesterday in relation to the mining industry.

I think it was not very notable when the article with the headline that I stated begins: “How times change. Two decades ago, mining exploration was virtually dead in Manitoba.

“The New Democrats, under then-premier Ed Schreyer, passed legislation committing government to pay half of mining exploration costs. The catch was government got to keep 50 per cent of any profits if minerals were found.

“Despite the NDP's best intentions to keep mining revenues from Manitobans, the plan bombed. Mining companies bailed out. Investment dried up. Manitoba resource stocks became about as popular as pet rocks at a flea market.

"It gave Manitoba a bad name in the mining industry for the next 20 years,' said Bruce Dunlop, a veteran independent exploration geologist in Manitoba."

It states also: "A change in government attitude and programs like the Manitoba Mining Exploration Assistance program (MEAP) are credited with the turnaround."

* (1510)

I cite that simply to demonstrate that it does appear that the community and the industry both feel we are on the right track. I think that is a very good sign, because when there is confidence out there in the industry and in the community, that motivates exploration, attracts others to come from other jurisdictions to do business here. It gets the message out that the climate has changed. Also, an article like that is like a third-party testimonial, so you can use that to help us at our involvement in shows in other jurisdictions. We use it at our own show in Manitoba. So it is almost like a rating by a bond rating firm about the state of the health of an economy and a jurisdiction. I think this is very helpful to me in demonstrating that we are on the right track with Marketing.

The other measure that I have found as a very useful indicator is that now, to this day, over 30 new junior mining companies have begun exploration in Manitoba since the 1995 MEAP program in the new form came into being. The other statistic that I have in my head is that we have about 98 MEAP-supported companies involved in projects doing exploration in the province pursuant to those companies' involvement and the support of the program.

Marketing is not just a function of the individuals who come under the branch. It is a marketing of everyone involved in the department. It is part of my function, part of the deputy minister's. It is what you radiate, in one sense. You are partly responsible, too. You will either send out a positive or negative impact as a member of the opposition in relation to mining, as will the member for Thompson (Mr. Ashton) or the member for The Pas (Mr. Lathlin) and Flin Flon (Mr. Jennissen). The message that you send out of support for some of the things that are happening can contribute to the success of the mining industry of this province as well.

Ms. Mihychuk: Well, it was, I would say, an overall positive article in the paper. We always like to trumpet mining in Manitoba, and, as I have said before, I congratulate the minister in particular, both himself and the previous minister, for going out and reaching out to the industry. However, I would argue with some of the premises in that article, given that we have not seen a dramatic increase in exploration over the last three or four years as we had anticipated, again raising the question of the effectiveness of MEAP. I believe that the goal for exploration in the '96-97 year was close to \$45 million as a target, and we did not see that occurring. I am pleased that we saw \$40 million invested in Manitoba's economy, and that is a positive. When the goal and the rhetoric that the minister talks about, the previous minister in particular, make Manitoba the best place in Canada to invest in exploration, we have a long, long, long way to go. We in fact have seen a fairly stable investment profile in Manitoba. Are there new strategies that are going to be used to in fact see an increase in exploration in Manitoba?

Mr. Newman: I think the elements of the marketing plan we have are to attract the companies. We continue to create an environment with changes here and there, and we had a change in our budget, actually probably several changes in the budget introduced by the Minister of Finance (Mr. Stefanson) this year that contributed to the competitiveness of the environment. Then they of course have to, with that kind of backup, be successful in coming up with a deposit which is significant enough that it warrants production, given whatever the external circumstances at the time, the commodity pricing and the volume of product, the location of the deposit, all of these sorts of things that affect whether something will be developed.

I think it is wise not to get carried away. After all, exploration is an indicator, but it is the results that count and fortunately we do have mines that have come into production over the past few years which I think I have referred to earlier and we have another one which I have also referred to that is coming on stream this summer, and that is the Rea Gold in Bissett. But we are always, in this business, anxious about our existing major players, and we always know that Hudson Bay Mining and Smelting, with their enormous effort to find replacement deposits that are going to be feasible and

competitive to mine, are challenged, and Inco, given what we described yesterday as the higher cost of production here relative to what the cost might be in Newfoundland. All of these situations never allow us to become complacent or comfortable. We just have to keep pushing and keep, I think, focused.

That is what appeals very much to me in the approach that is being taken by the Marketing part of our Energy and Mines. It is focused and it is persistent, and all indications are that the first part of it, the attraction of exploration companies and new ones with hopefully some creativity, some imagination will enhance the chances of major deposits being found. But I will not challenge you; I think it is wise to be skeptical.

I do correct—I am not aware of any goal expressed in any plan or commitment of the department for \$45 million in terms of increase in mineral exploration for last year. My understanding was that the goal is a multiyear goal based on the 1993 base-line, as I stated at the outset of this Estimates session yesterday. The base-line in 1993 was \$27.4 million. Yes, it went to \$40.5 million in 1994 and \$32.6 million in 1995 and \$40.1 million in 1996. We want to exceed that in 1997, and by the year 2000 we want to be over the \$40 million. We certainly hope to do better than that, but those are the realistic focused kinds of goals that are realizable, we believe, with persistent effort.

* (1520)

Ms. Mihychuk: The department has decided to increase the number of staff in the Marketing section. Can the minister explain why the department chose to increase the area of Marketing? I would I would challenge perhaps not the other branches that are out there actually doing the work rather than producing the pamphlets, talking about it. We are moving away from the hands on to a much more administrative and sales component. Indeed, I believe that the strategy for moving into the Superior Province is one that should be commended. The professional people that you are putting into Marketing are not the ones that are going to be doing the hands on.

Can the minister explain the strategy for expansion of this section of the department?

Mr. Newman: The additional staff year to Marketing came from the Energy Management Branch which, as was pointed out earlier, was combined into the new Petroleum and Energy branch as part of last year's Estimates process. During the course of the '96-97 years, it was determined that the workload of the position had reduced considerably and as a result the incumbent was assigned new duties. It was determined, the overall staffing priorities for the department having been reviewed, that there was a high priority for additional resources in the Marketing branch, which had arisen from the response by the community to our new mining investment strategies.

The specific tasks involved in that set of needs included web site development assistance with the annual Mining and Minerals Convention, which we hope will grow even more this year, and administrative support for the Mineral Exploration Assistance Program. Accordingly, the staff year was transferred as part of our '97-98 Estimates, and presently the staff year is being used on a temporary basis to provide assistance to the MEAP co-ordinator.

Ms. Mihychuk: Can the minister outline again what positions are involved with MEAP? What industry support people are there in the department? We have just heard that the increased position in Marketing is a support person to these Industry Support Programs. We have the Potash Project. We have a number of different projects. We have the petroleum grant.

In addition, the department was sternly criticized by the Auditor because of the previous program that was modified into the MEAP because of the measures of accountability that were in fact lacking in the department. How is the department now monitoring the allocations of taxpayers' money? Who is going out in the field to check these projects? Are they included in the minister's estimate of two people involved in these projects and, perhaps, given the amount of money involved in these Industry Support Programs, over \$4 million, I question whether we have the program of accountability that a program of this nature needs?

Mr. Newman: At the present time, the expenditures are audited internally by the department and an auditing process involving the Provincial Auditor to give that degree of independence is in the process of being

formulated to engender the kind of public confidence that you are talking about and also to provide a double check.

In addition, there are, and I was just talking about it with Art Ball this morning, spot checks that are done by our geology field staff with respect to the explorations pursuant to the MEAP investments.

Ms. Mihychuk: Has the department assigned a geological staffperson to actually go and do field visits and investigate these investment proposals?

Mr. Newman: I really have nothing to add to the answer. I did question whether or not we have experienced any problems in relation to the quality of work relative to the commitments that have been made in the program. This has not been a problem, and that is why we do the due diligence that has been described so far. There is certainly a certain reliance on the integrity, the people who file the reports. Those reports, of course, are scrutinized, and then there are the spot checks as well.

Ms. Mihychuk: We have seen this department in fact be sternly criticized, as I said before, by the Provincial Auditor for those very reasons. There were not identifiable people who were responsible for going out and checking where tax money was being invested, whether the programs were well thought out, whether they were actually implemented, what were the results, so I am not satisfied quite frankly with the accountability measures that the department has taken in that venture. Which geologists in particular are going to be responsible for the field site? What follow-up is there after that field site, and are they even aware that they are out there to do an inspection of some type? Many geologists visit other geological field operations. Is there a formal process of investigation? I think the minister needs to ensure that public money that is going into these programs is invested soundly. Even greater suspicion has recently been raised because of the Bre-X situation. We want to be sure that investments are what they say they are. We want to be sure that the projects are real, that they are in the field, that there is action out there in the Superior Province or wherever our money is being invested.

I would call on the department to formulate a clear-cut accountability program. Not only is it good enough

to have glossy pamphlets and encourage everyone to come here, we must ensure that our money is spent wisely and that ultimately we will see what we all hope to see, increased exploration, new mines and more jobs for Manitobans.

* (1530)

Mr. Newman: I, of course, will not disagree with the emphasis on the responsibility in terms of spending the public's money prudently and making sure that it is invested as required. I am very interested in your ideas with respect to ways that that might be done besides the involvement of the public Auditor they have discussed and perhaps putting more time into the inspections. For example, you referred to Bre-X. I would be very interested in knowing whether you would support, for example, a condition that anyone who files a report with respect to assessment work or whatever had to be a certified or a professional geologist or a certified technician, technologist. That is an area which is emerging. It is something that I welcome your ideas on, and I would be very interested in your position on that. Is there a need to professionalize and demand the use of professionals to perform those kinds of functions, knowing full well that that means that some people who now do it would no longer be able to do it, and all of those kinds of implications? I can assure you that is an area that I am conscious of and looking at. I welcome your thoughts on that.

Ms. Mihychuk: I have had the feeling that given the situation of Bre-X, we have seen the repercussions in all aspects of industry and investment and more locally with the auditor's report a couple of years ago on the department. I believe that it is incumbent on the government to ensure that our money is wisely spent, and I do believe that a program of, also, field inspections would be warranted there. We do have inspectors in the construction industry. We have inspectors in labour. It is perhaps timely to consider different approaches to ensure that what we see in a dynamic industry is validated. We probably have to go further steps than we have in the past, because of the cloud that has hung over geological operations because of Bre-X, and there is a certain onus on us now to prove our credibility and our accountability. I think that the minister would be well placed to investigate those various measures. I would have to give it more thought

as to more specific ways of ensuring that accountability.

Mr. Newman: I certainly do invite your thoughts on that, because one way of going beyond either government supervision, inspection kind of roles, and going beyond audits from within government, is to put responsibility on professional associations who are there to protect the public interest. They play a role which does not cost the taxpayers of Manitoba directly. They do it as a true profession, having a privilege as a profession, because they are acting in the public interest, so in the same way we do not have government go out and question architects' and engineers' certifications. One way that you could address the issue that you have raised is to have the professional qualification as a condition of filing certain reports so then they are accountable to the public and to their own profession in that kind of fashion. So I definitely do invite your thoughts on that as the geological profession evolves and as the technicians and technologists evolve into more self-regulating kinds of formats.

The Acting Chairperson (Mr. Dyck): 23.2.(a) Marketing (1) Salaries and Employee Benefits \$811,400—pass; (2) Other Expenditures \$437,200—pass.

23.2.(b) Petroleum and Energy (1) Salaries and Employee Benefits \$1,254,200.

Shall the item pass?

Ms. Mihychuk: We are now in the Petroleum and Energy branch. Is that correct? [interjection] Good. Can the minister explain what impact the change in staffing will have on this branch and what area has lost a position?

Mr. Newman: This is the position I had referred to earlier, the position from Petroleum and Energy to Marketing.

Ms. Mihychuk: What, more specifically, was the role of that individual? Was it in the Petroleum or Energy side of it?

Mr. Newman: I would sum up the description of the package of tasks performed by the individual as being a public relations function.

Ms. Mihychuk: The department used to be structured that petroleum was separate from energy. Was this position associated with petroleum or energy?

Mr. Newman: It was associated with energy.

* (1540)

Ms. Mihychuk: Can the minister inform me as to the staffing levels in the Energy component? If we look back, perhaps ten years, what were the staff numbers in the Energy branch, at that time a very strong and vibrant branch? I think we have seen some fairly dramatic changes. Can the minister indicate what type of staffing changes we have seen?

Mr. Newman: Eight in Energy, not including senior management.

Ms. Mihychuk: Eight is the number of positions presently in the branch or eight is the number that there were 10 years ago?

Mr. Newman: Eight now.

Ms. Mihychuk: Can the minister, for the record, indicate how many staff people there were in the Energy branch in 1988?

Mr. Newman: No one at this table has the answer to that question at this moment. Do you want us to research that and get back to you?

Ms. Mihychuk: Well, I think it would be a useful exercise for the minister if that information could be accumulated. In 1988, there was a strong program of energy conservation, energy efficiency, workshops, outreach, and there was a great deal of emphasis on energy management, energy strategies, and we have seen this section decrease dramatically. I would not be surprised if we had over 20 people perhaps in that section and now we see eight, and knowing that the minister is committed to energy efficiency, energy sustainability and looking for other options, I think it would be a useful exercise to look at the history of this branch and the priority that has been given to the Energy sector. Perhaps a re-evaluation of the government's commitment to energy programs may be warranted after there is an evaluation of that sector.

Mr. Newman: There are always two ways of looking at reductions in the size of the civil service, and the positive side, of course, is the taxpayers are not paying as much money to support people doing work in the public interest, and there is always a need for governments to prioritize. That is why it is not often very fruitful to look back and look at numbers of employees in given areas. It is probably more helpful to look at the quality of service being rendered and by whom in a modern world.

With respect to the approach of this government to many things, there are attempts to empower others and to educate others so that government does not do a lot of things itself that it used to do. Of course, that supports contracting-out situations as well. It supports allowing private enterprise to do things that formerly were done by government.

So, having said that, it is clear what the priorities are of the Energy and Mines area, and sometimes also there are things that are being done by other departments, whether it is in Environment or Natural Resources, that might have been determined, or from time to time are determined, to be really duplications, or certain things could be better done in another department than ours. All of those are the kinds of considerations that go into determining the workforce, the numbers involved in carrying out particular responsibilities of government. In terms of Energy, there is no question there are some compelling challenges that we have in that area, that we are conserving our own human resources internally and making a lot of demands in that area. We, at the moment, for example, are interested in expanding in co-operation with other departments and with the external community certain parts of our Energy Branch that are related to the overall sustainable development philosophy of our government.

You cannot look at the department in isolation. Many things that were done by the department are, for example, done and financed by the Sustainable Development Innovations Fund. Many initiatives that come within Industry, Trade and Tourism, for example, in some ways are related to the Energy Branch. Having said all of that, we will get you the information as to what the employment level was 10 years ago.

Ms. Mihychuk: Can the minister explain why in the original publication of the Estimates we see 28 staff

members in the '96-97, and then it has been changed to 29 staff years in the '96-97 to be reduced down to 28? Were there actually 29 staff years in that branch?

Mr. Newman: This is the issue we covered in the amendment. This is one of the pages affected by that amendment. So in fact with the revision, you might be looking at the unamended document, I am not sure. The figures have not changed, '96-97 and '97-98. The figures have not changed in those years. The document that I am looking at which is the amending document, page 27, just reflects the 17 to 16 and \$701,000 to \$657,000. There is no change other than the one we have already talked about.

Ms. Mihychuk: Just looking at the '96-97 departmental Estimates, we see that this is the same branch that saw a reduction of six members from the year before. At that time I believe that I was told there were eight people left in the Energy Branch, so I would assume that the person that got moved was from Petroleum—no. So there must have been nine left. That seems somewhat confusing. How many people do we have working in that branch?

* (1550)

Mr. Newman: I answered the question that there were eight individuals in the Energy Branch, plus Bob Dubreuil, who is to my left here, so there are nine people in total.

Ms. Mihychuk: Can the minister explain the changes that we see to the Communications budget? A lot of what the Energy group or sector did in the past was try to reach out to the community on various initiatives. Is this going to impact on some of those initiatives?

Mr. Newman: The reduction of the \$10,000 respecting Communications is due to reduced printing costs as a result of providing information on the Internet plus reduction in MTS line costs between Winnipeg and Virden.

Ms. Mihychuk: Well, that is a positive aspect of the Net serving a useful purpose. Speaking of the Net, is the department on line and is the staff using e-mail and corresponding to the minister, and are we technologically up to date?

Mr. Newman: Yes.

Ms. Mihychuk: One of the interesting stories is that I had an opportunity actually to be familiar with a report that had been done, using a certain computer language, and it actually took an amazingly long time to translate this document. So sometimes technology can be a huge barrier in efficiency. So I do hope that the department is moving along and is using the technology more expediently. That report actually has been waiting for production for over five years. So technology can be a plus and it can be a negative at the same time.

Mr. Newman: I extend an invitation to you to do a tour of the premises and take a look at the technology that they have in operation, and see how well utilized it is. I think the staff are deservedly proud of their accomplishments. The quality of the equipment, I think, is also something that I was very impressed by and I think the branch is quite proud of as well.

Ms. Mihychuk: There is also a fairly large drop in the line item labelled Supplies and Services from \$308,000 to \$233,000. Can the minister tell us where the savings are being incurred in that line item?

Mr. Newman: The difference of \$75,300 is a reduction in the computer system development associated to the Manitoba Oil and Gas Well Information System of \$41,400 and a reduction in outsourcing of energy-related services as a result of now being fully staffed of \$33,900.

The Acting Chairperson (Mr. Dyck): 23.2. (b) Petroleum and Energy (1) Salaries and Employee Benefits \$1,254,200—pass; (2) Other Expenditures \$489,700—pass.

23.2. (c) Mines (1) Salaries and Employee Benefits \$1,370,200.

Ms. Mihychuk: Can the minister update us as to the number of claims and other mining activity in Manitoba?

Mr. Newman: With respect to mining recording, the total revenue collected from fees, rentals, royalties, taxes, security deposits and rehabilitation levies totalled \$4,081,403.24. There were 692 mining claims recorded, five exploration permits, covering a total of

325,181 hectares; 46 quarry mineral leases were issued, 841 casual quarry permits and 782 registration certificates for private pits and quarries.

Ms. Mihychuk: Is the minister concerned with the significant decrease that we have been seeing in terms of mining claims? In 1993, we had just over 2,000; in '94, we had 4,700; in '95, we saw a sharp decline, 1,100; and now we see again a decrease to 692.

Mr. Newman: I am advised that in one of those years in particular there were an exceptional number of claims registered for diamond exploration purposes and nothing ever came of it.

The other response, other than to confirm your facts, is that the best indication is the money spent on claims, not the number of claims that are registered.

Ms. Mihychuk: Can the minister, for those years, outline the amount of money spent on mining claims? I have \$4 million for '96, but I do not—unless I can access it perhaps in the annual report. Are we talking about the amount of money spent on the mining claims, or are we talking about the amount of exploration activity?

Mr. Newman: I certainly meant exploration activity.

Ms. Mihychuk: Okay, we have those numbers. We were talking about it, that it has been fairly stable for the last three years. In fact, that raises the question: How do we calculate how much money has been spent on exploration in Manitoba?

Mr. Newman: The information is collected by the department from the companies themselves. That information is used for Statistics Canada as well as for our own information. The forms are sent out by our department, and the companies then send those forms directly to Ottawa. We then rely on the information that comes from Ottawa for our own figures.

Ms. Mihychuk: This is related to their obligation to file for income tax purposes? Would that be associated with these submissions?

Mr. Newman: This is to satisfy the requests and requirements of Statistics Canada.

Ms. Mihychuk: So would it be fair to say that we rely on the exploration companies to submit a treatise of the work that they have conducted during the year, and they submit that? Again, what type of inspections and accountability does the department have to ensure that these reports are accurate?

* (1600)

Mr. Newman: Have you got a suggestion as to how we might go about confirming those figures? I will entertain the suggestion, but at the moment the approach is essentially to trust those companies and the information they provide in that respect.

With respect to assessments of work done, of course, I have already indicated the involvement of the department in that respect.

Ms. Mihychuk: Well, clearly we see another area that perhaps needs some enhancement. I leave the issue with the minister and am going to be monitoring the situation as to what types of accountability procedures can be in place. Again, it is a matter of establishing that the claims are actually valid.

(Mr. Ed Helwer, Acting Chairperson, in the Chair)

Manitobans do want to know how much exploration there has been in Manitoba, and I am sure that the minister wants to be able to confidently respond that the exploration actually occurred, where it occurred and the results. It may mean that the department may actually have to expand in terms of its duties in terms of inspection and regulation.

It is always nice to get a claim and get a little bit of revenue, but also the government has a responsibility to ensure that there are regulations and monitoring of those regulations. So I would appeal to the minister to look again for increased accountability to Manitobans, particularly now that we are marketing and helping exploration companies significantly and look for the government to tighten up on its role in terms of regulations and monitorings.

Mr. Newman: What I will do for you and for my own education is I will have my department indicate what the sanctions are for people that provide inaccurate

information, because that is one of the things we have as a deterrent to the Bre-X sort of situation. We have laws which are enforced against criminal activity and against fraud, and we have a judicial system with integrity, and we have the rule of law here. But I will share with you and become acquainted myself with what the sanctions are for abusing the trust of the people of Manitoba by not filing accurate information, and I think your point is very well taken. It would be a good public education, I think, to be aware that there are consequences if there is not a provision of accurate information in that respect. The integrity of the industry depends on it because Statistics Canada figures are used Canada-wide to determine mining activity throughout the different jurisdictions. So I think your point is well made, and I will have them come up with that information, and I will want to be satisfied that, in my judgment, that is an adequate protection of the people.

Ms. Mihychuk: This is also the section of the department that deals with the construction industry, the use of aggregate and limestone and other construction quarrying deposits. This year we saw an enormous amount of aggregate being used for the flood. What are the reserves in the Winnipeg area in terms of sand and gravel?

Mr. Newman: There is lots of sand along the riverbanks. I do not have that information readily available. The general response is that it is significant, but you should know that the Geological Services branch is proposing to conduct an updated review of sand and aggregate resources in the Birds Hill area as part of the Capital Region study, and the study is to commence this year collaboratively with the Geological Survey of Canada as part of the quaternary mapping and hydrogeology programs planned for southern Manitoba. So this information in some reliable form may emerge, but I guess it would require research that we do not have readily at hand. This would be the source.

Ms. Mihychuk: Winnipeg and the Capital Region has been fairly fortunate to be fairly close to the Birds Hill aggregate deposit, and the people of Birds Hill were rightly alarmed when there was a certain threat that perhaps Birds Hill would be mined to provide aggregate for the roads and the construction industry in Winnipeg.

That is our largest reserve in the Capital Region. It is presently designated a park, and I understand it has been protected in the process last year, but I also know that aggregate is hauled for a considerable distance from the Winnipeg area, perhaps up to 50-60 miles away, and it is trucked in. So I think that this is a sector that is not very glamorous. It does not sparkle and we cannot wear it, so it is not like the diamonds and gold, but it is worth a lot of money to the construction industry. I think it is imperative that the department have a handle on how much has been used, how much is available, and what the future resource management for the Capital Region is of this very strategic and important industrial mineral. The department has basically wound down its operation in this sector, and it has been quite a while since there has been an update in the reserves' management component.

I do not know if the project is going to be as comprehensive as I believe that it needs to be. I would ask that there be a serious review of the reserves and the availability of those reserves, because, as the minister knows, we have seen considerable expansion of Winnipeg beyond the Perimeter, and once you go east and north, you are indeed potentially sterilizing significant aggregate and quarry materials. So is the department planning to do a comprehensive review of the aggregate and quarry material available for Winnipeg's future?

Mr. Newman: I think you have given ample justification for the kind of review that I described that is going to be taking place.

* (1610)

Ms. Mihychuk: Can the minister perhaps give us in more detail what that project that he outlined which is a joint GSC project? These tend to be typically more academic and looking at geological environments. Is this going to be economic based, reserves based, or is this going to be a research project, and in what measure are we going to see the practical numbers that we need to look at a comprehensive land management program?

Mr. Newman: Rather than give you a brief summary in my terms, I would like to have Mr. McRitchie develop a memo to give you an explanation that is respectful of your very serious question in that respect

and will give you, therefore, a ready understanding of the nature and scope and, hopefully, practicality of the work to be done.

Ms. Mihychuk: I appreciate that. There is some concern that I have that the geologist that I think is going to be involved in this project is also the same one that may be in the Superior Province doing some drift prospecting. Oh, I see that this is not the case. I do know that that individual was up in the North last year.

I guess my concern is that we try to spread our resources so far, then I am not sure that we are able to provide a complete survey that I am talking about. It has been a long time since we have had a comprehensive review of the aggregate resources in the Winnipeg region, for example. It is not a job that could be done by one crew in one summer. It is going to require a serious approach, I think, to looking at the material available and estimating the reserves potential.

Again, I think that when we saw the reaction of the residents in the Birds Hill area, that was typical and can be expected in the future. As long as we keep on seeing further development north of the city and east, we are going to rapidly lose those massive reserves. Birds Hill is a beautiful park and people in Winnipeg do not want to see it exploited for sand and gravel. Every year we see the city expanding. We are, I would argue, in a fairly serious situation up to now. It is not one that we really had to concentrate on, but given the rapid expansion of the city, it may be timely for a more concentrated approach, particularly for the Winnipeg region, and I thank the minister for addressing the department in this area.

Mr. Newman: Just to put the minds at rest of some of the people in that area, we have recently refused permits that would have involved encroachments on the park for doing quarry exploration work, because of the now very clear policy we have, the parks policy that we have. All of this is the balancing that goes on in doing sustainable development in the province. We have now, I think, a very good working relationship with a greater clarity with our Parks policy as it is. Certainly we, in our departments, are very sensitive to working out a balance, and that area is an area that deservedly has the protection that it has. I do not think there is a

need to be insecure, but there should always be a vigilance. So I thank you for bringing that to our attention again.

Ms. Mihychuk: This is the section that is responsible for the regulation and the inspection of a lot of our acts: The Mines and Minerals Act, drilling regulation, mineral disposition, mineral lease regulation, quarry minerals regulation. Can the minister tell us how many people are involved in the inspection component?

Mr. Newman: Four inspectors plus a supervisor and a clerk.

Ms. Mihychuk: This is also the section that has taken on a new responsibility, one that I encourage and promote, and that is quarry rehabilitation. However, we have not seen an expansion in this area of staffing. Can the minister tell me if he believes that there is sufficient staff to carry on the existing duties, the expanding duties of quarry rehabilitation and the important role of monitoring and ensuring that the regulations are being complied with?

* (1620)

Mr. Newman: The answer is that we are managing the challenge of having the quarry rehabilitation program in place with the addition of the fourth inspector. There were three and with the four plus a supervisor and clerk, I am assured by senior management that they are handling with that staffing the necessary tasks.

Ms. Mihychuk: Can the minister tell us how much money is in the quarry rehabilitation fund? This is money that has accrued through a levy placed on each tonne of aggregate or quarry material, and it is to be used for the rehabilitation purposes of quarries and pits.

Mr. Newman: The rehabilitation levy of 10 cents per metric tonne of aggregate production is collected from all aggregate producers on Crown as well as private lands, and the amount of that fund, called the Quarry Rehabilitation Reserve Account, is whatever the figure is resulting from taking \$6.6 million having been collected in levies since 1992 and subtracting \$2.5 million spent on 365 rehabilitation projects, leaving a balance of \$4.1 million approximately.

Ms. Mihychuk: Can the minister tell us how much money is collected on average in a given year and how much is expended on rehabilitation projects in a year?

Mr. Newman: Given the figures I have given you over five years, it is about \$1.1 million a year that is collected, and about \$600,000 a year is being spent in recent years.

Ms. Mihychuk: Does the minister see this fund as a savings account for the department, or are we indeed looking at a comprehensive program of rehabilitation? We are looking at expending approximately 50 percent of the revenues brought in by this program.

I raise this again. I have had some concerns by industries suggesting that money is going into the fund, but it is not being expended at the same rate, and the minister's figures actually confirm that suggestion. Are there plans to enhance and increase the number of projects that are covered by this, or are we looking at a different plan altogether?

Mr. Newman: The answer is that so far the projects have for the most part been relatively small projects. There are two projects contemplated for this fiscal year which are over \$200,000 each. I have questioned my own department on this issue, and all it takes is one major restoration, and we will all be grateful that the industry has had the foresight and the willingness to invest and that the government has had the foresight to facilitate this fund being put together all in the public interest of doing sustainable development and good environmental practices for the aesthetics and for the safety of Manitobans.

I am quite comfortable with the situation. I would be very concerned if the expenditures exceeded the revenue.

Ms. Mihychuk: Well, I am glad that the minister agrees with the project. I believe it was started during the New Democratic administration and was actually initiated by this government. They followed through on it and are moving. I just urge the minister that this was not intended to be a savings account for the department, that there are many, many mining scars that line our highways that we would like to see rehabilitated, that we would like to see tree screens put up and active

projects and other innovative projects that maybe could be initiated.

I, again, look to the department for ensuring that we move along on this project. We have got \$4.1 million that is available, and I understand that there are a couple of fairly significant projects, but, again, this was not intended to be a savings account, and we do have a huge number of pits and quarries that do need to be rehabilitated.

Mr. Newman: It is a dedicated trust account, so any use of the money is for these kinds of projects alone. I do not want anyone, hearing or reading what is said here, to come to the conclusion that somehow or other this is used for any other purpose. It is a dedicated trust fund, and I might say it is something that we have reviewed by the Provincial Auditor as well.

Ms. Mihychuk: Can the minister tell us how many active pits there are in Manitoba now, and are there more or less than in the past? Is the trend increasing? Are we looking at larger operations? What is the future of the construction industry?

Mr. Newman: At any one time I am advised that we have 700 to 800 operating pits, private and Crown lands.

Ms. Mihychuk: I am prepared to pass this section.

The Acting Chairperson (Mr. Helwer): 23.2.(c) Mines (1) Salaries and Employee Benefits \$1,370,200—pass; (2) Other Expenditures \$515,700—pass.

23.2.(d) Geological Services (1) Salaries and Employee Benefits \$2,512,200.

Ms. Mihychuk: We now see the section that deals with geological mapping. Is it my understanding then that aggregate resources is now moving into Geological Services? I see under subappropriation 23-2(c) that it is the Mines Branch that is responsible for compiling the inventory of aggregate resources in the province, yet we turn to Geological Services in terms of doing that responsibility. I am not arguing that it should not be, in fact, in that branch, but is there a change perhaps in some of these activity identifications?

Mr. Newman: The answer is yes. The branch has been reorganized into two principal operational sections: The Precambrian, and the Sedimentary and Industrial Minerals sections headed by two new chief geologists.

Ms. Mihychuk: Can the director of Geological Services outline for us what the summer program will be? This is always a very exciting time. The department initiates a number of projects. Geologists are getting ready to go out into the field. We have the continuing of the emphasis on the Superior project, so I would like to hear what initiatives we are taking. I will turn over the question to the minister.

* (1630)

Mr. Newman: Twenty-six projects are going to be fielded in 1997 as opposed to 14 in 1996. There will be 1,350 person field days in 1997 as opposed to 1,069 in 1996. That is a 26 percent increase. The allocation of costs, salary and other between regions is as follows: Flin Flon-Snow Lake region, \$484,900, and that is 20 percent of the cost; the Kisseynew region, \$31,800, that is 1 percent; the Thompson belt, \$305,200, that is 12 percent; Northern Superior, I am sure you will be pleased with this, as am I, \$787,600, 32 percent; and southeast Manitoba, \$1,000, 1 percent; southern Manitoba, \$270,100, 11 percent; Manitoba General, that is the central region, \$240,100, 13 percent; Winnipeg-based compilations, et cetera, \$328,300, 10 percent.

Ms. Mihychuk: Can the minister tell us whether we are seeing more staff going out in the field and why do we see such a significant increase in the number of field days? Something very positive, I must add, I am pleased to see that. Has there been an increase in staffing or how are we implementing such an expanded field program?

Mr. Newman: Last year, the focus was on the report development, and now they are getting more involved in a full-blown field-work program. This is supported by an increase of an additional staff year and an additional \$24,900 for summer field assistance and an additional \$323,000 in operating funds to launch the major new undertaking in the Superior Province.

Ms. Mihychuk: Can the minister indicate on the line item, page 31, where we see an increase in staff?

Mr. Newman: I would like to clarify that the increases I just spoke to were increases last year that have been maintained this year. So it is the direction, the focus, which has changed from more focus on reporting to now more focus on field work.

Ms. Mihychuk: I understand that there has been a reorganization, and if I understand correctly from the minister, there are two basic sections. Does that mean that we are going to see an associated reduction in the number of managerial positions? Presently, there are four managerial positions. We have restructured. Can we see a reduction in management?

Mr. Newman: No.

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

Ms. Mihychuk: Well, this is an area that perhaps needs review. Many of the people who are, in fact, involved in the professional technical area are basically self-supervising. We were talking about geologists' professional accreditation. These are individuals who generally need very little supervision and management.

This may be an area, if the department needs to further look at reductions. I would suggest that we look at management always prior to looking at field personnel, energy management staff. There are a great number of needs, and it is always, I believe, a better philosophy to look at the top and keep the resources in the field.

So it may be appropriate, given that there is a reorganization, to review the management structure of the department.

Mr. Newman: Have you got any specific suggestions as to who is redundant and who might be shuffled out?

Ms. Mihychuk: Well, just for the record, I will be speaking to the minister in private. I do not want to put the people on—I do not want to cause them any apprehension. I am not going to get into targeting specific positions. Many of the people employed in the department and in this field, in particular, are friends.

I would suggest that is an area that can be reviewed. The minister is more than able to look at it in terms of a management perspective. I am not going to be suggesting any particular person who needs redirection or elimination, or the position, rather, be eliminated, just that philosophically if we are going to look at reductions or reorganization, it may be an opportunity to save in administration.

Mr. Newman: I want to thank you for that. I think that sort of candour is important, and it is your belief that there is a redundancy in the management area in this particular branch. That is your point, and I will have my deputy minister take a look at that.

Ms. Mihychuk: One of the important supports for any geological survey is the amount of supplies in field support, and I see that there has been a slight increase in supplies and services. If I recollect, this is probably long overdue. Are the supplies and equipment that the department has up to par? Do we have what we need to do a comprehensive modern field survey?

* (1640)

Mr. Newman: The answer is, yes, with the additional resources that were obtained last year and are retained this year, they are able to move in that direction.

Ms. Mihychuk: Are field crews that are going to be in remote locations going to have access to individual personal communication devices? I understand that there are devices which you could signal to a satellite for your actual location, and perhaps they can be used as a communication device. I am looking for a safety device for field crews that are in remote locations. Technology has moved along significantly. Has the department got the latest in terms of this sort of technology?

Mr. Newman: Each remote camp is in daily radio contact on morning and evening schedules, and many are supplied with radio telephones. There is not a usage of satellite link phones at this time.

Ms. Mihychuk: Well, perhaps the minister would consider that it is time to move into the '90s. We have had field crews with skids, as they are called for many, many years, back to the '50s. We have modern

technology. I know that the equipment and supplies list was probably being used on essential supplies, tents, boats, packs and other things that are absolutely vital, but I would argue that it is also equally as important to know where our field staff are going to be and be able to reach them individually when they are out all day long.

They can leave at seven in the morning and they do not return until dusk. Those are individuals that could be in peril. They are skilled individuals for the most part, but I would not like to think that an accident could happen. So I would urge the minister, in terms of safety for our personnel, that we look at some type of device that can be with those individuals when they are in the field and, again, move into the '90s. The technology is available. It is used by industry, and I think it would be appropriate for the ministry to go ahead and get these types of devices for its own field crews.

Mr. Newman: My understanding is that we are talking about a significant expenditure. I just note that it was very interesting, when you talked—when I was doing sandbagging with the military, the military were complaining about the field telephones that they used, and you probably would have witnessed the sort of fairly cumbersome and heavy radio systems that they had one individual carry in each of the groups of the armed forces that perform functions. There was a common complaint that sometimes they did not work and they are out of date.

So we never provide probably the high quality, state-of-the-art equipment we would like to provide to maximize the convenience and safety of the individuals that perform these kinds of roles, but certainly it is something we are aware of. At this time the communications methodology is seen to be a reasonably safe and adequate means of communicating. Certainly it can be improved, and it is a matter of priority decision making using, again, taxpayers' money wisely with the limited resources available.

Ms. Mihychuk: Well, the safety of these individuals is a priority to me. I also am concerned knowing the staff, they are most in good shape but were getting a little bit aged. As we were out in the field, this is a stable group of individuals who are put out into

situations which are physically challenging, and I want to ensure that their safety is foremost. They sacrifice their personal lives, their families, and their personal safety when they go out into some very remote situations, particularly in the Superior Province. If they do not have air support, they can be away from base camp for a significant length of time. It can be difficult to locate individuals who are in such remote locations, so I would urge the minister to consider priorities. The safety and life of our staff should be foremost and a worthwhile expenditure.

To continue in the area of safety, has the department taken on a policy of ensuring that every staffperson, including the summer staff, are updated on first aid as to summer personnel? We can lose the senior geologist to an accident or some other situation, so that the support person, usually a summer student, must be capable of performing first aid at those situations and getting out of the bush and getting help. We talked about having the field book in your back pocket. I think it is going to take more than the field book; it is going to take a fairly comprehensive program of field safety for geologists and their staff. I would suggest that the geologists need to have valid first aid and keep up with it, because you tend to get somewhat complacent and think that you know it, but in a state of an emergency, you need to be on guard at all times. We are seeing a fairly significant increase in field days, so I think we need to be cautious. Can the minister assure us that we have a comprehensive safety program or policy by the department?

* (1650)

Mr. Newman: I can confirm that the department has instituted a number of procedures to protect both staff and assistants. There certainly are risks inherent in the job. The procedures that are available in part of the program are mandatory attendance of St. John's emergency first aid training. This is repeated every third year for staff and is a required condition of employment for students. Each student and staff is supplied with a special air service survivor manual and a first aid kit that they must carry with them at all times. In the event of an emergency in the bush, the SAS manual supplies basic survival information and procedures. Each campsite is supplied with a large, fully stocked emergency first-aid kit, containing

physician-approved medical items and a St. John's first aid survival manual. There is the radio contact which I have already described.

Each seasonal assistant is supplied with a recently revised and updated camp and field guide, and this guide contains basic safety and procedural information as well as guides to the safe use of boats, motors and airplanes along with instructions in the use of radios and radio telephones in the event of an emergency. In addition, staff provides on-the-job training, particularly during the first week of employment, which emphasizes the safety and procedural issues already discussed in the camp and field guide.

Staff members attend mandatory CPR first-aid training every year as well as other training programs as needed. For example, there is a one-day training session in the use of pepper spray and firearms. Pepper spray is supplied to all field staff and their assistants as protection against air attacks. Firearms are used solely by staff members and are provided as protection of campsites from bears, and the safety committee has developed a number of procedures that respond to safety issues in remote areas, for example, boat motors of safety switches that are activated if the driver is knocked overboard.

ID cards are supplied to students that allow them to access support in the event of an emergency where a permanent staff member is not present, and procedures have been developed to deal with working in remote areas.

Ms. Mihychuk: I see that there have been several initiatives implemented, and I have confidence that the staff are better prepared to deal with those emergencies although I still urge you to look at personal identification devices of some type for remote projects.

I want to go into another area of the budget, so I am going to just ask one more question, and this is on the length of time it takes to produce a final report. Generally, the field work occurs and it may be a one-year project, two-year project; there is the processing of the data, the geochemical testing and then a report is written. What length of time, on average, does it take to produce a final report?

Mr. Newman: With your permission, I would like to invite Mr. McRitchie to respond to that because he has a fairly detailed response which he can articulate well.

The Acting Chairperson (Mr. Dyck): Does the committee agree to that? [agreed] Mr. McRitchie, please.

Mr. David McRitchie (Director, Geological Services Branch): The two levels of answer that I would give you is: No. 1, we are taking full advantage of the more recent digital database capabilities that we have, and so we are releasing information in open files within six months of the data collection. A case in point being the first release from the multimedia surveys that were conducted last summer in the Northern Superior Province. The complete database is being released on May 26, which is approximately six months, seven months, after all that information was collected, and that was a very comprehensive database that had at least five or six different sample media types.

When one looks at the final reports, I think I would like to use as an example the outputs from the Shield Margin project, which was a federal-provincial project conducted over the last five years in the Flin Flon-Snow Lake region. The field work related to that project was concluded last summer. The maps are being released this May, at the GACMAC, and the final products, the entire database, together with the writeup, will be released in November of this year with a special edition of the Canadian Journal of Earth Sciences next spring. So again, we are looking at between a year and 18 months for the results of a major, integrated federal-provincial program which has already been supplemented by a large volume, something like 150, 160 interim releases of open files, papers, talks, field guides and other sorts of information that is being passed onto industry.

Ms. Mihychuk: Well, I guess, my line of questioning just relates to the hope that we see rapid turnover of the information and accessibility to it, and I appreciate the director's comments. Every project is different, I understand that, but I do sense from the department more availability and more accessibility to information, which I think is another key factor to making Manitoba the best place in Canada to mine, so it is an important

factor to be considered. I am prepared to pass this section.

The Acting Chairperson (Mr. Dyck): Item 23.2.(d) Geological Services (1) Salaries and Employee Benefits \$2,512,200—pass; (2) Other Expenditures \$1,122,400—pass.

Resolution 23.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,513,000 for Energy and Mines, Energy and Mineral Resources, for the fiscal year ending the 31st day of March, 1998.

Shall the resolution pass?

Ms. Mihychuk: I would like to ask a couple of questions on the Industry Support Programs. Would it be appropriate?

The Acting Chairperson (Mr. Dyck): Pardon me. I will just interject. We need to pass this first and then we will move on to the next area. We are just completing the resolution for Section 2.

Shall the resolution pass? The resolution is accordingly passed.

Now moving on to 23.3. Industry Support Programs (a) Mineral Exploration Assistance Program \$3,000,000.

Ms. Mihychuk: I would like to ask the minister: The money, the funds, for this program, can the minister tell us where the funds are coming from? What is the appropriation line? Is it from general revenue? Is it Industry Support Programs? How is this money generated?

Mr. Newman: There is no specific source of funding. It is just an allocation through the Treasury Board allocation.

Ms. Mihychuk: Can the minister explain the allocation? I thought I saw a special warrant, or some document like that, that talked about using the Mining Reserve Fund for funding the MEAP program. Am I mistaken or was that for another year? What is the status of these funds?

Mr. Newman: With your permission, can Mr. Garry Barnes answer this question?

The Acting Chairperson (Mr. Dyck): There is agreement in the committee. Mr. Barnes, please.

Mr. Garry Barnes (Director, Administration and Finance Branch): A couple of years ago, when we had the old MEIP program, we had an allocation of \$2 million. Then last year, we wanted to establish the petroleum, the PEAP program, at a level of \$1 million, and we wanted to increase the new MEAP program to a total of \$3 million. So, in other words, we were going from \$2 million to \$4 million. Where would that money come from?

Under the Mining Community Reserve, there is a clause that says, the Minister of Finance can move amounts in excess of \$5 million in the reserve to general revenue.

So what happened was it was agreed that \$2 million per year over a three-year period would be allocated from the Mining Community Reserve to general revenue, and at the same time, our allocation of new money voted through the Estimates would increase by an equivalent amount, \$2 million, so that the net effect or the net impact on the overall budget would be neutral.

The Acting Chairperson (Mr. Dyck): The hour being 5 p.m., committee rise.

ENABLING APPROPRIATIONS

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 of the Canada-Manitoba Enabling Vote. Does the honourable Minister of Finance have any opening comments?

Hon. Eric Stefanson (Minister of Finance): No, I do not, Mr. Chairman.

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

Mr. Leonard Evans (Brandon East): Not necessary, Mr. Chairman. I often wonder why we ask for opening statements on these specific items as compared to a whole department. A whole department I can see a need for an opening statement, and it is fine to be asked that, but I do not think it is called for in these specific programs, but I have no real problem.

The Acting Chairperson (Mr. McAlpine): I thank the honourable member for that. The honourable member for Brandon East, do you have questions to pose to the committee?

Mr. Leonard Evans: Yes, just a few questions.

The Acting Chairperson (Mr. McAlpine): Just before you do that, I would ask the minister's staff to please come forward.

Mr. Leonard Evans: I appreciate that many of these items are specific departments that are under the responsibility of other ministers, but, nevertheless, perhaps the Minister of Finance can give us briefly some information on what is involved in some of the items as listed in the Estimates on the Canada-Manitoba Enabling Vote. There is an amount of \$760,000 for the Winnipeg Development Agreement. I wonder if the minister could briefly explain what that money is to be used for.

* (1430)

Mr. Stefanson: I would like to introduce Debra Woodgate, the associate secretary of Treasury Board, who has joined me.

As the member for Brandon East knows, the Canada-Manitoba Enabling Vote is where we set aside dollars usually related to agreements we have with the federal government, and it is usually a percentage of what we are expecting to spend in programs that we share with the federal government. As a rule of thumb, it has often been about 20 percent, but it does not necessarily have to be 20 percent. It can be different percentages or an entire amount.

So when we look at the Winnipeg Development Agreement, the Department of Urban Affairs will have budgeted \$3.04 million, and we have also budgeted the

\$760,000 here in the Enabling Vote for a total program of \$3.8 million for the Winnipeg Development Agreement. As the member knows, it is an agreement between the City of Winnipeg, the federal government and ourselves, a \$75-million agreement over approximately five years. So this \$3.8 million in '97-98 represents \$2 million for operating and \$1.8 million for capital.

I think the member for Brandon East may have seen some of the various documents on the Winnipeg Development Agreement, the various components of it, but to give him a sense of some of the kinds of programs that we expect some of this money to be spent on in 1997-98, there are various departmental expenditures relating to the operating, and they are initiatives like the Urban Safety program, the Riverbank Development, North Main economic development program, and so on, are some examples.

There are also various capital programs, again related to neighbourhood infrastructure, riverbank development. There are some programs related to transportation, also some programs related to housing assistance for high risk groups, so those are some of the kinds of initiatives that are supported through the Winnipeg Development Agreement, but I can certainly undertake to forward him any brochures or information on the agreement if he so wishes.

Mr. Leonard Evans: I thank the minister for that information, that overview. He did mention riverbank development. Just a quick question. Obviously, everyone is quite concerned about riverbanks these days, given the flood situation we have been experiencing the last many weeks. Again, the minister may not know this, but let me ask him a related question. He may not know just how the flood situation is going to impact on how these monies are going to be spent for riverbank development, but related to this is my concern about federal assistance for flood control measures, and is there any discussion now of riverbank funding, per se, from the federal government in addition to these, given the fact that we are very conscious of serious consequences, detrimental consequences of flooding?

Mr. Stefanson: Mr. Chairman, to a large extent the Winnipeg Development Agreement is application-

driven in terms of projects in dealing with riverbank development, riverbank enhancement, and so on, so this program really will be separate from any issues related to flood support. As the member for Brandon East I believe knows, about a week ago the provincial government signed an agreement with the federal government, a memorandum of understanding, and one of the elements of it included the whole issue of negotiating an agreement to deal with various preventative measures.

That is in the process of being negotiated with the federal government, striking an agreement to deal with the kinds of things I think he is referring to, what kind of preventative measures, what kind of initiatives should we be putting in place as it relates to our rivers in Winnipeg and outside of Winnipeg, and certainly the federal government should be a significant funder of those measures. So that was one component. I think the MOU had about nine components, if I recall. That was one, and hopefully negotiations can be concluded successfully very shortly on a separate agreement as it relates to that entire area.

Mr. Leonard Evans: I thank the minister for that information. I would imagine if this memorandum of understanding comes to pass in terms of actual agreements, it would be probably totally separate from the Winnipeg Development Agreement insofar as it has some impact on the city of Winnipeg and rivers.

Okay, that is fine. Perhaps we could just go down the list and then pass the whole resolution at one point instead of—

The Acting Chairperson (Mr. McAlpine): Item 26.1.(a) Portage la Prairie Waste Water Infrastructure - Capital, no dollars.

Mr. Leonard Evans: No, I am suggesting we do not do that. Let us just go down the list and then we can pass the whole resolution. It is quicker this way.

Point of Order

Mr. Leonard Evans: Mr. Chairman, just on a point of order, I am just suggesting, to expedite matters, we will allow members of the committee to ask questions as we

go down the list, and then we can just pass the whole resolution at the end.

The Acting Chairperson (Mr. McAlpine): Just for the understanding of the committee, you are going to ask questions generally on the whole aspect and then pass the resolution at the completion.

Mr. Leonard Evans: We are going to ask questions on specific components of the Enabling Vote, but I am suggesting, instead of calling them each time, it may be quicker just to have the resolution passed after we have finished our discussion.

The Acting Chairperson (Mr. McAlpine): Agreed? [agreed]

* * *

Mr. Leonard Evans: Could the minister just briefly outline the Agricultural Sustainability operating monies? What are these going to be spent for, just very briefly?

Mr. Stefanson: Mr. Chairman, similar to the previous item, this area also includes an allocation both under Agriculture and Natural Resources. Those two departments on a combined basis have about \$1.651 million allocated for this area, along with the \$389,000 under the Enabling Vote for total expenditures of \$2.04 million. The objectives are to facilitate the adoption of effective resource management and environmentally sustainable practices to enhance long-term sustainability and competitiveness of the agri-food sector. They also are to facilitate the conservation and enhancement of the natural resources that agriculture uses and shares by minimizing the impact of the agri-food sector on the environment.

But, I guess, more appropriately, looking at Activity Identification, it enables farmers and farm organizations, local delivery groups, commodity groups and research organizations to undertake a series of activities involving technology transfer, various incentives, applied research, economic analysis and communications. Some of the examples of the program areas under this agreement are soil resource management, water resource management, integrated resource management, forage cover crop utilization and

livestock management. So those are some examples. Manitoba Agriculture staff serve in a technical and support capacity to assist those participating in the delivery of these programs.

So it is an initiative that has been around for a few years now and certainly is worthy of ongoing support.

Mr. Leonard Evans: Mr. Chairman, that sounds very interesting, and it sounds a very useful type of spending. Just briefly, though, what percentage of that is from the federal government in this agreement?

Mr. Stefanson: Mr. Chairman, these amounts that I have provided are all provincial dollars. The federal government does provide resources as well, and it is administered by a joint management committee. I could certainly undertake to provide the member with any information I can on the federal commitment for 1997-98 and their contribution.

Mr. Leonard Evans: If he could just give us an estimate of the federal contribution in this item, and, also, I would take him up on all those brochures or materials on the Winnipeg Development Agreement that he offered a few minutes ago. There is no big hurry.

Mr. Stefanson: Mr. Chairman, I will do both. I will provide information on the Winnipeg Development, and I will provide a specific figure as it relates to the federal contribution for '97-98 on the Agricultural Sustainability.

* (1440)

Mr. Leonard Evans: Just passing on to Municipal Water Infrastructure, I have an overview question, and then my colleague the member for Dauphin (Mr. Struthers) has some specifics. Again, could the minister explain what the agreement is, very briefly? How many municipalities are involved under this \$825,000, and what percentage is federal money?

Mr. Stefanson: Again, the total allocation for this area in 1997-98 is \$4.125 million; \$3.3 million is provided under Rural Development; and the \$825,000 is provided under the Enabling Vote. This really is the

agreement, the Canada-Manitoba Partnership Agreement on Municipal Water Infrastructure called PAMWI, which I think we are all familiar with. It originally was a \$90-million agreement: \$30 million from the federal government, \$30 million from the provincial and \$30 million from the municipalities.

The federal government made a decision back a few years ago, whether it was their '93 or '94 budget, to reduce their support by \$3.1 million. So they reduced it from the 30 down to approximately \$27 million. Because it is a third, a third, a third, we made the similar adjustments to our share, so our commitment to this total area today is about \$27.6 million, of which almost all of it will have been spent by the end of 1997-98 because this agreement has been running for several years now.

There have been some 23 eligible communities affected by the program. To give you an example of some of the communities that have received support, there is Altona, Brandon, Dauphin, Morden, Portage la Prairie, Selkirk, Steinbach, Teulon, Winkler, Arborg, Beausejour, Carberry, Gladstone, Grunthal, Killarney, Neepawa, Notre Dame de Lourdes, Roblin, St. Claude, Virden. That is certainly the vast majority of communities that have been affected by the agreement.

Mr. Leonard Evans: Again I thank the minister for that information. I just make one comment, and that is people talk about industrial development and bringing industry to various towns and so on and often do not realize that water plays a critical role in attracting or being able to have that industry in those communities. It often is not understood by and large, so I am pleased to see the money is being spent well on this particular program. My colleague the member for Dauphin has some specific questions on that area I believe.

Mr. Stan Struthers (Dauphin): I am particularly interested in the monies that have gone and been earmarked for the community of Dauphin. We have had quite a couple of years with battling our giardia problem and boiling water. The town has been under a boil-water order from Public Health, and we have been making many submissions for money to get a water treatment facility built in our community. I am wondering if the minister can update me on what the provincial government has corresponded with local

town officials in regard to funding for a water treatment facility in Dauphin.

Mr. Stefanson: When I listed the communities affected by this particular area, the PAMWI agreement, I did refer to Dauphin, and I see the total commitment over the agreement to Dauphin under the PAMWI agreement was \$450,000.

I know the project that the member for Dauphin is referring to is of a much larger cost than \$450,000. Our government did make a commitment in support, I believe last year, to deal with some of the immediate issues in Dauphin, but I know there is a request for a sum of money for a significant improvement to their water treatment facilities. That issue is really with the Minister of Rural Development (Mr. Derkach). That is who Dauphin is communicating with, and I really should leave it to him to give a status report as to where things are at.

I know at one point in time Dauphin was interested in whether or not there would be money available under this top-up to the infrastructure program, but, unfortunately, with the limited amount of dollars that have been provided for the top-up agreement, as we discussed yesterday, there are significantly more projects requested and dollars requested than there are dollars available.

So that does not appear to be a very likely avenue for Dauphin to look at. I know the federal government has given some indication of potentially some support out of the Western Grain Transportation assistance fund, but, beyond that, I know Dauphin has communicated with the Minister of Rural Development. It really is his area of responsibility, and I should leave any further discussions to him at this time.

Mr. Struthers: I thank the minister for the information, and it is something I will then take up with the Minister of Rural Development.

Has the provincial cabinet discussed at all matching the money that the federal government then has put forward? We have been led to believe that the federal government has approached Treasury Board federally to provide \$3 million for their part of a water treatment facility.

Has any discussion taken place with this government as to possibly matching that, that the federal government has come up with?

Mr. Stefanson: Mr. Chairman, we are really getting off the specific issue before us, but the issue of the funding announced by the federal government under the WGTA fund, unfortunately, those allocations were done by the federal government without any discussion or consultation with the provincial government in terms of priorities, in terms of matching dollars or whatever. So our position to date has been to deal with them on a project-by-project basis and to do the analysis that is required and determine on a project-by-project basis whether or not it is a project that the provincial government should be supporting and whether or not we have the current financial capability of supporting the project.

So I certainly am extremely critical of the process that the federal government followed in terms of coming to their decisions and making the announcement the way they did, but having said that, we will look at all of the projects. We are well aware of the situation in Dauphin. We did provide some money last year to deal with the immediate problem. We recognized it and we, along with the municipality, made a commitment to deal with that immediate problem. We know there is a longer-term both problem and solution that is before us which does require a significant sum of money, as the member indicates.

What appears to be the federal commitment is in the range of \$3 million, so that gives us a sense of the magnitude of the project, but the Minister of Rural Development (Mr. Derkach) is assessing that project and is in communication with the community of Dauphin and I am sure would gladly keep the member informed.

Mr. Leonard Evans: Passing on to the next item, Framework Agreement on Treaty Land Entitlements - Operating, I notice there was no money last year, but now we are asking for \$450,000.

So is this a new expenditure item? I do not have previous years to compare with, so is this a new framework agreement item? I know there have been agreements for some time.

Mr. Stefanson: Mr. Chairman, I guess put quite simply these really are the costs associated with the treaty land entitlement. As the member knows, there have been a series of claims that have been validated, a commitment from our government to transfer land under the treaty land entitlement. The federal government is providing some cash.

So what has been provided for in this budget year are the various costs that we will incur to fulfill our side of the agreement in terms of transferring the land and the different costs that have to be incurred to do the land transfer and so on.

So it is not direct cash support under the treaty land entitlement. It is more the costs related to our areas of responsibility in terms of transferring land, and it could be a combination, I am sure, of survey costs, legal costs, all of those kinds of things.

Mr. Leonard Evans: Mr. Chairman, this is the last item on the Promotion of Official Languages. I note there is a significant increase in Operating money this year from \$200,000 last year to \$1.2 million this year. Also, I would like to ask about the Capital. What is that money, this over half a million dollars of Capital monies being used for?

* (1450)

Mr. Stefanson: Mr. Chairman, dealing with them separately, the Capital allocation of \$525,000 is part of an agreement with the federal government for the Francophone archival centre which was entered into back in 1995-96. It basically covers approximately three years. It is a \$3-million total contribution split equally between Canada and Manitoba in terms of the enhancements and improvements to that centre.

In terms of the Operating, the increase in the Operating really reflects more or less the actual costs that were incurred in 1996-97, and I should point out those are fully recoverable from the federal government. They are 100 percent recoverable on the Operating. They can be French language initiatives that are done directly within government, or they can be initiatives that are done with agencies outside of government, but they are flowed through the provincial government. The agreement with the federal

government is, I guess for all intents and purposes, that we are a form of clearing house.

Mr. Leonard Evans: So you will be spending the 1.2 although it is all federal money.

Mr. Stefanson: That is absolutely correct. We will be spending the 1.2. It is all federal money. It could be for direct government departments. It could be for agencies or it could be for Crown corporations, and it is really done in consultation with the federal government.

Mr. Leonard Evans: Just one last question, where is this archival centre being located, St. Boniface or St. Jean Baptiste? Where is it?

Mr. Stefanson: Mr. Chairman, to the best of my knowledge, it is in St. Boniface, and I will certainly undertake to get specifics for the member.

Mr. Leonard Evans: Fine, thank you, Mr. Chairman. I think we are prepared to pass Resolution 26.1.

The Acting Chairperson (Mr. McAlpine): For the sake of the committee, I am going to read off each line and have it passed individually. 26.1.(a) Portage la Prairie Waste Water Infrastructure - Capital, no dollars—pass.

Point of Order

Mr. Leonard Evans: I do not want to waste time on points of order, but we have done this before where you can pass the whole resolution. I am sure it is not necessary to read every item. I am just trying to save you some work, Mr. Chairman.

The Acting Chairperson (Mr. McAlpine): I appreciate the honourable member's consideration, but this is the discretion of the Chair that in the interests of passing, no question is left unanswered with regard to the lines. We are going to pass each line by line.

* * *

The Acting Chairperson (Mr. McAlpine): Item 26.1.(b) Winnipeg Development Agreement (1) Operating \$400,000—pass; (2) Capital \$360,000—pass.

26.1.(c) Agreement on Agricultural Sustainability - Operating \$389,000—pass.

26.1.(d) Partnership Agreement on Municipal Water Infrastructure - Capital \$825,000—pass.

26.1.(e) Framework Agreement on Treaty Land Entitlements - Operating \$450,000—pass.

26.1.(f) General Agreement on the Promotion of Official Languages (1) Operating \$1,200,000—pass; (2) Capital \$525,700—pass.

Resolution 26.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,149,700 for Enabling Appropriations, Canada-Manitoba Enabling Vote, for the fiscal year ending the 31st day of March, 1998.

This now concludes the Estimates portion of Enabling Appropriations. We will now move to Industry, Trade and Tourism.

INDUSTRY, TRADE AND TOURISM

The Acting Chairperson (Mr. Gerry McAlpine): 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 Industry, Trade and Tourism.

When the committee last considered this department, it had been considering item 1.(d) Research and Economic Services on page 86 of the Estimates book. Shall this item pass?

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I had begun to ask some questions about the degree to which this restructured area had been augmented in staff terms, and the minister had undertaken to give us some information about the staff that had been added to the department. I am wondering if he is able to do that.

* (1500)

Hon. James Downey (Minister of Industry, Trade and Tourism): Yes. Before I do, though, I have a little more information that I will give the member to a

previous part if that is all right. He was looking for information that is involved in the 1996-97 figures which are displayed in the 1997-98 printed Estimates in an adjusted vote format.

The objective of an adjusted vote presentation is to present the 1996-97 numbers in a manner consistent with the '97-98 numbers. The reconciliation statement is used to reconcile the '96-97 printed main Estimates of Expenditure to the '96-97 adjusted vote figures which are used for comparison in the '97-98 printed main Estimates.

The '97-98 funding for an extended harness meet, \$75,000, was transferred to Community Support Services. The program will be funded in '97-98 by Community Support Services. Consequently, an adjustment is required to put the '96-97 adjusted vote on the same basis as the '97-98 print.

In '96-97, the printed Estimates were reduced by an amount of 120.6, an account of an amount which was included in the Enabling Vote. Since no amount is included in the Enabling Vote in '97-98, in order to make the presentation consistent with the '97-98, an amount of 120.6 must be added to the '96-97 adjusted vote.

In 97-98, financial resources to fund certain costs associated with the operation of tourism information centres was allocated to I, T and T from Government Services, 135.1; Highways 10.5; and Rural Development 15.3. Consequently, the '96-97 printed Estimates must be increased to put the '96-97 adjusted vote on the same basis as the '97-98 numbers.

Now, the other issue as it relates to staff in Research in the department, Research staff, we have added a policy and development consultant. This position has been filled through the transfer of a consultant from the Industry Development area, specifically from the Information and Telecommunications Initiative. This individual brings a broad array of skills to this position, including formal training in economics and marketing, experience in quantitative analysis, accounting, and the information and telecommunications area.

We have also added a project co-ordinator. This position has been filled through the transfer of a former

assistant to the deputy minister. The individual brings strong communications-related talents to this position both from past experience in the deputy's office, as well as with departmental initiatives such as Invest Manitoba and National Science and Technology Week. In addition, this individual has completed numerous courses on marketing and communications and is currently enrolled in a certificate program in communications.

As well, the administrative support, with the addition of two professional staff, a full-time administrative support position was staffed through the transfer of an individual from Manitoba Trade prior to this transfer. The administrative support for Research and Economic Services had been provided administrative support through the sharing arrangement with the Industry Development, environment and science industries initiatives.

Mr. Sale: Mr. Chairperson, let me preface this next series of questions with acknowledgment that Manitoba's trade performance has been strong in the last number of years. We all hope that it will continue to be strong and that we will shrink our deficit further, as it has been shrinking in the last few years. We still have a troublingly large deficit with the United States, but an overall surplus with the rest of the world offsets this to a certain degree. I think we all acknowledge that when you have a trade deficit in a provincial economy, basically that means you are shipping dollars out in order to service that deficit, because you cannot have a trade deficit unless you pay for it. So, essentially, this is a drain on our economy still. The numbers have been going in the right direction. We are glad about that, and the minister has made that case.

I want to ask about what is happening in regard to the proposed activity—in fact, it is not really a proposed activity; I believe the province has already undertaken it—that is, the signing of the NAFTA side agreements which is the subject of Bill 3 properly, but the department has a responsibility here.

Can the minister indicate what possible benefits are seen from being a signator to these two NAFTA side agreements given that, first of all, our standards in labour and environment are considerably higher than some of the NAFTA partners? So being subject to

those agreements really does not seem to me to add much to our standards. My understanding is that the panels will operate anyway, and the panels already have the ability to do what is contemplated in the side agreements whether the side agreements are signed or not. It does not seem to me to make a whole lot of difference. So what is the benefit here that the province is getting by having signed, I think in January of this year, these two side agreements?

Mr. Downey: A couple of points that I would like to make, Mr. Chairman. One, I think it is important to point out that, as part of the overall agreement, this truly legitimizes us fully as a partner with the federal government or part of the agreement in the federal government. Probably more importantly is the fact that we now, because we are participants—if there are some anomalies or some concerns that we have, we can legitimately raise them as they relate to labour practices and/or environmental practices within either the United States and/or Mexico. Prior to that, we would not be able to legitimately put forward a complaint, because we were not a full signator to the agreement.

Mr. Sale: However, the minister, I think, will acknowledge that the opposite is also true, that we have now opened ourselves to the kinds of complaints that—for example, we may have set an environmental standard higher than the United States might like in regard to emissions that L-P, for example, to take an example that is just meant to be an example and not a fact. We now appear to have given up substantial, at least I would think substantial, sovereignty in regard to issues of provincial jurisdiction under the constitution and turned over that sovereignty to multinational panels who will make binding findings on matters of what they consider to be fact, and this Legislature will no longer have anything to say about that because we have essentially ceded sovereignty in that area, in my understanding.

Mr. Downey: Mr. Chairman, I do not, quite frankly, agree with the member that we have given up any sovereignty or any control over our own destiny. What we have committed to do is make sure that the legislation that we have in place, or put in place, is fully enforced. It is not a matter of going beyond that. It is a matter of making sure that the legislation that we put in, whether it is environmental and/or labour

legislation, is enforced to the laws that are written. It does not go beyond that as it relates to giving out jurisdiction to anyone outside.

Mr. Sale: Mr. Chairperson, should Manitoba decide that it needed, let us say, hypothetically, higher standards of water quality in the Assiniboine watershed or the Red River basin or whatever and imposed those higher standards unilaterally and they had costs for a company like Simplot or some other company, would that company then be able, under the NAFTA side agreement, to petition the panel for discriminatory action?

* (1510)

Mr. Downey: I am told by the department that the answer is no.

Mr. Sale: Mr. Chairperson, what has been achieved that was not already in place by virtue of the federal government having signed these side agreements instead of doing what they said they would do upon election which was to abrogate NAFTA or to renegotiate it, which they of course promised to do as part of their 1993 campaign. Instead they signed two, what I think are widely and correctly acknowledged to be cosmetic, side agreements that really add nothing to the NAFTA agreement. They do not renegotiate anything in the NAFTA agreement, because the United States would not countenance renegotiation of anything that mattered to them. So these are cosmetic.

What have we gained as a matter of real consequence here by going along in January with the federal government to sign these cosmetic agreements?

Mr. Downey: I would not say they are cosmetic, Mr. Chairman. I think, as I have indicated at the outset, it does give us the ability as a partner to the agreement to challenge, if in fact it is taking place. If there appeared to be an abuse of the labour laws or the environmental laws of which product was coming out of, into our marketplace, it gives us the ability to sit as a partner and challenge those and put before the panel our concerns, and actions can be taken.

Yes, he is right. Conversely it can take place back to us, but, again, it does not cause us to lose our

sovereignty, but it does in fact give us the ability to sit at the table and put forward our concerns if in fact the environmental or labour laws are not being fully adhered to in those other jurisdictions.

Mr. Sale: Mr. Chairperson, is the minister saying that, under NAFTA, without these side agreements, it was not possible to do the things which are now possible under the side agreements? In other words, is he saying that there could not be provincial participation in a matter of a trade dispute around labour or environmental issues under the general NAFTA agreement as entered into prior to 1993, that something has actually changed here?

My understanding is that that is not the case, Mr. Chairperson. My understanding is that the province could, as a jurisdiction, have standing at a panel hearing on an issue of provincial jurisdiction under the original NAFTA agreement, that there is nothing extra achieved here at all. Essentially, it was an election promise that had to be in some sense honoured by the Americans because there was a cosmetic requirement, and the cosmetic requirement was met, but there is actually no change in the law that allows us to appear as a party to a dispute involving our laws and NAFTA partners.

Mr. Downey: I think there is a little bit of confusion because, quite frankly, the NAFTA agreement is apart and is separate from the side agreements. Let us use labour for an example. Ninety percent of the labour jurisdiction falls outside the federal jurisdiction, that leaving only 10 percent within the federal government's jurisdiction. The side agreement covers off the 90 percent that falls within the provincial jurisdictions.

That is what the side agreement speaks to and is, as I said at the outset, separate from the general NAFTA agreement. So to include all the labour in the country, it has to be done by provincial agreement, and that is why it is important that the majority of the provinces sign, so that, in fact, becomes in effect.

Mr. Sale: Mr. Chairperson, what does the minister mean by the majority of provinces? Is he talking about the constitutional amendment requirement of 70 percent or 50 percent, seven provinces? What does he mean by that?

Mr. Downey: I probably used the wrong terminology. Rather than the number of provinces, rather than the percentage of employees who fall within the provincial jurisdiction—and the department is looking for the number—I think the number could be 55 percent coverage of the labour that falls within provincial jurisdiction.

Mr. Sale: Mr. Chairperson, is that a trigger? Is that what the minister is saying, that there has to be 55 percent sign on?

Mr. Downey: That is correct. I believe it has to be 55 percent before the sidebar agreement under labour becomes activated.

Mr. Sale: Could the minister tell the committee what other provinces have signed on to date?

Mr. Downey: I think, Mr. Chairman, and we can further substantiate this, but I think Quebec and Alberta have both signed on to the agreement, and if that is not absolutely accurate and if there are any more, I will further add that information, but I think that is accurate.

Mr. Sale: Mr. Chairperson, am I correct in saying that Manitoba has already signed on in January, I believe January 25 or 27, somewhere in that date?

Mr. Downey: The process, Mr. Chairman, is that we have signed an interim agreement with the federal government. After the legislation is passed, then that is forwarded to the federal government and we become registered within the overall agreement.

Mr. Sale: Why did the minister not have the courtesy to table the side agreements? There are four agreements here involved and referenced in the act. I think I have two of them now. It took some difficulty in getting them. One I got through the minister's office; one I got through the library, who did not appear to know what we were talking about even though it is a statute, an agreement of Canada. I managed to get a third one through the Internet. I think I am still missing one. Why did the minister not have the courtesy to table the agreements with the legislation, so that people would know what was in them instead of simply tabling a press release?

Mr. Downey: I guess they were fully disclosed at the time of signing, if I am not incorrect, and it certainly was not intentional although some people could put me down as a miserable, unco-operative sort of person trying to frustrate the opposition. It certainly was not my intent, but I do apologize to the member.

An Honourable Member: It worked.

Mr. Downey: It worked? Okay. Strategies. I will have to recheck that strategy to see if we want to continue to use it. Mr. Chairman, seriously, there was no intent to try and keep information from the member. If an apology would be helpful, I will apologize for not tabling it at the time the legislation was put on the table. But it was in fact made public at the signing which the member refers to. The date might have been in January. We have no problem in providing the information. It was, as he has indicated, fully made public through the library service, no intention to keep it from being fully expressed publicly.

* (1520)

Mr. Sale: I certainly accept the minister's statement that there was no intent. I tell him quite frankly the library did not have a clue what we were talking about. When we even gave them the titles, they could not find one of them. They found one, they could not find the other. If they were disclosed at the time, they certainly were not included in the press release. They were not handed out at the time, unless they were handed out only to the actual signing participants which would not of course include the members of the Legislature.

Bluntly, I think it is a discourtesy to the Legislature to tell us that we ought to be ratifying components of international treaties and not to provide all members of the Legislature with those components. It is the same process we went through a year ago with the Agreement on Internal Trade in which the AIT itself was never tabled in the Legislature. Even though it was the subject of a provincial act, it was never tabled. I believe ultimately it has found its way into the library, but it is not a tabled sessional paper. It ought to be.

These are important matters. They are with us forever as legislators. We have been put in a position where essentially we are being asked to debate Bill 3

shortly, if not this Thursday. It probably might well come up this Thursday. Yet, while unofficially we have obtained three of the four documents, we have never had them tabled in the House. I believe that is something the minister ought to undertake to do, and in future, when we are increasingly in an era, Mr. Chairperson, where government is becoming government between levels of government. In other words, levels of government are sitting down and making binding agreements which affect all of us and which are not really subject, in the normal course of events, to the same kind of scrutiny that they might have been in the older form of the British Parliamentary system in which everything was laid before the House before it was entered into or agreed upon.

We are kind of in an executive government mode in which federal-provincial arrangements, federal-international arrangements, binding agreements are made, and legislators are left frankly irrelevant irrelevant to the process. I do not think that is a good development for the long haul of democracy. I do not think it is a good development even from the government's perspective of having their actions understood and accepted by the electorate as a whole, so I hope the minister would agree to table this and that in future the government, when it is entering into such agreements, important agreements that they believe are in the interests of Manitobans—I assume they do—that they would then table those agreements publicly and we would not wind up having to chase around through the Internet trying to find them. I invite Mr. Barber to go to the library and ask the library for them. The library does not know what these things are, and did not have them accessible, and the library, of course, as a repository, ought to have.

Mr. Downey: Mr. Chairman, to make two or three points. One is I have to apologize to the committee. I did not introduce Alan Barber, who is head of this section of the department. Although the opposition knows who he is, it is appropriate that I should introduce him. I do apologize, as I said, for not making them available if they were not made readily available. If the member would let me know which one he is not availed of, I will attempt to get him one. I can certainly table them in the Legislature and, I guess, my final comment is that I am not sure, I would have to check this out, but I am not sure whether my legislative

assistant in fact recommended I should or should not table them. I will have to check out as to what his advice was.

Mr. Sale: Well, I thank the minister for that. I would prefer that he simply table them formally; then they are available, they are part of the record, they become sessional papers, they are in the legislative framework and can be found in future when people are interested in finding out about them.

Could the minister indicate whether there are other multilateral trade agreements currently under negotiation with members of his staff or with the government at this time?

Mr. Downey: Mr. Chairman, I guess what the member is making reference to is any direct agreements like the NAFTA agreement and/or trade relationship of a formal basis. We are on an ongoing basis in discussion with other jurisdictions, state to province, for example in Mexico with Jalisco. It is a memorandum of understanding but not really a formal trade agreement. It is a comfort agreement between the two jurisdictions to enhance relationships between those two jurisdictions but not a formal trade agreement. There is the ongoing work that is being done with the federal government and the World Trade Organization and that kind of thing we are not actively involved in, although there have been times when we have been invited to observe properly in different situations.

I know I was invited to go to—the most recent one was in—was it Taiwan? Last December I believe, it was a World Trade Organization which I was unable to get to. The critic did not like me travelling too much, so I was denied the trip. I am unfair in that comment. I have to say that did not keep me from doing it. Other activities did.

But, in all seriousness, the other agreement that we are aware of, of course, that Canada has been involved in and that was the agreement between Chile and Canada which we, which I am on the record as supporting. I was in Chile just prior to the President of Chile coming to Canada. I had the opportunity to speak with the Ministry of Agriculture and the leader of the main agricultural organization, and I spoke very positively as to what I could see it doing to help

enhance the relationship between our jurisdictions. I think that as NAFTA and the trade agreement that Canada has with Chile and as it advances further into the Mercosur and/or South American trade activities, that we will see a greater involvement by Canadian companies.

So we are strong supporters of the right kind of trade agreements. We think it enhances Manitoba's opportunity to benefit our economy, and, as the member pointed out at the outset, we are improving our trade relationship with the United States. The gap is narrowing.

A lot of the material that is coming in or equipment that is coming in is production equipment. When we see the plant expansions that are taking place, a lot of the product that comes here, a lot of the equipment that is coming here is from the U. S. I think as we continue to expand and grow our international trade activities, and this does not make any secret about it, the first area where companies feel comfortable in doing business, quite frankly, is the United States, and from there they get their feet under them and then move into further international jurisdiction.

I am speaking a little longer to the question than I should maybe, but I think it is important to note that they are very interested in expanding the continued trade arrangements that are taking place. They have to be to our benefit, and that is where a lot of our growth will come from, as the member knows.

We are also, further to his question furthering the discussions on the Internal Trade Agreement as it relates to the additional sectors which have not been totally signed in, the MASH or the MUSH sector of the Internal Trade Agreement, we would hope to be able to conclude that sooner rather than later, although as the member knows, the federal election has probably delayed to some degree any further activities at this particular time. Then, of course, we will see what happens after the June 2 election, and I am sure we will be able to get back to what has to be done, and that is concluding the MASH or MUSH sector.

* (1530)

Mr. Sale: Mr. Chairperson, I think the minister and his staff probably know that the NDP has supported

multilateral trade agreements and has always seen that as a preferred route to the bilateral agreement such as the FTA, so the more we are broadened into the Mercosur, the NAFTA-South America connections, the more those connections are woven together with fair, as you said, appropriate trade, or fair trade.

I think that our analysis continues to be that labour in those countries is extremely badly done by, that the environment is extremely badly done by. The minister has made the case that he and his government have now signed on or the intent after the passage of Bill 3 is to be signed on to enforcing environmental standards and labour standards and raising questions about those standards.

I hope the minister will be vigilant, then, will encourage labour to work with its counterparts in those countries where labour standards include the routine murder of those who try to organize labour unions and secure any kind of justice for workers and routinely include the spraying of pesticides on crops where workers are actually in the fields.

I am sure he can find both through his own resources and through the public resources many organizations, videos, which are chilling in the risks that are run every day by workers in the maquiladoras area, by workers in South America, where the concern for workers and the concern for the environment take a second place to the concern for capital earnings through trade for what may be reasonable goals in the long run, but in the short run and in the medium run both our world and our workers take a terrible pounding in those countries more often than not.

That is well documented particularly in the maquiladoras area but in other parts of the Third World in which the Mercosur, for example, agreements in South America, are involved, with many Chilean farm workers, for example, where conditions are certainly far from optimal.

If these agreements are useful, and I remain to be convinced that these side agreements really add anything that was not there before, I hope the minister will make use of them and will seek opportunities to raise questions about the moving of production, the importing of production, from countries where the

product has been manufactured or produced with labour conditions and environmental standards that would not be allowed through the doors of Manitoba.

Mr. Downey: Mr. Chairman, I think it is incumbent upon us to look for all opportunities where feasible that will give those jurisdictions the opportunity to enhance through either trade agreements and/or informal agreements activities that will better the lot for the environment and those workers in those jurisdictions. To ignore them and to not want to do business with them is not doing them any favour and/or our people, because, quite frankly, we have an environmental industries capability in Manitoba that could well enjoy greater employment and greater opportunities, again creating employment for those people in those jurisdictions.

For example, I could use some examples which I have seen, practically seen, in some of those areas where known technology here could be expanded into those communities, helping to strengthen the employment base of those people here but also generating an industry and a business in those other jurisdictions that could hire people who would improve—because, quite frankly, most of the companies that I am familiar with that are in these jurisdictions, you are not in this business unless you have a strong base, and a strong base at home means a good work environment in their factories or their businesses or their systems, which, quite frankly, can help to better spread the positive initiatives that are going on.

So I think there are some win-win situations that can be developed both on the environmental front and the labour front. Again, I do not want to take the time of the committee, but I could give one or two specific examples where I have seen that technology from Canada, from Manitoba, could well be introduced that would enhance environment to a large extent and enhance labour to a large extent in those communities. So I think it can turn into a win-win situation.

Mr. Sale: Mr. Chairperson, I certainly, specifically, was not suggesting the minister ignore it. I was suggesting that, in fact, he take opportunities and seek opportunities to raise those questions and to look for the opportunities of which he was speaking. So I think we are both speaking on the same wavelength.

I want to ask the minister if he would be open to discussing with the labour movement in Manitoba the linkages that they have with the labour movements in the countries covered by the NAFTA agreement, including Chile, where there has been substantial work done to try and help those workers in other countries to be effective in raising the workplace safety and health standards, the environmental standards, the labour standards, to the standards that we hold to be important in our mining industry and in our petrochemical industry, et cetera, in Manitoba.

Would he be willing to talk to the Manitoba Federation of Labour and see what they have to offer in this regard?

Mr. Downey: Yes, Mr. Chairman, and I think the member in talking the way he is, has raised another issue and another opportunity.

I think the committee should be informed of this, that one of the areas—and he mentions Chile and the mining industry—that should be noted is that today I think Canada is the largest foreign investor in Chile as it relates to the outside investors in the country, mainly in the mining sector.

With that Canadian influence, the Canadian influence being they like Canadian geologists, there is a demand for some training from Canadian, Manitoba schools. There are programs or work being developed now so that some of our community colleges can get involved more on the technical side of the training. Housing for those individuals, there is a considerable opportunity for people who develop housing. It seems that Canadian mining firms like to use Canadian technology and like to use Canadian companies to further support their systems.

Again, that is the kind of introduction of what I would think we would consider to be acceptable because we have labour standards and we have environmental standards here that are supported by the Legislature and basically supported by the people of Manitoba which can, in fact, be introduced into those jurisdictions, which, back to the point I made initially, will help.

Of course, I want my colleague the Minister of Labour (Mr. Gilleshammer) to be fully involved, as well, because of his jurisdiction. I would not want to get into any misunderstanding with him, but the point is that I would be more than prepared to discuss with him opportunities that could, in fact, enhance the objective that we are all talking about here.

Mr. Sale: The minister makes a general point that I would not disagree with, but, unfortunately, his examples are ones in which we have virtually no manufacturing capacity. We do not make mining equipment to any great extent in Manitoba at all, and we just delisted our Faculty of Geology and shut it down.

So due to the cutbacks which he can blame on the federal government and we will blame on the provincial government, the cutbacks at the University of Manitoba and the decertification of that faculty led to the closure of the Faculty of Geology in the School of Engineering, and so, unfortunately, we have cut off one of the things that we might well share.

He is right. We are the largest participant in that sector in Chile, and there are many linkages between the affiliated unions of the autoworkers and the steelworkers and the various other unions involved with mines in Chile and Canada, and those working relationships are quite strong and quite effective.

But his general point I accept, and I do not have a need to carry on this particular debate any longer. It is just unfortunate that he chose the example of geology.

Mr. Downey: Mr. Chairman, I am sorry the member is not broader in his thinking. If he had heard what I said, I said technical capabilities of which the Keewatin Community College I know has asked to be involved. There is more than just the University of Manitoba in the province, if he did not know. Brandon University has a geology department from which they put out some tremendously capable people. They are able to carry on with theirs. We have housing products. I talked about housing products which support the industry.

There are a broad number of activities that come from the mining industry other than just geologists. So

I do not want to leave this debate with him having thought he won it, Mr. Chairman. I will conclude my comments if he wants to move on to the next section.

* (1540)

Mr. Sale: If I just conclude with just being clear, there are no other major agreements currently under negotiation in which Manitoba is an observer or partner that involve international trade, treaties or whatever.

Mr. Downey: No, I do not want to leave that impression. I said other memorandums of understanding or agreements of sisterhood or brotherhood are well in the works. There are one or two that are being developed but not with Canada as an official participant and/or that would have the same kind of legal implications that the NAFTA or FTA would have, but there are discussions going on between jurisdictions as it relates to improving relationships.

As I said, we have one between the state of Jalisco. I expect the governor to come to this province very shortly and further discuss the enhancing of that agreement.

The Acting Chairperson (Mr. McAlpine): Item 10.1.(d) Research and Economic Services (1) Salaries and Employee Benefits \$523,600—pass; (2) Other Expenditures \$156,800.

Mr. Sale: Mr. Chairperson, could the minister just indicate—we have spent all this time on trade—under the information area which I presume would come under communications in this area, are there some things that are of a technical or strategic nature that I have just missed perhaps, and it is quite possible that I have, that are published and made available in general?

I am looking under the heading of co-ordinating efforts to distribute information on departmental initiatives to interested stakeholders; surveys government, Manitoba businesses producing listings of service capabilities and then the issue of strategic information.

I am not aware of what you might call background strategic information publications that have come out of

this branch. Perhaps that is something that I just have not seen.

Mr. Downey: Mr. Chairman, there are two examples that I can give. One is that the department had worked co-operatively with EITC dealing with information that would flow from the information technology industry, and those are made public throughout the EITC organization. Another example would be a registry of the companies in the province, high-tech companies, which are made public.

So those are the kinds of things that was referred to. I do not think there is anything done within the department that is generally for the public's information that is not being distributed.

Mr. Sale: Mr. Chairperson, could the minister just give an example of what is meant by an innovation indicator? It is right in here. Its activities include research and infrastructure issues such as skill shortages and training needs, preparing briefing materials and innovation indicators. What is meant by that?

Mr. Downey: I guess probably the most straightforward one would be—the indicators that we would be looking for is how much money is spent on research and development by any company or companies.

The Acting Chairperson (Mr. McAlpine): Item 10.1.(d)(2) Other Expenditures \$156,800—pass.

10.1.(e) Manitoba Office in Ottawa (1) Salaries and Employee Benefits \$201,700—pass; (2) Other Expenditures \$116,600—pass.

10.1.(f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits.

Mr. Sale: Mr. Chairperson, I had rather hoped Mr. Falk might be here. I do not know whether the intention of the minister was to have him here, but I wanted to have some discussion about the reliability or unreliability of the current labour force survey technology, the changes that took place in January and what implications those had for the quality of the information that we get.

Mr. Falk and I have had some discussions, and the minister probably knows I wrote to the chief statistician last year complaining about the fact that sometimes the federal survey was showing that, for example, the public sector suddenly gained 8,000 jobs one month. I thought that this was just a bit unfair that the government did not tell Manitobans that they had hired 8,000 more people and then laid them all off the next month. It just seemed to be grossly unfair labour practices.

I got a letter back from the chief statistician which was very unhelpful in which he indicated that all was well with the survey and there were no problems, and then a couple of months later they changed it quite radically. I am still troubled by the accuracy, particularly once you break down from the larger sample for Manitoba to the specific areas, and I am wondering whether the minister (a) shares that concern and (b) what he has done to address that with his counterpart in Ottawa.

Mr. Downey: Mr. Chairman, on the point of having Mr. Wilf Falk here, I could see if he is available. However, let us try and deal with it and if there are some areas that—I guess I will make a basic policy statement as far as I am concerned, is if a person is going to collect and assemble data, to make it meaningful it should be as broad and as inclusive as possible so that the end of the work that is done, then it means more than what you get when you deal with smaller samples. But I can put, basically, there will be an increase in the Manitoba sample size in the near future, the results from the reallocation of approximately a third of the national sample of 53,000, which is currently funded by Human Resources Canada and not Statistics Canada.

Human Resources Development Canada requires regional unemployment statistics for employment insurance purposes. An increase of several hundred households is expected to be added to the current 3,800 households, and I would hope this would help the overall problem that is being developed. So it appears as if there are some positive signs as it relates to the gathering of data and the sample size which will come from Human Resources Canada and not Statistics Canada, so the information will be gathered. It is a matter of coming from a different government pot, I

guess one would say. So I do not disagree with the member in the fact that the broader the sample, if that is what he is saying, the better we would be. I am indicating to him that it appears there will be some improvement in this whole area.

Mr. Sale: Mr. Chairperson, the sample size is certainly an issue and I agree with the minister in that. I think that there was some concern about the methodology of seasonal adjustment, as to whether the methodology was producing the kind of robust results that you would want to have, and I do not know whether there is now a feeling that they have a better picture. Certainly in the last few months, there still continues to be fairly large month-to-month variations in the actual, and they are larger than you would expect in a province of this size. So I am not yet convinced that the process is stable, and I am not entering into a discussion about the good job results we have had in the last little while. I am pleased by that, the minister is pleased by that, all Manitobans are pleased, but the numbers behind them, I still worry when we have bumps up and down of 6,000 or 7,000 in a month where there is no discernable reason for that. I worry about the underlying numbers. So it is not just a sample size issue, I do not think, but that is what I was hoping we might try and find out from Mr. Falk as to what his technical sense is of what is the problem here and what measures are being taken by the government to try and encourage Statistics Canada to make it a more useful policy tool.

Mr. Downey: I hope the member did not misunderstand me. I anticipate that the sample size will increase. If there are some more issues of a technical nature, I will have no difficulty in asking Mr. Falk to further discuss or relay that information to him as to what concerns or improvements. If the member has some areas that he believes can help the improvement of the collection of the system, I would be prepared to hear him out.

* (1550)

Mr. Sale: Mr. Chairperson, I claim absolutely no knowledge in the area of statistics. I have a great deal of difficulty interpreting statistics without somebody on hand to help, so I am not suggesting I know what we ought to do. I just think as people charged with the responsibility for trying to figure out policy direction,

we need numbers that work better than the numbers we have had over the last several years. I was interested in what measures the government was proposing to Stats Canada, if any, or what measures Stats Canada was proposing that would strengthen the reliability and validity of the numbers that they give us which are very important to all of us. That was the issue I wanted to discuss.

Mr. Downey: I am told by the department that basically the volatility is pretty much directly related to the sample size.

The Acting Chairperson (Mr. McAlpine): Item 10.1. Administration and Finance (f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$592,900—pass; (2) Other Expenditures \$173,900—pass; (3) Less: Recoverable from other appropriations (\$60,000)—pass.

10.1.(g) Grant Assistance - Manitoba Horse Racing Commission \$176,100.

Mr. Sale: Mr. Chairperson, what is the rationale for continuing this grant in light of the substantial change in the levy last year, the very generous treatment that is given to the video terminals, the VLTs, which is unprecedented in Manitoba? The Jockey Club has by far the best deal, far better than any hotelier does in Manitoba, and yet we are still directly granting funds as well as granting all of the revenues from the parimutuel levy and continue to be force-feeding this industry. What is the rationale?

Mr. Downey: Basically, Mr. Chairman, I think I could spend considerable time going back over the record of the track and the industry and the difficulties that they have faced and the debt that is still incurred by the track, and the fact that we have a group of—basically a lot of volunteer people who are continuing carrying on the work of the Jockey Club.

Again, I do not disagree with the member. I think there has been a generous proposal put forward under the VLT program with the industry. I think at this particular time that it is appearing to come back to a relatively healthy state. We are also doing some work with the harness people. I do not say that there is not

going to be a time when this whole issue has to be reviewed and an assessment made as to what the status is and to the participation by the province and the percentage of the VLTs.

In addition to this is to support the Horse Racing Commission's administrative costs, because they do look after more than the track. They are also charged with the western circuit, the Great Western Circuit and other activities, and it is felt that there is a responsibility for the department to continue to support this. Basically, that is it. As I said, I think as we move down the road—

An Honourable Member: Down the track.

Mr. Downey: Down the track, that is right—have to sharpen up here. As we move around the track, we will—no, I think it is a fair comment and a fair assessment that we will have to take a look at where we are with it.

Mr. Sale: Mr. Chairperson, in our debate last year about the act, which was an act we supported—and I think it is a good measure; it makes sense—we suggested strongly that there would be a specific commitment to a date for that process. We suggested a sunset clause. Is the minister now suggesting that he is agreeing with the principle, that there should be a specific date? Would the minister commit to some date two, three years from now in which there would be some kind of significant review of the costs and benefits of continuing with this arrangement?

Mr. Downey: Mr. Chairman, I think I am a fairly practical person. I think there are enough other people out there that are interested in what is going on that I will do it whenever it is felt to be necessary to discuss it with my colleagues and with the industry to see if there is any ability to change it. I guess the good news is we have seen the industry stabilize. We have also seen the harness people get some additional support to carry out an extended meet, and that, I think, is important. Again, the question comes back to one of fairness, and that is, I think, what the member is raising.

Mr. Sale: Perhaps he can recommend it to the new government at some appropriate point in the future—pass this area.

The Acting Chairperson (Mr. McAlpine): Item 10.1. Administration and Finance (g) Grant Assistance - Manitoba Horse Racing Commission \$176,100—pass.

Item 10.2. Business Services (a) Industry Development - Consulting Services (1) Salaries and Employee Benefits \$2,113,500.

Mr. Sale: Mr. Chairperson, this is one of the areas where the numbers of staff are very puzzling, and I referred to this in my opening comments. In last year's book for '96-97, on page 25, the staff years are shown as 29, total Salaries and Employment Benefits 29 staff years. In this year, the '96-97 is restated to 35. The new year is 33.2, which would lead a casual reader to think there had been a reduction in staff in this area, whereas it appears in fact that there is a substantial increase in the area. Could the minister shed some light on that, first of all, just that specific issue?

Mr. Downey: Basically what we are trying to do after the reorganization is to reconcile the numbers so that basically we are comparing what we currently have this year with the reorganization as to what it would have been last year with the same kind of organization that we now have this year. I even surprised myself on that one, Mr. Chairman.

Mr. Sale: I think, Mr. Chairperson, that was one of those circles that we just got ourselves around without figuring out why we did it.

I understand the principle of restatement, but in last year's there were notes about an increase of four SYs that reflects a transfer position between operation units to perform new, different functions, et cetera. There are three notes last year which explain some changes. This year, there is absolutely no reference to changes in the staff numbers. I question the appropriateness of restating last year so that it is significantly different. It is different by 10 SYs in fact—sorry, six SYs, a different 10 from the year prior to that—without any explanatory note that would make it clear as to what functions have been transferred in. Surely, there are not just one or two people. There must be a number in this department which were moved in over the last year, but there is no explanation of it.

I would just say to the minister, I think that, if he were reading this in the role of somebody in opposition and he saw something which looked like a decline but, in fact, when he went back and looked at the year before it is a sharp increase, you would begin to wonder whether all the peas were moving under all the pods or just what was going on here. So I accept the explanation that things have been restated, but I think there must be a little more, that the race course must be a little longer than that just particular circle.

What functions have moved away from this department or moved into this department, I guess—and keep my books right—have moved into this department that were not there last year reflecting this change of, well, initially six SYs for last year and now reduced by two for this year? So what functions have moved?

* (1600)

Mr. Downey: I guess, Mr. Chairman, the concern that we had was to make sure that we are truly reflecting the comparative numbers this year as to what they would have been last year under the same basis. That has not changed. Let us just see if there is any further explanation.

I hope this is helpful. I know you are asking for some specific shifts that have taken place. I can tell you that comparable to last year, if this picture were presented last year, we would be down two employees in this section. So we would be two less in this section if we used the same comparative numbers as we had last year, system, sorry, structure. I guess the question is that there have been certain people moved in different directions to accommodate the reorganization. Some people, for example, may have gone to Administrative Services; others may have gone to—I am just using this as an example—Trade or to other areas. This is what the net result of the changes will be that there will be two less people in this particular area.

There is an example of which we have one individual who is our provincial representative working to develop economic activities for the Pan-American Games, for example. That is one that is gone from, then shifted into that area. Those are the kinds of things that have taken place. Really what it is trying to do, and I said this at the outset in my introductory comments, or if I

did not I said it afterwards, is to develop the team approach so that we do not have such a silo or stovepipe approach to the operation of the industrial development section of the department. I think it is a little confusing this year, but next year, given there is not any more reorganizations, and I do not plan on any, that we would be able to judge against a 33.21 staff years that we have. It basically follows on the recommendations of the Price Waterhouse report, individuals that we were dealing within the department and the organizational style that is being developed under the current administration.

Mr. Sale: Let me try and see if I understand this. First of all, my starting point was last year's supplementary information. Is the minister saying that sometime during '96-97 the 29 people who were shown there were actually augmented by some seven people during that year, or six people, bringing it up to 35 staff during that year? So some functions were added, staff were added and then this year you are going to remove two of those to do something else. So this really took place during '96-97 as the reorganization took place.

Mr. Downey: Basically, I will try again, Mr. Chairman. I apologize for the confusion, but the 29 were made up of basically last year—you are talking about last year, the 29 were made up of Manitoba Trade activities and the Industrial Development sector. Manitoba Trade has been broken off of that unit to operate as Manitoba Trade, which we will get to under this year's. What was further done in the reorganization, there were additional positions brought into the Industrial Development sector which took us up to 33.2. They came from the former Strategic Initiatives section, so that took us up to the 33.21.

Mr. Sale: I assume it took you up to the 35.21, and then you are going to lose two this year.

Mr. Downey: I would assume that is correct. Yes.

Mr. Sale: If I could just make the point, I think these are really useful documents. I know that we are one of the few—maybe we are the only one—but I know we are one of the few provinces that do these. They are very good, and they are very useful. I think they are made more so that, if there is a change like that, there is just a note that says—and by the way, as the minister, I am

sure, is aware, this same question goes through all of these areas because you changed them all, but when you change a prior year's presentation without a note, it is very confusing because it is unclear what is happening. So maybe in future, if there is a future change which the minister hopes there will not be and probably his staff does too, it would be really helpful if as a matter of sort of protocol, where you are restating previous years, that would be stated.

Mr. Downey: I appreciate the member's comments. I do not want to further confuse the issue. I should just fold and pass it, but on page 27 there is a note that speaks to it. That is under 10-2A, page 27 of the blue supplement book. There is a footnote, and if that is not explanation enough, I will ask the department to make sure they make a more clarifying note the next year.

Mr. Sale: I appreciate the minister's point, but the note is not attached to the staff numbers in the first place, and it does not refer to the restatement of the prior year. All it does is explain the change this year; it does not say 1996-97 numbers were restated from last year of 29 to 35 in order to reflect reorganization that took place during the year: During 1997-98 further changes will take place resulting in . . . , et cetera. I appreciate pointing out the note. I saw the note before. It did not cover the case.

Mr. Downey: Maybe I should have rested my case before.

Mr. Sale: I am still confused by the discussion we had the other day versus the notes that are here. We talked the other day about the five sectoral initiatives of aerospace, health, agri-food, et cetera. Those words are not used in terms of Industry Development - Consulting Services' branches, objectives, identity, in a specific way. Now a couple of them are mentioned. Health research, for example, is mentioned in here, but the notion of the five areas is not mentioned, yet the minister said they were still intact as areas of priority. I am not sure that I see where that is, if indeed they are still intact. It is not clear.

Mr. Downey: Basically, the major initiatives are still there, Mr. Chairman, referred to as the strategic initiatives. They are also broadened, to some degree, to include a little bit more of other industries that we felt

should have been at least brought under that umbrella. So it is not a matter of major change. It is a matter of probably broadening the scope to some degree of each and every one of those strategic initiatives. That is basically what we are doing. The whole area is broadened.

We talk about more core manufacturing sectors, including textiles and clothing, furniture, electronics, plastics, metal and machinery manufacturing. So it is a little more inclusive, I guess, as it relates to the detail that we have given in our explanation this year. It is really a broadening of the responsibilities on paper and in practice.

Mr. Sale: Mr. Chairperson, is that not though exactly the concern that Price Waterhouse raised, that if you try to cover the waterfront, you are too thin; on the other hand, if you focus on areas that are not high payoff areas, then you waste your resources? It seems to me that Price Waterhouse was making a strong case for a more strategic use of resources, rather than an industry-specific use of resources. I am puzzled by this.

* (1610)

Mr. Downey: I do not want to try and figure out the puzzle, but I want to express to the member that basically what the Price Waterhouse report had said is that we had locked our resources too specifically and too focused. The member does not agree with what I am saying.

Mr. Sale: Yes, I do.

Mr. Downey: You agree with what I am saying, okay. You agree with what I am saying, mark that one down, too. What we are doing is making the availability of the resources more flexible, so that we are not tied specifically. We are doing exactly the opposite to what I am being accused of doing.

Each of this industrial development area now has a more flexible way of dealing with other industrial development as it relates to it, that one individual and one staff group are not always—if there are aerospace initiatives to deal with, fine, that is what they are doing—but if there are other transportation issues as it relates to buses or something else, they have expertise

in that area, then they are flexible to be used in that area. We do not bring in a whole new team that would run shoulder to shoulder with those individuals dealing with, again, aerospace, truck transportation, Winnipeg, the whole movement of goods and services. That is basically a broader industry than just aerospace.

There are a lot of relationships in the other area. I use Winnipeg as an example where you have the coming together of rail, road, aerospace, the whole business. You would not want three separate groups coming out of the Department of Industry, Trade and Tourism. You want a team of people that have the capabilities, and you want to be able to apply the resources in a broader context. I hope that is somewhat more explanatory.

Another example that I will use is in the health care industry and agri-food. There are certain things, particularly as it relates to certain production in agriculture. Whether it is PMU or the egg industry, a lot of it is used or has potential to be used in the medical field, that you have a team of people that is able to deal with these industries in a broader context, rather than just narrowly focused and again walking shoulder to shoulder on individual departmental authorities.

Mr. Sale: I understand the minister's explanation. I think what I found confusing was his initial assertion that the five areas were still intact, but you have added to them. The problem with that statement for me is that the five areas used to have all of the people, or most of the people, currently listed in this branch under those areas. They were fully involved in aerospace, the aerospace team was fully involved. The health team was fully involved under—I still do not know what Mr. Lilley's first name is, or Ms. Lilley's first name is. What is it?

Mr. Downey: Nigel.

Mr. Sale: Nigel. Thank you. Okay, they were involved under Nigel Lilley's direction.

Now you have got the same staff trying to get into a new organizational culture, and you do not want to lose the stuff you had but you have got to change, so this is a hard process. What resources have been used this

year to give the staff, who were formerly, as you said—the minister's word has been silos, steel silos, narrow-focus areas. What training and support has been given to help staff to become more adept at a broader range of consulting and bringing resources to bear on the broader range of opportunities? This is not an easy job, as the minister, I am sure, knows. You are trying to change a culture of a major branch and change the human resources and skills of that branch. So what has been done to make that happen?

Mr. Downey: I appreciate the issues that are raised, and it is true. I think there has been a culture that has to be changed. I will be the first one to admit that, that there have been—

Mr. Sale: This year.

Mr. Downey: Did I not admit it last year? Well, we were working on it.

Mr. Sale: I am sure it was an oversight.

Mr. Downey: It could have been. The point is that what we are doing, and I say that and I said it earlier in my Estimates, the team approach of which people are working in a little broader area than they would have normally, and I will not repeat the transportation example, but to me that is a good one. Yes, there are people that need a little more training or maybe need some more training, but I can tell you under the leadership and the administrative staff we have now, that is recognized. If there is more staff training that is required, more counselling needed to be done, then we are prepared to do that. You are going to say, well, where is the money to do it? Well, it does not take a lot of money. I think it takes a little time in working with them.

I can also tell you that the management team system, I think, is being reasonably well—and I am saying this from my own observation and from my discussions with my senior people, that the observation is that there is a cohesiveness within the Department of Industry, Trade and Tourism, and people who have consulting capabilities in one area certainly are transferrable to other jurisdictions. They just do not have to sit with one, again, narrow focus as to what their responsibilities are. So I am comfortable that the

system is working. It is improving, and the morale within the department, I would say, is considerably better than when we went through the discussions a year ago, and I am comfortable.

Again, let us measure this, let us look at the results, let us look at the unemployment numbers, let us look at the new businesses and the activities that are coming into the province, let us look at all the expansions of companies. The department, I am not going to stand up and say the department, we did it all. I am going to say, though, we have been very supportive. When we look at Manitoba Trade, we look at the activities that are ongoing there, they are very, very busy. We look at the Industry Development sector. We look at the expansion of the Flyer bus company. We look at Motor Coach Industries. We look at all of those areas.

We have had departmental people who have been fully involved in discussions and working with them. Aerospace, the same thing, we have got people who are involved in the aerospace industry and Winnport industry. So transportation is a very big part of the overall initiatives of the department. The manufacturing sector, whether it is in farm machinery, furniture, windows, there have been a lot of activities going on. So I will go back and say to the member the results of what we are getting within the province, I am not tying it totally to standing up and pounding on my chest that it was I, T and T did it. I like to be a little modest the odd time, but my legislative assistant likes to take credit once in a while, too. He does a fine job and as long as he is the Chairman of this committee, he cannot comment back, you see. I have got his hands tied, but he does not have to recognize me if I get too out of line. But the bottom line is, Mr. Chairman, I think that it is working.

Mr. Sale: Well, I think that the minister makes a hopeful case that the department is on a good trajectory, and I hope it is too. I am glad if that is what is happening, and I am certainly glad to hear that he feels that it is better than it was last year. I know there was great concern among many of his staff last year, and I am glad that is being addressed.

I want to ask some questions about Manitoba Trade, particularly the Manitoba Trading Corporation. I do

not mind much where I ask it. I am not entirely clear the way the restructuring has gone on. Manitoba Trade is under Rod Sprange. Industry Development is under Mr. Cormack, but Industry Development has a responsibility for trade and global markets. So give me some guidance, Mr. Chairperson, where should we be discussing Manitoba Trade? I cannot see where else to do it. My first question is exactly that. I am not clear where else it would have been discussed, and yet it is a major branch of the department with an assistant deputy minister. So is there another place in the Estimates?

* (1620)

Mr. Downey: I have Mr. Jim Kilgour, who is here and if we were to move to Financial Services, then I can get Mr. Sprange, who will be here to deal with Manitoba Trade. So if we could go to Financial Services, then we could deal with that at this particular time, if the critic is in agreement.

Mr. Sale: Sure, that is fine.

The Acting Chairperson (Mr. McAlpine): Item 10.2.(a) Industry Development - Consulting Services (1) Salaries and Employee Benefits \$2,113,500.

Mr. Sale: Where are you now, sorry, 2.(b)?

The Acting Chairperson (Mr. McAlpine): No, 10.2. (a) Industry Development - Consulting Services (1) Salaries and Employee Benefits \$2,113,500. That is where we—

Mr. Downey: Financial Services come in the preamble prior to that.

I did not necessarily say pass on to it. It actually comes, if you go to the book, the Estimates book that has been tabled, page 87, in the line-up of activities. We are now at Financial Services, and then we go to Manitoba Trade, then Telecommunications Marketing and Industrial Technology Centre. So that is where Financial Services come within the tabled Estimates book.

Mr. Sale: Which is 10.2 (b).

Mr. Downey: That is correct.

Mr. Sale: Mr. Chairperson, I may be in a momentary low here, but I have a great number of questions under 10.2.(b) under MIOP, Pine Falls, Vision Capital, et cetera. So I am prepared to move on 10.2.(a) if we can agree that we will talk about trade later. Is that what the minister is saying? Maybe my brain is—

Mr. Downey: Yes, we can deal with trade at that time, Mr. Chairman. I could deal with it now, but I will have staff here in a few minutes.

The Acting Chairperson (Mr. McAlpine): So is there agreement of the committee to move on from passing 10.2.(a) Industry Development - Consulting Services (1) Salaries and Employee Benefits \$2,113,500—pass; (2) Other Expenditures \$808,300—pass; (3) Health Research Infrastructure Initiative \$500,000.

Mr. Sale: Whoa. I am having trouble following the (2)—

An Honourable Member: It is under the same page.

The Acting Chairperson (Mr. McAlpine): With the committee's agreement, we will proceed.

10.2.(a) Industry Development - Consulting Services
(3) Health Research Infrastructure Initiative \$500,000.

Mr. Sale: This gets us back into the question which we have not entirely left, and that is: Could the minister indicate what are the current initiatives, what is the staff, what are the resources associated with this initiative at the present time, given the restructuring?

Mr. Downey: Mr. Chairman, the number we are talking about here is the Health Research Infrastructure Initiative. We have, for some time, been in discussion with the St. Boniface Research Centre as to how we could be more supportive in the overall growth and development of the research activities. The member is aware that about six weeks ago the federal government and the province announced an initiative where we talked about \$110-million initiative, the federal government and provincial government. We included in that our portion of the announcement, the \$500,000 that will be made available to the St. Boniface General Hospital Research Centre to help pay for some of the administrative costs while they are out working to

encourage research monies to come to the province in the pharmaceutical industry, from the overall health care field, to advance their centre for greater research activities.

It is a pilot project at this particular time and will be looked at by other jurisdictions, but basically it is a commitment from the Province of Manitoba to further enhance the health research that is taking place at the St. Boniface Hospital, and that is what the \$500,000 grant is for.

Mr. Sale: So, Mr. Chairperson, in this case, infrastructure does not really refer to imaging equipment or lab equipment. It is the administrative costs of trying to promote the gaining of more research expertise grants, funding, et cetera.

Mr. Downey: That is correct, Mr. Chair.

Mr. Sale: Okay, thank you.

The Acting Chairperson (Mr. McAlpine): 10.2.(a)(3) Health Research Infrastructure Initiative \$500,000—pass; (4) Manitoba Centres of Excellence Fund \$367,000—pass; (5) Grants \$16,900—pass.

10.2.(b) Financial Services (1) Salaries and Employee Benefits \$749,100.

Mr. Sale: Mr. Chairperson, could the minister just detail for the committee the process. I think he has wound together MIOP and MIRI at this point. Could he indicate the rationale for that, the effect of that, just give us some background.

* (1630)

Mr. Downey: Mr. Chairman, I guess one of the reasons was to try to reduce some of what could be seen as confusion in the public's mind or in companies that were in fact interested in programs within the department. We sometimes get too broad a spectrum of numbers of programs that people can see within government and apply for. I guess it also has something to do with not a total policy shift, but more of a shift towards—the MIRI program pretty much was an interest or forgivable loan program which in a lot of cases one can see what has taken place in other

jurisdictions where they are starting to reduce or eliminate them, maybe more perceived than real in some cases. But the Internal Trade Agreement had some influence on it as to how we applied a program such as MIRI.

But the short answer probably is to lessen the confusion within the industries that were coming to the province for support. At the same time though, Mr. Chairman, I can indicate to the member that within the Manitoba Industrial Opportunity Program a little more flexibility as it relates to the application of that program so that it is not strictly a loan program without any ability to adjust interest or to make it flexible.

So really in the amalgamation of the two programs we now have one MIOP program, Manitoba Industrial Opportunity Program, that is in fact a little more flexible than previous programs. So the amalgamation of the two I think is helpful for the departmental people when they are going out, that you are talking basically one program. It is important for people who are talking to us that it is one program, and although there are the terms that can be a little more flexible, they are not, to put it very bluntly, quite as generous.

There are some areas though, and I think this is important to put on the record as well, that a lot of the decisions are made particularly in some industries that we are seeing developed, particularly when it comes to, I am going to use this as an example, the call centre industries where we have a quick ramp-up of jobs and a payback to the province, if there is a forgivable loan as part of it, in less than two years. That is through taxes. We have looked at it fairly pragmatically, that if there is an investment made by government, certain industries, and I say the call centre industry particularly—the member may criticize the type of jobs they are. I think they are good jobs and they ramp up very quickly. So you get a lot of people on the payroll quickly, and the payback to the province in general terms as far as taxes is very good. So that is really the reasoning behind it, and the member may have some further questions on it. If he does, I will try to explain them.

Mr. Sale: I thank the minister for the explanation. My understanding is that basically now the province more or less customizes each grant or loan or forgivable loan

or partially forgivable loan. The two programs are one, and so there is more flexibility, which can be a good thing. It can also be something that can be abused, but my understanding is that is the point, to have one program. You determine in each case what the terms are, how forgivable, what the interest rate is, if it is over prime or whatever. I understand that.

Has the minister a list that he could table with the committee of the current MIRI, MIOP loans agreements and their current status in terms of whether they are on target, above, below, forgiven, not forgiven?

Mr. Downey: Mr. Chairman, I think I have done that in previous years. Again, the only question that I have as it relates to the confidentiality of a business and how it may impact on them in a competitive way, I would have to take a few minutes to determine whether or not there is any reason why I could not provide the information.

It is a good point that some of them may not have been formally announced, to which it would be premature to disclose them at this particular time, but I have no difficulty in disclosing the loans and who they are made to as far as the province is concerned. So that information I will undertake to get, and I can—I know one, I can go through a couple of them I know have been announced.

One of them is Isobord, which the member is familiar with, a \$15-million repayable MIOP loan.

Mr. Sale: Mr. Chairperson, I do not want to stop the minister, but if they could simply—all we are asking for, we are not asking for anything that would hurt a company. Certainly, that is not our intent. We would simply like to see what the loan is, what its terms are, and whether the company has performed according to the agreement.

Previous years, for example, the minister tabled Palliser, one, two, and three. It was the amount, the number of jobs that were to be created, the number that were actually created. In most cases, I think they over created in terms of jobs. It was simply a list, and I have always been puzzled why that list is not in the annual report when there are four pages of grants to organizations, large and small grants. Yet MIOP and

MIRI do not seem to be in here, and maybe I am just missing them again, but there is no ongoing list in each case.

Mr. Downey: Two points, Mr. Chairman. He mentioned the company Palliser. For example, the last Palliser loan, even though it was approved, they did not take advantage of it. There are some that go through the process, are approved, and for one reason or another do not proceed. They decide to do other arrangements or change their plans. That is why it is a little unfair to just table them. I think what it would be important to do is give the information to the member as to the ones that we know are absolutely tabled and are proceeding with, and all the information that he has asked for as it relates to those loans. I do not think we have any in trouble that I am aware of, but I will further confirm that.

Another point that I wanted to make was the information I think is also available in the Manitoba Development Corporation annual report, which may be helpful to the member as well, so I am not trying to say the information is not available. He realizes the sensitivity, and I am prepared to accommodate him.

Mr. Sale: I thank the minister. Just so that I am clear, we are asking for the current outstanding agreements. Some may have been entered into this year; some may still be running because they are longer term. For example, the Faneuil agreement, I think, goes to 2000 or 1999. I am not sure which it is—2000, I think. If that is clear, that is what we are asking for.

Mr. Downey: I will do what I can to get him the information, Mr. Chairman.

Mr. Sale: Mr. Chairperson, I wanted to talk about or to ask questions about the Faneuil issue in relation to Manitoba. Now I am not sure, it relates to the Manitoba Trading Corporation, but it also, I am sure, is mostly administered by Mr. Kilgour. So I do not mind where we do this. We can wait for Mr. Sprange or—

Mr. Downey: Do it right now.

Mr. Sale: Okay. Mr. Chairperson, when the government privatized the phone system—we will not have that debate again, but clearly we differed on our

views of the wisdom of doing that—the company took with it the agreements with Manitoba Trade and the Faneuil corporation.

The rationale for entering into the Manitoba Trading Corporation role, as I understood it when the minister explained it in the first place, was to shield Manitoba ratepayers from the potential risk of failure of the enterprise which would, if Manitoba Trading were not there, fall entirely on Manitoba Telephone System, so the rationale that was given at the time for Manitoba Trading's role was to lessen the risk to Manitoba Telephone System by having the province essentially accept the \$16-million subordinated debenture from Faneuil.

* (1640)

If Faneuil failed for any reason, then the cost would fall on government shoulders, not on MTS's shoulders. I think there are probably some other reasons too, but that was the reason that it was advanced. Given that we have now said that we do not think we should be in the telecommunication business, why are we still in the business of accepting a risk on behalf of a private telecommunication company? Why did we not restructure the Faneuil agreement at the same time that we sold the company by simply removing trading, transferring the debenture to MTS and transferring the obligations of MTS that were being channelled through trading just in a direct relationship with Faneuil?

It is a business deal. If it is a good business deal, it will succeed. If it is a bad business deal, it will not, but we have somehow seemed to say it is a business deal now for Manitoba Telephone System—Manitoba Telecom rather—to be in the telephone business, but we are still shielding and accepting, on behalf of Manitoba taxpayers, a \$3-million capital subsidy to the Faneuil corporation, plus any risk of failure in relation to that debenture, which has two and a half more years to run. So why do not we get rid of the role for Manitoba Trading in this deal?

Mr. Downey: I guess the member's advancing a position which probably is somewhat more philosophical as to where we should—

Mr. Sale: Not at all.

Mr. Downey: He says, not at all. Basically, the province entered into an agreement to make certain things happen which Faneuil, I think, has done. I do not think there is any problem with the activities. In fact, I think it is doing a reasonably good job—in fact, probably a good job—of meeting the objectives of what it was to meet. We put certain conditions in place so that it had to meet certain job criteria.

I guess if one were to back away from any responsibility, then we could well be backing away from any enforced commitments that were made as it relates to the creation of jobs. So, now, if you were to totally negotiate backing away on one part of an agreement, then it would cause for changes in the other part of the agreement. I guess it is deemed that we are still interested in the overall development of that particular industry and do not see that it is an absolute must to transfer that risk or that responsibility to the new Manitoba Telecom company.

Mr. Sale: Mr. Chairperson, what are the current job guarantee requirements on the part of Faneuil for the current year and where are they in terms of meeting those requirements?

Mr. Downey: The other comment I would make as it relates to why did we not shift the province out of the position of any guarantee is, that was entered into some time before the privatization of MTS and it was considered that we were there for the extent of the agreement, as I said, and also getting commitments made by Faneuil as it relates to jobs. If you were to back out of one part of an agreement, then it would certainly have implications on the assurance of employment levels.

Mr. Chairman, I am told by the department that last August they were to have had 200 employees and they exceeded that. They had something like 250 employees. They are to have 400 by this August, and it is my understanding they currently are in excess of that, in the range of 500 positions hired by the Faneuil group.

Mr. Sale: Mr. Chairperson, not necessarily specifically in Faneuil, but let us use Faneuil as an example, how does the government monitor the actual performance? In the telemarketing area this is quite difficult because

few of the telemarketing jobs, other than the management jobs, are full time. They are part time and they are episodic and there is a very high turnover by comparison with other industries. So what is it, is it a wage payout? Are the books reviewed? Is it a head count? What is the mechanism?

Mr. Downey: First, the member used Faneuil as an example. Well, I will use Faneuil as an example too. We have outside auditors who give us an audited statement as to the numbers of employees that they have. So it is not the province that is doing it, it is an outside audit. A lot of the other companies, some of the other companies that have to have job commitments, we as a department, Industry, Trade and Tourism, do the audit as to the number of employees they have per their commitments.

Mr. Sale: Mr. Chairperson, the number of employees, presumably, that is not quite what the minister means. Presumably he means something about full-time equivalence or payroll levels, because the number of employees is not jobs in the telemarketing industry. We are talking about turnover. We are talking about, many of those shops are part-time shops. People get called in today, they do not get called in tomorrow. Are we saying a job is simply a name on the payroll?

Mr. Downey: No, Mr. Chairman. We are saying a job is a full-time equivalent, is what they have to meet. They have to meet full-time equivalence. If there are three people that would not mean three jobs. It would mean three part-time jobs. We mean full-time equivalents.

Mr. Sale: Mr. Chairperson, what constitutes a full-time equivalent for the department?

Mr. Downey: Depending on the individual agreements, Mr. Chairman, they range from 1,800 to 2,200 hours.

Mr. Sale: Mr. Chairperson, the minister indicated that in some cases there is an external audit and in the other cases this is done by the department staff directly by going in and reviewing payroll records. What is the actual mechanism here?

Mr. Downey: The audit is done by the Manitoba Development Corporation. It is by payroll records.

Mr. Sale: Are the payroll records examined directly, or are the companies simply supplying the information to the government on request, filling in a form or whatever? Is there actually an attest function?

Mr. Downey: Yes, there is an examination done directly on a test basis, and they have copies of the T-4 slips, payroll summaries.

Mr. Sale: The way these are structured, we could move to 3B Vision Capital, if the minister wishes to do that, but we do not want to move past the overall appropriation. No, I am not correct. I beg your pardon. I am not correct because the structure of these is kind of mixed up, and we do have other questions that would fall under the MIRI-MIOP area.

Could we talk about the Isobord loan in this situation? Just to give the minister a bit of background, I have met with Mr. Gall. I appreciated his taking the chance to meet with me. I know how busy he must be and what a demanding project this has been, but I very much appreciated the briefing that he gave me. I have done some reading about strawboard business in the back, in the whole sort of area of the different kinds of resins that are used and the different processes and what the benefits and opportunities are, and so I, generally speaking, think this is a useful, from an environmental and from also obviously just a value-added perspective, a very useful initiative.

I have some concerns about the Isobord loan. First of all, could the minister indicate the exact terms of the \$15-million MIRI loan here?

* (1650)

Mr. Downey: It is a \$15-million loan in total but split into two stages. Stage one involves \$10 million with forgivable interest for 30 months, and stage two involves a MIOP loan of \$5 million with interest at Crown borrowing rate plus two. So the initial \$10 million is a forgivable interest over 30 months, principal repayable, and the \$5 million is Crown plus two.

Mr. Sale: The interest is forgivable for 30 months. When does the principal begin to have to be paid back?

Mr. Downey: I am informed by the department that I think it is three years from the first disbursement, but I will get that for absolute sure, but that is the information the department has provided me with.

Mr. Sale: Has the first disbursement been made?

Mr. Downey: No, Mr. Chairman.

Mr. Sale: Has the overall financial agreement actually been signed at this date?

Mr. Downey: I believe it has. I guess further clarification, when he talks about the overall financial agreement, that is with all the participants that are going to be part of the funding. I understand that it has been, but again we will get confirmation of that. I know that they are proceeding to build the plant, and I understand all the financial partners have agreed. I will double-check as to whether or not everyone has signed on, but I believe that has taken place.

Mr. Sale: Mr. Chairperson, the minister has probably anticipated my concern. My understanding was that construction actually began before the agreement was signed off, and this is not generally an auspicious way to start a project of this scale. So I was concerned that that agreement might not be in place.

Mr. Downey: I am informed by the department that the actual loan agreements, I believe, may have been signed before they started to participate. It was the security agreements that were probably not concluded that the member is referring to.

Mr. Sale: The contracting firm—Stone & Webster, is it—has bonded the project in some form. Is it a fixed-price contract, and is that the nature of the bond? They are not bonding the process; it is my understanding, they are bonding the building of the plant itself, but not the machinery. Am I correct?

Mr. Downey: I am told by the department that that is correct. That is a fixed-price project that they are entered into completing.

Mr. Sale: Mr. Chairperson, could the minister share with the committee where else this product is being produced, strawboard is being produced, using the

approach that is being used here? Where is this technology in use in the world?

Mr. Downey: First of all, this has an interesting history to it, and I guess I am not aware of an exact same project anywhere. However, I do know that there is a strawboard plant at Wahpeton, North Dakota, that is producing product, that is now fully operational. I am not aware of anyone of the magnitude, of the size of this plant anywhere else. I do know that there has been considerable research done on the product that will be produced, in the isocyanides that are used as the binding agent. I know that the environmental work has been done on the product. I know that the finished product that is going to be produced is—I have had some experience in talking to some of the potential takers, in fact, some of the people who have invested, and I think, quite frankly, it is certainly a very top quality product and accomplishes several goals, the first one being that it creates a new product, a tremendous number of jobs and a product in the world where the environment is—continually people are concerned about the environment where we are continually using up our forests and our fibre from our valuable forested lands. That is a replacement product.

Secondly, the member has lived in the Winnipeg area long enough to have suffered the consequences of the tremendous amount of the cereal straw burning in the fall of the year after the farmers have harvested their cereal crops where that burning has caused a tremendous amount of difficulty for the people of the city of Winnipeg and surrounding area who are affected by that straw. Virtually it has been a burning of a raw resource that can in fact and should be turned into a finished product.

So there are a tremendous number of benefits that flow from this project. I can assure the member as well that I am confident that the money that we are investing, when one does a cost-benefit analysis of it, as to what the payback will be in taxes directly without any major return coming back from the business side of it, it is very favourable to the province of Manitoba. So we have some tremendous benefits.

What is the risk factor? I am sure the member would want to ask that, and I think the risk factor is like any business, there is always a risk factor. One cannot deny

that there is not. I think it will be minimal because I think once a plant of that size, that magnitude, and the work that has gone into it is in place, it will be made to work. Profitably, yes, I think the numbers crunched and the work that has been done has well demonstrated that it is a good project. So I think—back to the question—are there other plants. Not of that size, I do not believe, but I do know of one that is smaller and I made reference to the one at Wahpeton, North Dakota, that I am familiar with. There may be others. [interjection] That is correct. I should also indicate that I have been told that there is a patent on the process by the Isobord company.

Mr. Sale: Mr. Chairperson, the plant at Wahpeton essentially uses large baking pans. It is not a continuous process. It is a process of producing individual sheets which are then trimmed to the size out of what is essentially a laminating type of approach. They have had several fires there; one of them reasonably serious; the other two reasonably minor. The plant is running at about 75 percent of designed capacity right now and has never approached 90 percent which was the guarantee of the people supplying the technology to the owner of the Wahpeton plant.

The Wahpeton plant uses a completely different technological approach to straw breaking and the process of the presses that are designed by Bison which, as the minister knows, was in bankruptcy until about a year ago when it was bought out by a German company that has put it back on its feet. This process has never been installed anywhere in the world, to my knowledge, and it has certainly never been shown to work on a continuous process basis. That is not to say it will not work, but I think the risks are much larger than the minister is indicating.

I guess I would ask if when we next convene if we could find out what protection there is for Canada and Manitoba and the \$27 million that we have invested in this project. Where do we stand in the line-up, and what kind of securities do we have for this project? I would also just say that I am never convinced by cost-benefit analyses that say that taxes coming back to government pay for something. That makes that rest on the assumption that the people who pay those taxes have no other needs. They are not customers of the

health system. They are not customers of the education system. They do not use our roads. So I think that is not a sound basis on which to do any kind of analysis of value.

The Acting Chairperson (Mr. McAlpine): Order, please. The hour being 5 p.m., time for private members' hour. Committee rise.

STATUS OF WOMEN

The Acting Chairperson (Mr. Jack Penner): Would the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates for the Status of Women. Would the minister's staff please enter the Chamber.

We are on 22.1.(a) Manitoba Women's Advisory Council (1) Salaries and Employee Benefits \$161,200.

Hon. Rosemary Vodrey (Minister responsible for the Status of Women): Just before we continue with the questioning, I just had a couple of pieces of information I would like to provide to the member and would like to table.

First of all, there were some answers to questions which were raised during concurrence last year. I have those answers—

The Acting Chairperson (Mr. Penner): I am wondering whether the honourable members in the loge would be able to conduct their city council meeting outside of the Chamber.

An Honourable Member: Absolutely. Outside. I apologize, Mr. Chairman. We forgot where we were.

The Acting Chairperson (Mr. Penner): And those three gentlemen to my right, if they would conduct their meeting outside the Chamber, I would appreciate that. Maybe then we could hear the proceedings. Thank you very kindly. You may proceed, Madam Minister.

Mrs. Vodrey: As I was saying to the member, there were a series of questions which were posed during concurrence last year. I have the answers to those questions. I have them, and I am prepared to table

them rather than read the details into the records in the interest of time, if the member would find that helpful.

Yesterday, during the opening remarks of Estimates, the member asked for some of the statistics that I have used in speaking regarding the effects of physical fitness and recreation on young women. I have for her today just some of the quotes and statements that I have made regarding the program Take The Challenge, and I will table that for her interest today as well.

With that, I am prepared to proceed with questioning under the agreement that we had yesterday in an attempt to deal with the questions in a comprehensive way.

Ms. Diane McGifford (Osborne): Thank you, Mr. Chair, for the silence in the Chamber, too, and thank you to the minister for that material. I will look forward to reading it.

Actually, I have some questions that are perhaps more relevant to the advisory council and some questions that are more relevant to the Women's Directorate, then some general questions. I am willing to ask them in any order. I wonder if the minister would like to tell me the order in which she would like those questions asked.

Mrs. Vodrey: We have with us at the table today the staff members from the Women's Directorate whom I introduced yesterday. We also have at the table today the chairperson of the advisory council for the Status of Women, whom I would like to introduce, Sandy Hasenack, and also the executive director of the advisory council, Sue Barnsley, at the table as well. So I am prepared to take the questions in the order the member has them.

Ms. McGifford: To begin with, I noticed that the Status of Women's budget is down this year by \$13,000. If I go back several years, I notice that if we took—and I am taking this year quite arbitrarily—1992-93 and compare 1997-98, the budget for the Status of Women is down by \$30,000. Of course, that is not taking into consideration the impacts and effects of inflation. I wonder if the minister would like to comment on this kind of decrease and the ways in which it is impacting the work of the Status of Women.

* (1430)

Mrs. Vodrey: All parts of government have had some very difficult decisions to make over the past few years in an effort to preserve a proportion of the budget to the major areas of health, education and services to families. So the Status of Women has also done its part in terms of looking at its budget to determine where, in fact, some changes could be made, but changes which would not be a detriment in any way to the work that is done.

The changes that have taken place, I can tell the member that staff have not been removed from any programs, that we have in fact made a much stronger use of technological support, so there has been some reduction in the administrative support area and that would account for some of the changes over the past years.

Ms. McGifford: If I look at a five-year history of staffing, from '93-94 to '97-98, now the number of staff have reduced. I am assuming, then, the minister is saying that it has not had an impact because the staff reductions have been such that technological developments have been able to atone for those reductions.

Mrs. Vodrey: I understand also, another of the changes, the numbers that the member refers to as staff years also included some staff years for seniors. There was then a change where the staff then moved and worked specifically only with the Seniors Directorate, so it was reflected as a change within our numbers, but in fact I am informed that we have not reduced staff in the area of programming, but that there has been some reduction in administrative staff due to the technological supports available.

Ms. McGifford: I know yesterday when the minister spoke, she mentioned Shaking the Tree in her introductory remarks which, of course, was the meeting, conference or workshops—I am not quite sure exactly how we should describe it—which took place on International Women's Day. My understanding was that there was a cost to attend that event and that the cost, I believe it was \$35, if my memory serves me correctly.

I think the minister knows that I consider a cost, because of things that we have said in the House, for an International Women's Day event to be wrong because the effect is exclusionary and a reduction of accessibility, not to mention, of course, that this particular conference took place on a working day during working hours. So I would like to ask the minister whether the cost for the event was to cover expenses, was there any money made on this event?

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

Mrs. Vodrey: This cost, in terms of registration cost, simply covered the cost of expenses. There was not a profit made. I note too that when, I believe it was, the Beijing network held a conference on some other issues about a week or so following, there was also a cost to that too. So that a minor cost is not unusual. Our government felt, first of all, the registration costs were quite reasonable at \$35. They allowed for greater accessibility. They included a light breakfast and lunch, as well as sessions which had both local and national experts on a number of topics and issues. Since we have both the advisory council and the directorate here, I would like to say that the Women's Advisory Council sponsored 27 women to attend that conference, and certainly played an active role to try and meet any requests, or at least some of the requests that came forward for people who may have needed some additional support.

Ms. McGifford: Mr. Chair, I do not think it is quite fair to compare the Beijing event to a government-sponsored event. I do not think the Beijing people have the same kind of resources, and I know as well that at the Beijing conference, and perhaps this was also true at Shaking the Tree, the minister could provide me with the information if it were the case. I know at the Beijing event there is a commitment not to keep anybody away because that person cannot afford to attend.

So what I really wanted to ask the minister is if she would undertake next March, when International Women's Day comes again, to have the major event sponsored by the government, free of charge?

Mrs. Vodrey: Well, I would like to start out by clearing up any impression that any women were turned

away by their inability to meet the registration fee. The advisory council was prepared and able to sponsor 35 women. There were 27 applicants, and so everyone who applied was assisted. There was the ability to assist some women, and there was not an uptake on it.

Secondly, I would like to remind the member that the government celebrations for International Women's Day are, in fact, free of charge. That is an invitation which goes out widely, and those women are invited to attend. There is not a cost at the government celebration. However, government also decided to hold a conference in addition, but on that same day and at a reasonable cost.

We are hopeful that we will be able to hold another conference in approximately two years time. We hold it every two years, and we will look at what the situation is at that time, but at the moment, I can say, Mr. Chair, it does not appear to be unfair or exclusive, because there were efforts made to include the women who wanted to attend.

Ms. McGifford: Well, the minister points out that it was not the government's celebration, so it is just fortuitous, accidental, that it happened to be on International Women's Day? It actually has nothing to do with International Women's Day?

Mrs. Vodrey: No, that is not what I said. What I said was, the government's celebration of International Women's Day, as it was celebrated, I believe, when the member's party was in government, which was a reception, and has been continued by this government as well. That does occur, and that is free of charge. That government celebration of International Women's Day occurs and is free of charge.

But in addition to that and holding it on International Women's Day, we have held a conference focused on issues of importance to women, but that is not the only part of the International Women's Day recognition. There is also the celebration, the free-of-charge reception which has occurred before and continues to occur.

Ms. McGifford: I wonder, I seem to have missed it, was the registration fee for the conference \$35?

Mrs. Vodrey: Yes, it was \$35.

Ms. McGifford: Well, since the conference apparently intended to attract 35 women, which seems to me a very small number, by the way, if those women were not asked to pay at \$35 a shot, really the government would be paying just a little over a thousand dollars, which does not seem to be much to put out for the women of Manitoba.

So I just really do want to reiterate my request that next time there is a conference of this kind that it be underwritten by the government and women not be asked to pay a registration fee.

Mrs. Vodrey: I did not say that the government's intention was to attract 35 women who found the registration difficult to pay. What I said was, there were 35 sponsorships available through the advisory council. There was not an uptake on all 35.

Ms. McGifford: I certainly did misunderstand that piece of information.

I understand from past Estimates and from what the minister said in her introductory remarks that the Women's Advisory Council sometimes and, in fact, this year has met with the public and received public submissions or presentations. I wonder if the minister could tell me what concerns these women have presented to the council in these presentations and what the council has done with these concerns.

* (1440)

Mrs. Vodrey: The advisory council has, in fact, met with the public. They hold a number of opportunities for the public to meet with them, some meetings in which the council has travelled. There have been invitations to people within that community to come and present and express their interests and concerns and also the meetings which occur on sort of a semiregular basis, I believe bimonthly, in which they hold meetings of interest, topics of interest to women, and women have the opportunity to express some of their concerns. In terms of the details of what occurred in those public meetings, I will just get a little bit more detailed information from the council.

Just to continue, the advisory council informs me some of the issues which were raised were child care issues which are, of course, issues of interest to women all across Canada. Then, I understand, in another meeting in Souris there were approximately 15 groups who came and expressed a whole range of issues of interest to women and the community; the sustainability of the environment, issues relating to depression, child care arose again, an interest in the Elizabeth Fry Society, an interest in areas of women's health.

In one issue, a concern around a Pharmacare issue was raised. There was a meeting held in my office with the Minister of Health (Mr. Praznik) following that and a teleconference with the northern woman who raised the issue.

Ms. McGifford: Is there an attempt on the part of the advisory council to meet with women around the province? That is to say, the minister has indicated that the advisory council has been to Souris. Does the advisory council try to get to the North and to all parts of the province?

Mrs. Vodrey: In my opening remarks I did try to give a list of meeting places that the advisory council has met outside of the city of Winnipeg. Some of them, as referenced, were in Souris, Morden, Winkler. There has also been a meeting in Thompson. There was to have been a meeting in Swan River last week, but because of the flood that has been postponed to June 9. There is also a meeting scheduled in Dauphin in September and that will be followed by a meeting in Eastman. With the meeting in Eastman that will have completed the advisory council's goal of meeting in each region of Manitoba and making sure that they have had an opportunity to speak to women and others who have an interest in issues which are important to women.

I know at another time there was a meeting with RCMP representatives. So they are very open to the issues which are of concern to women as well as meeting with women's groups.

Ms. McGifford: So then, if I am understanding the minister correctly, the advisory council attempts, on a yearly basis, to visit each of the four sections or divisions or areas of Manitoba.

Mrs. Vodrey: Mr. Chair, the advisory council has a legislative requirement of at least six meetings. They hold three of those meetings in the city of Winnipeg. They hold three others as outreach meetings. So each individual year, they are not able to reach each region, but they do over a two-year period at least have one meeting in each of the regions of the province.

Ms. McGifford: To return to the question of issues, the minister has cited a number of issues which women brought to the advisory council. The minister mentioned a follow-up meeting on Pharmacare with the Minister of Health (Mr. Praznik). One of the questions I had been asking earlier was: What specifically does the advisory council do with the issues that women present to them? What actions, or indeed are there actions stemming from presentations? I wonder if the minister could give me some information.

Mrs. Vodrey: Mr. Chair, some of the actions do require meetings with ministers. Certainly I had the opportunity to meet with the chair of the advisory council, also to attend a meeting of the advisory council, and that certainly is open to me as minister, to have the issues of interest and concern raised to me so that I am aware of those issues.

I have also facilitated a meeting with the Minister of Health (Mr. Praznik). We dealt with issues relating to women's interests in some health issues, and the one example I gave was raised by a pharmacist in northern Manitoba on a certain issue. So we attempted to deal with that.

At other times, the issues are also raised as part of participation in committees which members of the advisory council sit on, and they are used as another way to input as there is a development of thinking in certain areas. I understand they also participate in the Beijing network as well.

Some of the issues that have been raised were the number of women represented on the regional health authority boards, and I believe that there has been a full answer to that given now to the Beijing network, the Beijing group, which has recently been sent to them. They have looked at some of the women's special health needs and how they will be met under

regionalization. They also were very interested in some issues that relate to women locally but are federal issues, the issue of their interest in the CPP credit splitting, and they made representation to the federal committee. They also were very interested in the issues of the civil justice task force, because the issues of the civil justice side of Justice tend to relate very much to the family law side, so they made a presentation in an attempt to influence what may be done further.

So the advisory council acts. They have an access directly to the minister, and where they request, I will arrange a meeting with another minister involved. They also have the opportunity to speak to committees and to act on the information that they have and believe it is important to put that women's voice.

The advisory council, I am very, very interested in their work, because they are representative of women across the province in quite a range of professional or working backgrounds. So it is an opportunity to gain information from a wide range of women in their own communities.

* (1450)

Ms. McGifford: Mr. Chair, when the minister was talking about the issues, she mentioned the issues women presented to the advisory council. She cited child care issues as a concern, and I am also concerned about child care issues. So I wonder if the minister could tell me what those issues were and what the advisory council has done to help alleviate or discuss those issues or further those issues with this government.

Mrs. Vodrey: In the area of child care, the advisory council had our colleague the MLA for St. Norbert (Mr. Laurendeau), who conducted the review of child care, come to present to them. On the advisory council there are two members who are educators. One is specifically an early childhood educator at St. Boniface College, and another is principal of an elementary school. Those two people from the advisory council have been invited to sit on the Minister of Family Services' review of the child care recommendations, so they have an actual voice into the development that is ongoing at the moment.

Ms. McGifford: Then, if I am understanding the minister correctly, it was not women from a community who met with the advisory council to raise child care issues. It was the member for St. Norbert who made a presentation and therefore caused child care issues to be raised.

Mrs. Vodrey: Mr. Chair, no, that is not the only input. I did reference that women have spoken to the advisory council on this issue. Some of the issues that those women have raised are issues such as a need for flexibility, the issue of flexibility in child care for part-time workers or seasonal workers, so those are some of the issues directly from the community. In addition to that, council met with the Manitoba Child Care Association. The Manitoba Child Care Association presented to them some issues of child care in rural Manitoba as well as in some of the larger centres such as Winnipeg.

Ms. McGifford: I am wondering if any of the women who made presentations to the advisory council cited accessibility as a problem or were concerned about the fact that the number of child care spaces in the province has been frozen.

Mrs. Vodrey: I hesitate to step into the area and defend where my colleague the Minister of Family Services (Mrs. Mitchelson) will have a direct explanation in terms of child care spaces, but I understand our record in the area of child care is, in fact, very good across this country. However, for women, the issue of flexibility is a particularly important issue: how to access the kind of child care that a parent might need if they were, in fact, part-time workers or seasonal workers, students, or whatever.

Just to make sure that there is no question about our child care program, I believe and I am very pleased to state that our government has always recognized the crucial need for a child care program. We have recognized that it does need to be affordable and it does need to be accessible.

My colleague the Minister of Family Services has undertaken a review, a very co-operative review, I am very pleased to say, in order to address some of the issues which have been raised by women in order to make it an even better child care system.

Mr. Chair, I would like to say, I am informed the 1997-98 child care budget has remained the same as that of the 1996-1997 budget, that the children with disabilities program has received additional funding for '97-98, that a thorough review of Manitoba's child daycare regulations, their policies and their systems has begun. The purpose of the review is an important one. It is to simplify and to deregulate and to streamline the administrative processes and provide more flexible child care support for working parents as well as parents in training. That is an issue which the advisory council has raised, as have others; parents who are in training programs.

As I mentioned, the consultation team was chaired by the member for St. Norbert (Mr. Laurendeau), and it has included service users, representatives from various types and models of child care, representatives from member child care associations and government representatives. Now the two members of the advisory council with some background in this work as well as having had the opportunity to hear from women across the province are now participating in the next step which has been set up by the Minister of Family Services (Mrs. Mitchelson). So I would not want to leave any doubt on the record about our government's commitment. Part of that commitment is to make sure that we have ongoing ways to speak to the people of Manitoba.

Ms. McGifford: As the minister knows, there are always at least two opinions on everything, and ours is quite different on this particular issue. But I would like to point out to the minister, the government's record on child care is, at the moment, completely and totally irrelevant. I merely asked if any women who appeared before the advisory council happened to bring up issues or happened to have two concerns: one, accessibility; and secondly, did any women express concern at the number of spaces being frozen? This was not an attack on the government's child care record; I will reserve that for Family Services. I am merely trying to get information about the presentations to the advisory council.

Mrs. Vodrey: I feel it is important to put forward our government's record as a reference point for discussion about what may be heard, and also if there is ever any doubt about our government's commitment, to again put

it forward. In addition to the issues which I have spoken to the member about, the one other one that the advisory council tells me they heard was a transportation issue that came from northern Manitoba. It was Thompson, and the issue there was that as there is not rural bus service. There is a question of how to get children to the daycare program. So those are the issues that I have had presented to me as presented to the advisory council.

Ms. McGifford: In other words, there were no concerns about accessibility; there were no concerns about the number of cases being frozen?

Mrs. Vodrey: I am informed by the advisory council that issues which may be close to the ones the member is speaking about, perhaps not exactly on point to what she is raising, is that the flexibility issue was the issue of great concern, so that there would be some flexibility in terms of time, in terms of, I am presuming, how some of the spaces are used and whether or not there could be some sharing of a space if that was what was required between families.

* (1500)

Ms. McGifford: Another issue that the minister cited was that some of the women who presented to the advisory council were concerned about the number of women on rural health authority boards, and the minister suggested that that had been satisfactorily resolved. I am interested in the way in which it was resolved, and I am also interested since the minister must know about the number of women on rural health authority boards, because I have not been able to get that information.

Mrs. Vodrey: Mr. Chair, what I said to the member was that, where these issues had been raised in actually a meeting which I attended with the Minister of Health (Mr. Praznik) and also with the former chair of the advisory council and also members of the directorate, the issue of women's representation on the regional health authorities was raised. I have recently responded to that letter, and I am happy to give the member the response because I think it is enlightening. This response has, in fact, I understand—or it is certainly available to be spoken about for anyone who has questions.

I understand that to date approximately 30 percent of the make-up of the new RHAs are women, and I think it is important to state that the requirements respecting composition and selection have made the selection of members difficult and challenging, partly because I understand that, first of all, there were more than 500 nominations received from Manitobans interested in serving on the board, and applications for men in some areas certainly outnumbered those of women. But an additional factor in affecting the selection process is that many of the people who are nominated for positions on the RHAs are not eligible to serve because they are currently employed in a health care service or are practising as a health care provider in the region.

The contribution of women to the health services as providers of health care and users of health care has always been, and certainly will continue to be, important to this government. So, if a large number of the women who may have been nominated were in fact involved in health care, it was important to make the point that there are other opportunities for women to get involved in Manitoba's health care reform. Women will have the opportunity to get involved in the health care reform in their region as members of the district health councils and also the provider advisory councils, so that the DHCs, or the district health councils, and the PACs, or provider advisory councils, will then work closely with the RHAs in each region.

Ms. McGifford: If indeed 30 percent of the membership of rural health authority boards is female and 70 percent is male, it would seem to me to be a splendid opportunity for the minister to do some outreach and help to change those figures when appointments are again made. As I understand, appointments will be made, and there will not be elections to these boards. I wonder if this minister is interested and is aiming as part of her work as the Minister for Status of Women to help achieve gender parity on these boards.

(Mrs. Shirley Render, Acting Chairperson, in the Chair)

Mrs. Vodrey: Well, certainly where we have qualified applicants and they are able to then be considered on merit. I know that the Minister of Health has had this issue presented to him, certainly by me as a Minister for

the Status of Women. I know that he is aware of this, and now it is to encourage qualified individuals to be nominated and for those individuals who might be interested but are not able to be qualified because of their work within the health care system to make sure that there is an opportunity for those people to serve on the advisory boards.

Ms. McGifford: Well, I think that the minister and I would agree that not every qualified woman in the province of Manitoba is a health care professional, and in fact there are probably enough qualified women in the province of Manitoba in order to achieve parity on these boards. I cannot believe that there are not. Actually, I find it vaguely insulting to hear this word "qualified" bandied about so frequently.

Mrs. Vodrey: Well, I do not think there is anything wrong with requesting a qualification. That is true in the selection of the judiciary. That is true in the selection of anyone for a position that in fact must be a qualified individual in order to be considered.

However, one of the things that we found and I certainly found as Minister of Justice in looking at women's representation in the judiciary was to encourage women to put forward their applications and apply. So one of the things that we are going to be doing through the Women's Directorate is preparing information on the rural health authorities, distributing that information to women's groups across the province so that women then will understand how the rural health authorities work, what the qualifications are, see themselves as people able to be nominated for that and then decide that they would like to go forward.

My sense is, though I would have to check with the Minister of Health (Mr. Praznik), that there was a lot of interest from women in the first round but that many of those were people who already worked in the health care profession. So the information that we have to get out to women across the province is, here are the kinds of backgrounds or experiences which would qualify you; here is the information. Now begin to consider yourself as someone who might like to be nominated.

So I agree with the member that it does take something active to encourage women to then say, yes, I am willing to apply. Am I qualified to apply? That is

where the word "qualification" comes in, and that is what the information that is going to be distributed by the Women's Directorate will in fact accomplish.

Ms. McGifford: I wanted to suggest to the minister that there is nothing wrong with having qualifications and demanding qualifications. The error is in and the insult is in suggesting that there are not qualified women. I am very pleased to hear about the outreach initiative. It seems to me to be a splendid idea and very much in keeping with the community development outreach idea that I had suggested.

I wonder if the minister—I want to ask a couple of quick questions about the composition of the council. I know from what the minister has told me before that there is an attempt to have the members of the advisory council, the membership of the advisory council representative of the province geographically, ethnically, economically and socially, I am sure. What I am unclear about and wanted to ask the minister was: How is the chair of the advisory council chosen?

Mrs. Vodrey: The chair of the advisory council is the appointment by the minister through Order-in-Council. The person appointed to that position is one where we look for community involvement, where we look for ability to manage a meeting and also to set an agenda, goals and objectives, and to follow through.

Ms. McGifford: What is the duration of the appointment of the chair of the advisory council?

Mrs. Vodrey: The appointment is for three years.

* (1510)

Ms. McGifford: During her opening remarks, the minister mentioned the, I believe, bimonthly meetings which the advisory council conducted on women's issues. I wonder if she could give me a little bit of information and perhaps address issues such as the topics covered, the format of the meeting, who gets an invitation, how many women have been attending.

Mrs. Vodrey: In the handout that I provided to the member just as we began, you will notice, I think it is on page 2 of that handout, that there is listed for the member some of the topics which have been covered at

the bi-monthly meetings, topics such as Nellie McClung, CPP issues in terms of pension splitting, and other topical issues for women, women in technology and so on. The meetings are generally developed in a way that it will serve a need which may have been raised or which has been identified. The meetings are informal. There are usually speakers, there are usually handouts, and in terms of attending, there are information and invitations sent to all of the women's organizations that we communicate with on a regular basis and also some government offices where they may have a particular interest in an issue that is being dealt with on that particular day.

Ms. McGifford: I am wondering if the advisory council plans to continue these meetings and, if so, what some of the topics might be for the forthcoming year.

Mrs. Vodrey: Yes, the council intends to continue the meetings. Three of the topics that I am informed they will be pursuing, one on the 28th of this month is women and technology. Another one being planned is women's nutritional needs and lifestyle, and a third one in the planning is women's financial needs, RRSPs and other financial planning instruments.

Ms. McGifford: I noticed in the most recent edition of About Women that there had been new appointments to the Women's Advisory Council, including a woman named Patricia Flaws, who is described as having a background in business and running her own skills training business, particularly in the area of helping women on social assistance move into the workforce. I have every reason to believe that Patricia Flaws is very qualified to be a member of the council and yet it occurred to me that if she is helping women on social assistance moving into the workforce, then there may be a possibility that she is a nongovernment person who is doing some work for government, that is, helping individuals make the transition from social assistance to the workforce.

With this in mind, on April 2, I wrote to the Minister of Family Services (Mrs. Mitchelson) asking for a list of such persons, that is, nongovernment persons who were doing this work. It seemed to me that if—and I really want to stress if—Ms. Flaws is working as a nongovernment person for government, then she should

not be really advising the government on matters of concern to women because there may possibly be a conflict of interest. The Minister of Family Services has not responded to me, so I do not know whether Ms. Flaws does any work for government. I do want to ask this minister if she will answer the question, that is to say: Does Ms. Flaws do any work for government or government programs related to social assistance?

Mrs. Vodrey: Madam Chair, I understand that Pat Flaws did at one time work as a consultant with Taking Charge!, but I am informed that, to the best of our knowledge, that employment ended six months ago. That particular contract has ended now. If there is anything further then I will certainly look into it. I am not aware of anything at the moment, but it is certainly a point to be examined.

Ms. McGifford: Madam Chair, I thank the minister for her very direct answer to the question. During her opening remarks I believe the minister said, and I may be a little off base here because I have not seen the Hansard from yesterday, but I believe the minister said that at times the advisory council assisted women with individual cases of violence. I wonder if the minister could give me a little bit more information on the ways in which the council might provide this assistance. The reason I am asking—well, maybe the minister could answer.

Mrs. Vodrey: Madam Chair, the way that the council has done this is—I am told that there are literally hundreds of calls which come to the advisory council of women who have some concerns or who are at some level of distress. The advisory council then acts as a referral but, in referring, they do take the time to listen to the issues which are presented by those women and then if there is perhaps some assistance even required, in terms of accessing the appropriate assistance or help, they will also do that.

I think it is well known to people, it certainly happened to me many times as a councillor, that it is sometimes too difficult for someone to pick up the phone and phone the justice system or the formal Family Services. So people do choose to help them, someone where they feel comfortable, and so that has been the role of the advisory council, and they have been able to assist in making the referrals.

Ms. McGifford: So the role is to provide referral and assistance. My concern was, and I did not really think that women at the advisory council were providing counselling, but it did strike me that if that was happening it could be a concern because it would be important for women to relate to people who were fully qualified and trained counsellors and working in the profession, so the minister has alleviated my concern.

I understand that one of the chief activities of the Women's Directorate is to analyze legislation, policies, programs and make recommendations to government and so ensuring, of course, that women's concerns are considered. It really seems to me an absolutely huge job, especially when I consider the numbers of staff. So I wonder how priorities are set. How does the directorate determine what to analyze? For example, does the directorate automatically review all bills, all proposed legislation, with a view to determining the possible effects on women?

Mrs. Vodrey: The directorate develops an annual plan with priorities, the priorities of which I read into the record in my speech yesterday, priorities such as women's economic security, women's education and training, violence against women, women's health—attention to young women in particular—and then with that annual plan they then monitor interdepartmental committees or developments of government in those particular areas. That is how the priorities are set.

* (1520)

Ms. McGifford: The Minister of Consumer and Corporate Affairs (Mr. Radcliffe) said in his Estimates that the Residential Tenancies branch was computerizing its records. I am wondering if the Minister for the Status of Women was asked to give advice through the Women's Directorate on women's safety in this matter.

Mrs. Vodrey: The answer is yes.

Ms. McGifford: Could the minister tell me what advice the Women's Directorate gave to the Minister of Consumer and Corporate Affairs?

Mrs. Vodrey: I understand that the letter was received not that long ago and that the information will be forthcoming to me very shortly, I am hopeful, I understand as soon as this week some of the details to be considered and then consider it with my colleague. So it is common and I believe helpful when other departments do contact the directorate and work with them.

There are a number of issues which again are very difficult to speak about because they are still issues of government which will be brought forward within the next while, but I can tell you that there is consultation, and the directorate certainly does, in my mind, a very, very important job, and I know they work very hard in those areas.

Ms. McGifford: I wonder if the minister could tell me what indirect salary costs are under the Women's Directorate? I note that the Women's Directorate has approximately \$4,000 in that line, and I am not sure what they are.

Mrs. Vodrey: That reflects the two STEP students who have worked with the directorate. We have two STEP students. One is researching women's contribution in politics, and that is for Women's History Month, which ends in October. The other is a STEP student for the summer to address important aspects of girls' socialization. During the months of May and June the student will be visiting middle schools to make presentations to girls with a view of encouraging them to continue their studies in science and math. In addition she will be encouraging them to consider careers not traditionally taken up by young women. She will be outlining careers that will follow study in some of the courses eligible in our Training for Tomorrow Scholarship Awards Program.

The student hired in this area is a creative communications student at Red River Community College. I would just like to mention that creative communications is one of the eligible courses for the Training for Tomorrow Scholarship, so I think that looks like a fairly good match.

Ms. McGifford: I am glad that the minister brought up the scholarships, because I wanted to ask her something about scholarships too. I notice under the Women's

Directorate there is \$50,000 set aside for scholarships. I believe the minister said those scholarships were for \$1,000 each? I understand that the recipients of the scholarship are generally, and maybe I am wrong, but my understanding is they are generally involved in a two-year program. So would that be \$1,000 for each of two years?

Mrs. Vodrey: The total is \$1,000. The scholarship is \$500 each year.

Ms. McGifford: I am assuming the second \$500 is given when a student completes the first year in a manner that suggests merit.

Mrs. Vodrey: Yes, that is correct.

Ms. McGifford: The scholarships are reserved for students who are attending a community college?

Mrs. Vodrey: Yes. These scholarships are focused on students attending community colleges.

Ms. McGifford: The community colleges would be—are there three or four in Manitoba? I know there is Keewatin, Brandon and Red River. I am missing one.

Mrs. Vodrey: Keewatin Community College, Assiniboine Community College and Red River Community College.

Ms. McGifford: Generally speaking, do the recipients of these scholarships, do some of the recipients attend each of these or do they mostly go to one or does it depend on program? I am just wondering about the breakdown.

Mrs. Vodrey: I think I remember the question, the details of the question. It involves students who are attending at each of the three community colleges. It tends to follow population patterns in that the largest number of students or programs for which students may apply are at Red River Community College. I understand that is approximately 70 percent. The remaining 30 percent is then divided between the two other community colleges.

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

Ms. McGifford: Has there been any attempt to follow the careers of the people, the young women who have received these scholarships to see if they have obtained employment?

Mrs. Vodrey: Yes, they are being tracked through the community colleges, and the STEP student this summer, who is working to encourage young women in socialization to go into some of the nontraditional programs, is also following up with those students.

Ms. McGifford: I thank the minister for the information on the scholarships. It seems to me to be an extremely important endeavour to encourage women to become proficient in sciences, both through the community colleges and through universities, so we certainly support that government endeavour.

I notice, Mr. Chair, that the managerial salary in the Women's Directorate has increased by \$9,000 this year, which is over 10 percent. Perhaps I am missing something, but this seems to me quite wrong at a time when the overall budget for the Status of Women is decreasing, when civil servants are basically holding the line and when employees in most areas of the public sector, for example teachers, really are not getting any increases in salary. I wonder how this government justifies that kind of a salary increase.

* (1530)

Mrs. Vodrey: Mr. Chair, just to clarify, the number does make it appear as if it is a significant increase credited to that position. The actual staff year salary increase is 1,100, which is on the merit increase, and the remaining salary dollars reflect a change in the presentation of basic salary costs in that it includes the one-day accrual and also all the merit increments for all staff. It was simply a method of presentation.

Ms. McGifford: I thank the minister for that clarification. One thing that I noticed in examining the numbers in the Women's Directorate is that the number of staff years does not really add up to eight. It adds up to 7.52, which seems to me closer to the 7.5 than it does to eight, and I am not quite sure why it was rounded off to eight.

Mrs. Vodrey: Mr. Chair, I just had to have a look at what the member was referring to. I am sorry for

taking a moment but it, in fact, does add up to eight. There is one managerial, 5.26 professional technical. That .26 refers to 26 weeks out of 52 so it is a half staff year. Then the next is 1.26, which is another one and 26 weeks, so if you add up the two 26 weeks you get to one whole staff year. Then you add up the 5, 6, 7 plus the two 26 weeks, it gets to eight.

Ms. McGifford: So when we see 5.26 that really means five and a half .

Mrs. Vodrey: Yes, that is just the method of presentation.

Ms. McGifford: The remainder of the questions I have do not particularly concern, I do not believe, either the Women's Directorate or the Manitoba Women's Advisory Council, but are more general in nature and more to do with women's issues in general. I have a page from the Civil Service Commission's booklet, Putting Equity to Work, a handbook for managers, and it presents the following information. Perhaps I could cite, it is page 27. It says, female employees are concentrated in administrative support occupations, that is 94 percent, underrepresented in management, administration, corrections, regulatory inspections, material management, resource science, architecture, engineering trades, physical sciences, and thirdly, comprise 69 percent of all term employees.

I am sure that the minister, who I believe is committed to women's equality, is upset by this kind of information as I am, and I want to ask her what her department is doing to encourage equity in the civil service. I am assuming here that her department has been called upon to provide advice and to assist in promoting women, et cetera.

Mrs. Vodrey: Mr. Chair, I can tell the member that we, as a government, are very supportive of women taking decision-making positions within the civil service. In fact, since we took office in 1988, the percentage of women in senior officer and equivalent classification has increased from 17.85 percent to 23.87 percent in 1995, so that is an increase of 28.2 percent. In numerical terms, it means that in 1988, 78 of the total 437 positions were held by women; in 1995, there was a movement for 100 of those positions filled by women, an increase of 22 positions. In 1987, I would

remind the member only 60 of 436 senior positions were filled by women. Just as an example of some of the senior positions, I understand in the civil service, again, 23.87 percent of senior officer and equivalent classifications were held by women in 1994. That is an increase of 6.46 percent from 1984. Number of deputy ministers in 1996 were three women, and assistant deputy ministers in 1996, there were eight women.

In addition to that, I think the member's point is that how do we encourage women and develop women to continue to take some of the more senior decision-making positions. The directorate is working with the Civil Service Commission on a strategy to develop women in executive management and also to look at interchange programs or stewardship programs which then will assist women and, hopefully, help them in developing the skills and also the desire to make application to some of those positions.

Ms. McGifford: Then employment equity is one of the areas that the directorate would see as a priority?

Mrs. Vodrey: Mr. Chair, the answer is yes, and one of the staff people through the directorate is assigned to employment equity.

Ms. McGifford: I wonder if the minister could tell me if her government has ever considered pay equity legislation.

Mrs. Vodrey: Mr. Chair, I understand that there actually has been a fairly wide-scale application across public service in terms of the civil service, health care and education. To my knowledge, if the member is asking about an extension to the private sector, I am not aware of anything in that area at the moment.

* (1540)

Ms. McGifford: I was thinking of the private sector. As well, I wonder if the minister, in her capacity as the Status of Women, has ever urged her government to consider part-time benefits for part-time workers. I mention this because if one looks at the number of women in the province of Manitoba who are working part-time, I believe about half of the total working force of women in the province of Manitoba are working part-time, and, of course, many of these women have

no benefits at all. I am assuming that in some cases they may. I do not have the statistics or figures at my fingertips, but it would seem to me that one way of promoting the status of women is always to put money in their pockets and to provide them with a strong social safety net. I wonder if the minister could comment on the question of part-time benefits for part-time workers. I guess what I mean is benefits for part-time workers.

Mrs. Vodrey: Certainly for the province of Manitoba as an employer, I understand that those benefits are in fact prorated at the moment. I am not aware of any possible changes to The Employment Standards Act which would compel the private sector to do this. I am not aware of that at the moment. I understand, however, that some private sector employers have on their own, without legislation, begun to look at prorating the benefits.

Ms. McGifford: I apologize for saying part-time benefits. I, of course, did not mean that at all; I meant benefits for part-time workers.

It may very well be that some private-sector employers have considered and, in fact, are providing their part-time employees with these benefits, but I wonder if the minister would consider advocating with her government on the question of benefits for part-time workers so that these could be legislated.

Mrs. Vodrey: At the moment I am not able to make a commitment to the member on a position in terms of a wide advocacy for this particular issue. I am aware in the private sector that we do want to make sure that there is employment, that we do want the private sector to generate employment, and, as we heard in Question Period today, where Manitoba's employment rates are significantly improved, that a large amount of that has been because there have been jobs created by the private sector.

So I think that it is important. Occasionally we have to work on one thing at a time, and one of the important initiatives of this government has been the creation of jobs and getting people back to work. That I think is being achieved, and we look for even more development in that area.

In terms of the province, I am very happy that the province has been able to set an example in this area and to show how this can work. I think that it would be an important discussion as more employment is developed. I think that it is still very important, and first and foremost important, to have the development and the creation of jobs so that women can become economically independent and start to have that benefit of working and not being part of—as has happened to many single mothers—simply to be part of a circle of remaining on welfare. So it is one thing at a time. It is certainly an area that I think deserves some further examination, but I am not able to commit today to taking that position.

Ms. McGifford: I notice the minister's comments on employment in the province of Manitoba, and I do not think the province of Manitoba is quite equal to the province of Saskatchewan with regard to employment rates. One thing that I do notice, too, is that while employment rates in Manitoba may have improved, child poverty rates in Manitoba really have not improved greatly. It would seem to me that one way of alleviating child poverty or helping child poverty a little bit would be, indeed, to legislate benefits for part-time workers so that when women are laid off—and a lot of the jobs the minister is talking about, a lot of the jobs created by her government, are seasonal jobs. For example, the garment industry. My understanding of the garment industry currently is that there are two really peak times in that industry when lots of people work, and then there are times of layoff. So it seems to me one way of alleviating some of the poverty that our children are experiencing would be to make sure that there is a little bit more money in the pockets of moms.

Mrs. Vodrey: Mr. Chair, well, I do not have the figures in front of me to offer anything further about our province versus Saskatchewan, but what I do remember is certainly the headlines recently where Manitoba is leading in the area of job creation. I think that is a very important statistic, and I think it is a very important number for a province, especially when we are coming out of a recession. For Manitoba to be positioning itself as a creator of jobs, to have the private sector as well being the creator of jobs and the sustainability of jobs—and in job creation you do not just look for what the party that the member belongs to did and that was some short-term government jobs with

no sustainability, paid for only by public money—this government has attempted to set up a climate in which the private sector will be involved in job creation, where those jobs will be sustainable and where women will be the beneficiaries of a number of those jobs. So that has been the approach of our government.

Now the member has asked what I think is a reasonable question in the area of benefits in part-time work which many women have in fact been interested in. I believe she is probably basing some of her remarks—I am not sure—on a study which I think came out of the labour council in Ottawa. I remember recently reading the results of that. But, Mr. Chair, I think that we have to look at certain realities one step at a time, and I am very pleased that there has been an increase in the job creation side.

In terms of child poverty, our government is taking very, very active steps. We are participating in Taking Charge!. We are participating in education and training to help women remove themselves from that cycle of poverty. Also, Mr. Chair, in terms of child poverty, this government enacted the strongest maintenance enforcement legislation in this country to put more money in the pockets of mothers and children, where in the past there had been a default. That legislation has been copied almost completely by the federal government. We are very glad they did finally adopt it. This had been advocated for by our province for some time, and as our government said to the federal minister, these are the things that we know you can do to ensure the dollars, but this is what we will do in our province because we just cannot wait for you. We enacted it first. The federal government followed and, in addition to that, other provinces have followed, too.

So we are dealing with some of those issues which benefit women and their families through the areas of job creation, through the areas of education and training, through the areas of maintenance enforcement. I understand that since the introduction of the welfare reform program, there has been a decline of 676 in the caseload of single parents which is almost 95 percent women. I believe I had that statistic in my opening remarks. I also understand, and this is an important fact, 22.7 percent more social assistance recipients, or the actual number is 3,900, are reporting income now since the inception of Making Welfare Work.

So I do not hold that the single method which may assist women in their work and the child poverty rate is in fact the issue the member has raised. Our government has taken a very comprehensive approach sincerely working to make sure that women have economic security and that children who are not receiving the dollars that they should be receiving are, in fact, going to get them through legislation.

Ms. McGifford: Well, Mr. Chair, we certainly have come a long way in the last few minutes from the question originally raised. I think that benefits for part-time workers is a social justice issue, and I think it is appalling that we do not have them. As I said earlier in response to another set of questions, I think that there is always at least two opinions on every issue, and in this issue there are probably more than two. The minister and I, obviously, have grave disagreements.

One of the things that I am interested in asking the minister about is the whole Ministry for the Status of Women. I wonder if the minister's government has ever considered reviewing the Ministry of the Status of Women, considered changing or redefining the ministry so that it has more direct responsibility for issues that impinge directly on the lives of women, for example violence against women, child care, family disputes. I bring this issue up, because I know that in other jurisdictions, for example in B.C., there is a Ministry of Women's Equality which has many more responsibilities and powers than our Ministry for the Status of Women. Personally I like the idea of a strong ministry which has direct control over a range of programs affecting women. So I wanted to ask the minister to comment generally and specifically as to whether her government has considered or would consider in the future the concept of a women's ministry with increased power.

* (1550)

Mrs. Vodrey: Well, I think it is always very difficult but sometimes useful to compare our Women's Directorate with the Ministry of Women's Equality and our Status of Women ministry with the Ministry of Women's Equality. My understanding is—I have been informed, and this is subject to clarification—that in fact they have downsized in British Columbia, that they in

fact only have two priorities, violence against women and women's economic security.

I believe in our province the five areas of priority that our directorate is working on is working very well with the departments involved, is really doing a service for the people of Manitoba. I think that their work and the advisory council—B.C. does not have an advisory council. I understand that our advisory council is the only advisory council west of Quebec. So this government's commitment to women's issues and to making sure that we have vehicles in place to deal with them and also deal with them in a very comprehensive way I believe is quite effective.

I have to tell you, I am always impressed at the number of initiatives that directly affect the lives of women that have been able to be accomplished through the initiatives of this government through the Women's Directorate. It is the partnerships that have evolved as a result of the front line work which has been done. Keeping Safe at Work was one example; On the Move is another example. So we have a system in Manitoba, probably not perfect, but I believe effective in terms of the partnership and the actual work and also the way women's lives are in fact affected, I believe to the positive.

Ms. McGifford: Of course I was not addressing the work of either the Women's Directorate or the Manitoba Women's Advisory Council. I was suggesting that there are other ways, and we do not need to take B.C. as an example either. I am saying there are other possibilities for organizing a Ministry for the Status of Women.

One idea is to have in that jurisdiction more direct control, so that, and I am just thinking off the top of my head, violence against women's programming, instead of being funded through Family Services, would perhaps be funded through this ministry so that employment and training as it impinges on women may be funded through this ministry. These are just examples. I have not thought it through yet. I just personally like the idea of the minister having more power when it comes to issues that affect the lives and rights of women, and that was my question. Has the minister thought about this? Has the government

thought about it? Has it been an issue in any of her discussions with her colleagues? That is my question.

Mrs. Vodrey: Well, it is an interesting idea, I have to say. The member said she is just developing it. So I guess, as I sit on the government side and I look at the responsibility of ministers charged with child care, for instance, and what an integration that is required for some of these issues, I am not sure that the model that she has suggested is in fact the most effective one. I have been informed that the B.C. model which did take responsibility for child care has in fact now handed that back though to what is their equivalent of the Minister of Family Services. They gave it a profile, sort of got things up and running, I understand, and now it has become again the responsibility of their Minister of Family Services or what that person's title is in British Columbia.

On the government side we operate through a number of committee opportunities, as well, in which as Minister for the Status of Women I sit actively on a number of committees which deal with policy development. So I have not had it raised to me that our model needs a specific kind of review. If the member has ideas, I am happy to listen to them.

Ms. McGifford: I am not sure the minister is finished.
[interjection]

I wonder if the minister is familiar with the changes in the federal women's program, the one funded through the Secretary of State, Status of Women.

Mrs. Vodrey: Mr. Chair, yes, I am familiar with that.

Ms. McGifford: My understanding is that the changes were announced in March 1997, and my experience as a person who has worked in the women's community is that successive federal governments have tried to cut this program and others and sometimes the same have tried to make its funds almost impossible to access. I think the fund now is at \$8.1 million for 1997-98, and I know that some 10 years ago the pool of money was \$15 million. I am wondering whether the minister or the minister's staff have been working with Manitoba women's groups to determine what the effects of changes to this program might be on women's agencies,

and especially those agencies which provide direct services to women as well as those that advocate on behalf of women.

Mrs. Vodrey: Mr. Chair, I am informed that Status of Women Canada does consultations across the country, and that we have in fact been kept informed of the results of those consultations. I am also told that Manitoba experienced no reductions in the change, and that Status of Women Canada is anxious to try and see that continues.

Ms. McGifford: Then, can the minister tell me if there have been future guarantees offered, because I know I have spoken to a number of women's groups in the community who are a little nervous about the possible implications of the changes.

* (1600)

Mrs. Vodrey: I think the issue is that it is a federal one. It is a decision of the federal government, and we would want to make sure as Manitoba women that there was not anything further which occurred. We will have the opportunity both at the staff level and also at ministerial meetings. There was to be a ministerial meeting in another, I guess, two weeks, and that now has been cancelled as a result of the federal election. So we do not know yet what a new government, whoever that new government may be, how in fact they will be dealing with this issue. So at this point we have to wait and see what the position will be.

Ms. McGifford: I trust the minister and her staff will monitor this program and look for possible problems that changes in the program may cause Manitoba women's groups.

Mrs. Vodrey: Yes, that is correct. I understand we do get a full breakdown every year, and I understand the most recent information has just come into the directorate.

Ms. McGifford: The minister has just told me that the meeting planned for early June or the end of May, whenever, in Nova Scotia, has been cancelled because of the federal election, but maybe I can ask my question in a different way. I wanted to ask the minister what

issues she will take, and perhaps she could tell me which issues she would have taken if, indeed, the meeting had taken place.

Mrs. Vodrey: At this meeting some of the areas that Manitoba will be particularly involved in, first of all, is the CPP reform. We raised this issue last year when the ministers met, actually here in Manitoba, in Winnipeg, and it became one of the lead issues, and it was also very much an important issue for just about every other province. I have to say Status of Women ministers were—they just acted right away, many of us phoning our Finance ministers for information and so on, right at the time. So that will be one of the lead issues.

Certainly our position is to continue to encourage our proposal be adopted that ongoing mandatory credit splitting of the Canada Pension Plan credits between spouses be considered as part of the CPP reform. I understand it is to be part of round two, but any opportunity that we have to encourage that to continue, then we certainly will.

We will also be looking at issues of economic security for women. This has been, again, one of the ongoing areas of priority for Manitoba and also agreed upon as a priority by ministers for the Status of Women; access to justice issues as well for women. Another project which we have been working on, and I think is an important one, is the program of economic equality indicators for women, so that we can actually monitor the progress with some indicators which will apply to women's lives and can be broadly applied.

So those are some of the areas that have been areas of highlight for Manitoba.

Ms. McGifford: If I could refer to the press release from last year's conference and just read a couple of sentences from it: Continuing their efforts to strengthen and broaden the ability of girls and young women to make sound and strategic education and career choices, ministers agreed to pursue partnerships with the private sector to launch, in the coming year, a public awareness campaign designed to promote self-esteem and self-confidence among young women.

(Mrs. Shirley Render, Acting Chairperson, in the Chair)

I wonder if the minister could provide some details on developments in Manitoba on this initiative.

Mrs. Vodrey: This was part of the national agenda. It was dependent upon co-operation and participation by some corporate sponsors. I understand there was some difficulty in that actually occurring, and I understand it is now not a part of the national agenda.

However, for Manitoba we have been interested in it and we have been pursuing it with, I am informed, Industry Canada, with school divisions, with relevant government departments, and we are looking to pursue this with some support on the Internet.

Ms. McGifford: When the minister attends one of these conferences, does the minister take staff with her?

Mrs. Vodrey: Yes, I am usually accompanied by the assistant deputy minister.

Ms. McGifford: I wanted to ask the minister a question about the federal Bill C-46, which is the bill known, I suppose commonly known, as the bill proceeding from the O'Connor case. I do not know whether the minister's channels of information are better than mine, but I am having a hard time discerning whether this bill was passed when the House rose or whether the bill will die on the Order Paper because it was not passed.

Mrs. Vodrey: I am told that staff do not at the moment know whether that bill has been passed. We will endeavour to find out. Certainly it was an important issue for women, it seems a very important issue, one in which I encouraged the federal Minister of Justice to adopt some extensions to as well and to not be quite so limiting simply in the area of sexual abuse, but also to consider areas of domestic violence as well, protection of files in the area of domestic violence.

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

Ms. McGifford: Then I understand that while the minister supports the legislation, she, like me, is not completely convinced of the soundness of the legislation. She seems to find that the legislation is problematic in that it only deals with the records of victims of sexual violence and abuse without mentioning the victims of domestic abuse. Indeed I am gathering then that the minister believes those records

should also be protected if individuals want them to be protected, because one of the things I understand from some women who work in domestic violence is, sometimes clients actually do want their records to be subpoenaed.

Mrs. Vodrey: Well, that is the position that our government has put forward. That was put forward before ministers for the Status of Women because, as Minister for the Status of Women, I wanted ministers to be able to speak to their Justice minister counterparts. In my previous portfolio as Minister of Justice, that was the position that our government put forward to the federal minister, Allan Rock.

I am also informed that the advisory council is seeking witness status before the federal Justice standing committee regarding this proposed legislation, and I understand you have not yet received and they have not received confirmation. When they called two weeks ago it was considered before the House, and of course there has been an election call, so we are not clear exactly as to the status of that bill at this point.

Ms. McGifford: Taking into consideration the information the minister has just given me, it would leave me to surmise almost certainly that the bill indeed has not been passed and may die on the Order Paper and may never come again, in which case I am also, as I am sure the minister is, concerned about the Carosella ruling, in which the Supreme Court threw out charges of gross indecency against one Nick Carosella because a rape crisis centre had destroyed a victim's personal counselling records. I am sure the minister agrees that this case really made the point that legislation is needed and needed right now. Yet it appears that this bill has not passed, so I wanted to ask the minister, after that long preamble: What plans does the minister have as soon as we do have an elected government in regard to this matter?

Mrs. Vodrey: Well, the first thing we have to do is to find the status of the bill at the moment, and that is what we will do. If the bill has not passed, then it should become a priority for the next federal government, whoever they are, and so at that point then I will undertake to write another letter to the federal Minister of Justice and the federal Minister for the Status of Women to ask that this be considered a priority by a new government.

Ms. McGifford: I have no more questions.

* (1610)

The Acting Chairperson (Mr. Sveinson): 22.1. Status of Women (a) Manitoba Women's Advisory Council (1) Salaries and Employee Benefits \$161,200—pass; (2) Other Expenditures \$108,600—pass.

22.1.(b) Women's Directorate (1) Salaries and Employee Benefits \$456,500—pass; (2) Other Expenditures \$113,100—pass; (3) Grants \$54,000—pass.

Resolution 22.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$893,400 for the Status of Women for the fiscal year ending the 31st day of March, 1998.

That closes the Estimates of the Status of Women.

Ms. McGifford: I would just like to take the opportunity to thank the minister and her staff for being here and answering questions.

Mrs. Vodrey: On behalf of the staff and the people here I thank the member for that, and I know that it is very much appreciated.

The Acting Chairperson (Mr. Sveinson): Then that finishes the Estimates for the Status of Women.

The next Estimates inside the Chamber is Highways and Transportation. As of this moment we do not have anybody here, or the minister is not here, so we will take a very brief recess. As soon as they are, we will resume.

The committee recessed at 4:12 p.m.

After Recess

The committee resumed at 4:17 p.m.

HIGHWAYS AND TRANSPORTATION

The Acting Chairperson (Mr. Ben Sveinson): Will the Committee of Supply please come to order.

This section of the Committee of Supply will be considering the Estimates of the Department of Highways and Transportation. Does the honourable minister have an opening statement?

Hon. Glen Findlay (Minister of Highways and Transportation): Yes, Mr. Chairman, I am pleased to have this opportunity to present the '97-98 Expenditure Estimates of the Department of Highways and Transportation and to review the events and activities on which these Estimates are based.

The '97-98 Expenditure Estimates totalling \$223,731,200 represent an increase of \$1,521 or 0.7 percent over the '96-97 adjusted vote and a decrease of 21 SYs. I believe as we go through the process, the critic may ask questions about that, and the number will really be 28, I think, is the more firm number now.

In 1996, Manitoba Highways and Transportation staff responded to flood emergency conditions with efficiency and competence. Many Manitobans, in spite of being affected by the flooding, praised the work of the Department of Highways staff, and in that context, Mr. Chairman, for the member opposite, I would like to read a letter that arrived today because it pays considerable tribute to my staff. I do this for his information and for recognition of the staff. This is a letter that came from the Manitoba Trucking Association.

Dear Minister Findlay: The last number of weeks have been very trying and challenging for the citizens of southern Manitoba and Winnipeg. We have been very fortunate that damage we have experienced was minimal compared to the potential damage that could have occurred. During this period, our industry had to adapt to the conditions, the resulting detours, delays and demands placed upon it. We did adapt and were able, in most parts, to deal with the situation and continue to service the citizens of Manitoba. At the same time, our industry has been providing the resources to assist in efforts of fighting the flood. As the waters recede, we will then be faced with tasks of cleanup and restoring normalcy to flooded and damaged communities in southern Manitoba.

The purpose of our letter is to thank you, Mr. Minister, and your department for the advanced planning, communication and co-ordination your

department provided to our industry prior to and during the flood conditions. I am certain your staff was working in tense and stressful conditions; however, the professional, efficient and co-operative nature in which they conducted their affairs and the affairs of the departments must be commended.

We are particularly appreciative of Mr. Don Kuryk's efforts in co-ordinating a meeting with the Department of Highways, Canada Customs, U.S. Customs, custom brokers in the industry to ensure the co-ordination and contingency plans were in place to allow our industry to continue to operate between Manitoba and the United States with minimal difficulties. The desired objective was attained due to his efforts.

As well, we are appreciative of Mr. Greg Catteuw's department in their efforts to keep the industry abreast of ongoing changes to road conditions and closures during this time. As you are well aware, the road conditions were continually changing and the need for current accurate information was a necessity. Mr. Catteuw's department did provide this information on a current accurate basis. Additionally, this information was provided through a number of mediums, which made access that much more readily available to industry.

All too often, while conducting our day-to-day affairs of our businesses, we are not cognizant nor appreciative of the close and co-operative working relationship between government and industry. These last number of weeks have provided the opportunity to truly recognize and fully appreciate this relationship.

Once again, thank you, Mr. Minister, and your department for your co-operation, direction and effective communication which was provided during the 1997 flood.

* (1620)

I read that into the record for the member opposite and for the benefit of my staff who will not yet be aware that this kind of very positive letter has come which really does recognize the incredible efforts put forward by them to deal with an emergency, and I will comment a little later, a little further on, in terms of what some of the things they did.

Again this year, staff of my department are working closely with all levels of government to assist in managing the emergency conditions. Manitoba Highways and Transportation has been supplying survey crews to monitor the water levels and providing daily maps updating road conditions in conjunction with Natural Resources. Maps showing the impact of varying water levels have been provided to various agencies to assist in their flood planning.

The Department of Highways was the contractor in building the Z-dike or extending the west dike, sometimes called the Brunkild dike, which ended up being some 26 kilometres. The department became aware that this project had to be undertaken late Wednesday afternoon. Basically, the meeting was around 6 p.m. Wednesday, and by 6 a.m. Thursday morning there were, I think, 25 pieces of heavy equipment already onsite. The amount of equipment grew to about 200 units and about 100 trucks that did that project in—they figured they had three to four days.

Weather got in the way, slowed them down once in a while, a bit of rain, but they really got it done in about five and a half days. It started out as, I think it was about a 16-kilometre stretch, and then on further survey it became a 26-kilometre stretch that they built up either using clay, rock, or whatever was available. It was really water and mud.

They had to do borrow pits in many farmers' fields. I would estimate from the air there would be about 20 borrow pits on farmers' fields. Some of it was built on the side of an existing drainage ditch, some of it on highway, some of it on municipal road, but it was a response to protect the city of Winnipeg and the citizens in the Sanford-Domain-LaSalle area of Manitoba. The department and the industry responded incredibly to the challenge that was there, and it was a job exceptionally well done.

Certainly, through the course of the flood, the department was deeply involved in managing roads to determine bridges, ability to be used in terms of stress of water, determine what roads could be kept open, what roads had to be closed. I think at the peak we had almost 60 roads closed. In some cases we had pilot vehicles taking people through the water. In many cases we had flag people onsite to help the traffic move through the water or make decisions on when the road was to be closed.

In a lot of cases that onsite activity was 24 hours a day, which required a lot of staff that just responded to the need. I never heard of a single complaint in that context, and the department brought staff from other parts of the province to do that. We were deeply involved in supplying road information to the public using the 945-3704 number. Between the 20th of April and the 7th of May, 48,000 calls were received by the answering service. At one point we received 7,000 calls in one day. Again the staff were there to respond to help the public deal with the changing circumstances in terms of information they needed to know to do what they had to do.

We added some new lines to make it more accessible to the public, and the information that was available was also put up on the Internet. So people could access road information on the Internet, which is an example of using modern technology to speed up the flow of information to people who wanted to know.

Reflected in the 1997-98 Estimates are programs and policies that recognize the integral role of the provincial transportation infrastructure in the development of Manitoba's economy. Economic development policy issues of which the department is involved include (1) the management of the Winnipeg Development Agreement multimodal transportation program which includes cost sharing of the Winnport development.

Secondly, leading the Manitoba Trade and Transportation Corridor Strategy to position Winnipeg at the head of the midcontinent superhighway, sometimes called the NAFTA highway, from here to Mexico. Thirdly, to review the oversize and overweight trucking policy to maximize highway infrastructure productivity and efficiency.

These Estimates reflect my department's continuing commitment to providing a safe, efficient and environmentally compatible transportation infrastructure.

Three major bridge construction projects were started last year and will be completed in '97-98. I want to remind the member opposite, in our total system we have 18,500 kilometres of road. We have over 2,800 bridges and structures and a structure is any culvert of 6-foot diameter or greater. What I am trying to show is,

the degree of our response in terms of dollars to upgrade those structures is quite small. We have 2,800 structures. In '97-98 we did three of them in terms of rebuilding; on Highway 334 over the Assiniboine River at Headingley, at highway PTH 83 on the Assiniboine River at Miniota and Highway 59 south over the Red River Floodway, that is two new lanes for a four-laning of that particular road. So out of 2,800 structures we could do three last year, and Mr. Chairman will certainly identify with one of those projects.

The bridge at Headingley is a research project incorporating the leading edge technology in its construction. This bridge has test sections of the deck and the barrier wall will be reinforced with advanced composite material, and four test girders will use advanced composite material in place of conventional steel strand. This is otherwise called carbon fibre. It is a research project under ISIS run by the University of Manitoba, headed by Dr. Sami Riskalla. To monitor the performance of these test sections, fibre optic sensors are imbedded into the concrete, and the information flowing from that bridge flows right back by computer by fibre optic cable to a computer at the university. Again, that information can be drawn up on the Internet so that you can monitor stress and strain on the bridge from any location in the world, if you want to think of it that way.

This bridge is classified as smart by virtue of the integrated fibre optic structural sensing systems and classified as innovative because of its advanced composite material used in its construction. Clearly the idea is, through this research we can find ways and means to build bridges, maintain them or to reconstruct portions of them, to definitely prolong the life and make it much more cost-effective to do these new kinds of construction.

This will be the second such bridge in Canada to be built with this kind of technology; the first one was in Calgary. Construction of the Floodway bridge on Highway 59 south is a component of an innovative activity to upgrade some 16 kilometres of PTH 59 south to a four-lane, limited access highway between PTH 100 and the south junction of PR 210. This is a stretch of highway that has very high traffic counts, to a large extent due to urban development in that particular part of the province that comes to and from Winnipeg on a

very regular basis every day, and the geometry of the road definitely needs improvement.

Recognizing the importance of maintaining and enhancing the province's road network, the department's '97-98 construction budget of \$97.9 million represents a \$1.3-million increase over the provincial base in the '96-97 construction budget. The federal contribution to Manitoba's highway infrastructure through the Strategic Highway Infrastructure Program, the SHIP program, as it was known, which totalled \$3.4 million in '96-97, is reduced to zero in the current year due to the completion of the SHIP program.

This clearly accentuates the fact that the federal government at this point is putting zero dollars into our highway infrastructure capital program in Manitoba and also accentuates the fact that the national government has not agreed to any national highway program, which all 10 provinces have been advocating for about nine years at this point, and still there is no federal commitment.

The Trans-Canada and the Yellowhead highways are major transportation corridors through the prairie provinces. Two projects are planned on the Trans-Canada Highway during '97-98 construction season, and a major paving project is scheduled for 16 from Russell to the Saskatchewan border.

* (1630)

To improve the efficiency and life of our highways, my department researches and tests new materials and construction techniques. This year a new practice will be tested on a section of PR 227 which will be constructed as a stabilized base course project. This means that as the base is built, in other words the gravel is laid, calcium chloride will be incorporated into the material providing a dust-free surface that will not be subject to spring road restrictions and a greatly reduced amount of dust, which gives you what people want—less dust, preferably no dust, of course, and a road that is not subject to restrictions for economic activity.

The economic deregulation of the rail mode by the federal government, evidenced by the elimination of the Crow subsidy and the expedited abandonment of

branch lines, has the potential to shift significant volumes of grains and other products from rail lines to the provincial highway system. Consequently, there will be a greater need for more highways to support truck loadings noted to handle increased loads and larger trucks. This trend will also place new demands on the department to undertake intersection improvements to accommodate truck turning movements and preserve the integrity of the highway system, and that certainly applies all over the province. An example of this is the intersection improvements undertaken this year at PTH 3 near Brunkild to facilitate traffic resulting from the construction of new high thrift through put grain elevator. There have been several of these kinds of projects in the province, and every time one is built you naturally attract a lot of big trucks. So you need the proper turning radiuses, you need the turning lanes to increase the safety on the roads for the other road users.

Winter roads and the department's marine services continue to provide a vital transportation link for the citizens of northern and remote communities in Manitoba. The winter road system comprises approximately 1,600 kilometres of roadways, and provides for lower-cost transportation of bulk goods to northern and remote communities during an eight-week period every winter and also provides those communities with links for the citizens to travel from community to community or to the outside world.

The implementation of a new initiative for the maintenance of the provincial gravel road system was implemented on January 1, '97. Now 30 plus two municipal corporations, in other words 32 in total—it was 30 to begin with, and two more have come on in more recent times—signed contracts with the department to undertake maintenance of the provincial gravel roads within their boundaries for a three-year period. The savings realized by the department from this initiative are being used to enhance on-road maintenance activities in those municipalities, meaning mainly more gravel. My department will continue to provide specialized services including road construction and maintenance and repairs to highway installations to other government departments and other jurisdictions including municipal corporations, Crown corporations and the federal government on a cost-recovery basis. Participation in a number of partnerships provides for more cost-efficient construction and maintenance

projects and ensures that highways not under the department's jurisdiction are restored to acceptable standards.

My department places a high priority on safety. We strive to design regulatory services that ensure public safety while promoting the competitiveness of the transportation industry in Manitoba. In 1996 a new division, Transportation Safety and Regulatory Services, was created to bring together all functions of the department that relate directly to the operation of commercial carriers. Already in 1997 this division has implemented spring road restriction reforms that include fixed start and end dates, a simpler percentage loading formula and the elimination of the requirement for permits for some essential commodities. There is a long list of essential commodities that are exempt. This was the outcome of a significant consultation involving the department and all the different players involved in road restrictions, and it was an agreement that they all concurred with, and it is an incredible increase in efficiency and increased protection to our roads which everybody agrees with.

I also notice this year, particularly, that we see a lot more municipalities across southern Manitoba have included road restrictions in their activities, in other words, to protect their roads, because the outcome had been in the past as we restricted our roads the commercial haulers used municipal roads which certainly impacted their roads. We have advocated to them, to protect the roads they should consider restrictions, and I notice a lot of signage up this spring that they have done that for the protection of their roads. It just helps the trucking industry to respond positively to protecting our roads.

The timber haul transportation initiative, which the department co-chairs with Repap, focuses on developing a user-pay overweight permit. This policy includes a self-regulatory component. It is expected that this initiative, once completed, will promote a model for other resourced-based industries.

Effective January 1, 1997, the membership of the Highway Traffic Board and the Motor Transport Board was amalgamated decreasing the number of board members from 15 to seven. This will result in an

anticipated cost savings of approximately \$50,000 to the government of Manitoba.

Through a variety of programs delivered by the division of Driver and Vehicle Licencing, the department will continue its efforts to ensure the safety of drivers and their vehicles.

In '97-98 dual graphic reflective licence plates will be introduced. This will improve the ability of peace officers and the general public to identify vehicles for law enforcement purposes. This licence plate will start to be on cars probably in late June because the renewal notices will go out on June 17, and the first renewals will be August 1. But I am sure we will see some of the new licence plates on cars by the 20th of June for the very early birds that will renew their licence as early as possible. It will take a full 365 days to go through this cyclical renewal process.

A new stolen and wrecked vehicle monitoring program will be implemented this year. Manitoba will participate in the model program established by the Canadian Council of Motor Transport Administrators to monitor and control stolen and wrecked vehicles right across Canada. This program provides a comprehensive means of preventing the concealment of stolen vehicles that clearly identifies the status of vehicles that have been written off by any insurer in Canada. Again, I want to stress this will be available to any consumer buying a vehicle right across Canada where it has been written off in any jurisdiction in Canada.

Mr. Chairman, we are maintaining and enhancing Manitoba's transportation infrastructure to meet the needs of the transportation industry and the general public. We are developing programs, regulations of policies that further the safety of Manitoba's roads and drivers, and enhance the competitiveness of the industry. Ours is a prudent and responsible course of action that will ensure the viability of Manitoba's transportation network in the years to come.

Thank you, Mr. Chairman. I look forward to the back and forth exchange of information we will have with the critic, as I meet with probably over 80 different groups over the course of a year. We always learn something from every exchange, and I look forward to

the information we can exchange for the betterment of both of us in terms of our responsibilities regarding transportation. Thank you.

The Acting Chairperson (Mr. Sveinson): We thank the minister for those comments. Does the official opposition critic, the honourable member for Flin Flon, have opening comments?

Mr. Gerard Jennissen (Flin Flon): Yes, Mr. Chair, a few brief comments. First of all, I would like to thank the minister for giving me that synopsis and overview. It was certainly a very condensed version of what his department is doing, and I really do appreciate that, as well as reading into the record a letter that was very informative for me. Particularly I found informative the material that he is giving me on the flood, and I certainly do have a number of questions. In fact, if at all possible, considering the limited amount of time, after my brief statement, I would like to talk about flood-related issues if he would not mind. They seem to be issues that would be highly appropriate at this time.

I would like to start by saying there is no doubt that in general—I would like to speak in general terms here for a little while—there are some major challenges facing our transportation systems and not just in Manitoba; I guess, it is all across the country, all across the globe. But in Manitoba there is indeed an outlook for greater economic prosperity as global markets expand. The global marketplace that we are really entering more and more deeply all the time also is extremely competitive. I can buy the argument that therefore we have to be competitive, but, of course, that necessitates the further argument that in order to be competitive, the infrastructure has to be competitive.

Right now new trade agreements, particularly NAFTA, are changing traditional east-west trading patterns, as we are already experiencing, and the trading patterns instead of going east-west, as they have traditionally gone, are now going north-south much more so. Many of the factors though that affect our trade flow are governed by factors that are beyond our control, and as the minister well knows, beyond Manitoba's control whether it is the dropping of the Crow rate or the privatizing of airports and ports or the selling off of railroads. Those are things that we cannot

control, either imposed upon us by other governments or by other forces, sometimes outside market forces.

* (1640)

We are fully aware that we do not live in a fishbowl, that we are mutually interconnected across this country and also across this globe. We do live in a global village. In this prevailing atmosphere of competition and deregulation, the values of the marketplace tend to become the only ones, the paramount ones, and I think that poses a danger and a danger that we have to guard against, because governments everywhere seem to be very quick to let the marketplace determine just exactly what is right and what is wrong. Then what we get is a lack of balance. What we get then eventually is almost minimalistic extremist government in the sense that it is a government that does not wish to govern. That can be very dangerous, because that means making decisions that may well be congruent with the marketplace but may not necessarily be congruent with larger forces.

I do believe that governments have choices, and ministries within governments have choices. For example, governments all across this country, I guess, sat back and let the federal government sell railroad lines that many generations worked hard to achieve, that were expressions of our national sovereignty or national unity. Certainly, one of those railroads led right up to Churchill, and that north-south link is extremely important to Manitoba. That north-south link is now controlled by a company we hope will be very, very successful—OmniTRAX. Nonetheless, the fact is it is a Denver-based company, so some of our Canadian nationalists, I am sure, will not be happy.

However, faced with the possibility of a line dying and saving a line, you know, we will always take the lesser of several evils, and we wish OmniTRAX the best. But still I decry the notion that we sit back and let some of these things happen, some of these attacks on transportation links that I had assumed, at one point, were almost icons, were almost sacred to us.

I guess I should be old enough to realize nothing is sacred anymore. No matter what we believe, it comes under pressure or is re-examined, and certainly Sir John

A. Macdonald would wonder about what we are doing when we are selling off parts of our railroad system, let us say, to companies that are not even Canadian. But that is water under the bridge at this point.

I am concerned though in the larger debate that the variables, or the one variable we deal with most often or almost exclusively is economic viability, because I do believe that there are other factors, balancing factors, the greater need of people, the greater need of the common good that sometimes necessitates a decision that may not be economically sound. I hate to argue not doing economically sound things, but sometimes they are done for other reasons, whether they are sovereignty reasons or for greater-public-good reasons. Sometimes I think there are things beyond user pay, although that seems to be the predominant philosophy.

I may be wrong. I am certainly open to correction. but I sense a contradiction almost everywhere in government where the emphasis is on trade and prosperity and trade links, shrinking the universe. if you like, but on the other hand there is a lack of funding, certainly in many jurisdictions, and Manitoba is not excluded, that would make that work. In other words, you cannot want better tourism and better trade and larger volumes of trade on the one hand and then not provide the dollars to make it happen. This is certainly quite obvious in northern Manitoba, because many of our communities are dependent on single industries, for example, Flin Flon.

We would like to diversify. To diversify though, for example tourism, you do need good road structures, good infrastructure, and we do not have them up to par. I am also fully aware of the fact that there is very little money available. We are trying to do a massive task with minimal amounts of money and that is not helped by the fact that we are living in an era where cutbacks take precedence, where you are always wrestling with the budget, where you are trying to bring down debt and bring down deficit.

I understand that, but, nonetheless, the roads are crumbling. One headline, I do not have it with me here, but I think it said roads are crumbling while politicians are fumbling, and there is a certain degree of truth in that, and I guess we all are part of that reality.

So, Mr. Chair, with those few words, perhaps not the most optimistic of words, I would like to end. If the minister would have no objection, I would really like to, seeing the limited time we have available, ask some questions about how the flood, the flood in southern Manitoba has affected our infrastructure, our road infrastructure.

The Acting Chairperson (Mr. Sveinson): We thank the critic of 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. While the minister's staff is coming in, the minister will indeed give some comments on the flood.

Mr. Findlay: I will comment because I took a tour of the road structures that we knew had some damage yesterday. I will just start by saying we had a major flood in 1996 and in '95 in the Assiniboine Valley, and on both occasions we were very, very pleasantly surprised. There was very little damage to the road infrastructure in either of those two years because the road bed was frozen, the bridges were either weighted down or the water was not high enough to cause impacts on the bridges, but this year is exceptionally different. Our water levels are higher; probably the rate of flow and the current activities were higher.

We went out yesterday and had a view, particularly of Highway 75, which is our major north-south route. It had been closed all the way to the U.S. border, and we had the letter from the Manitoba Trucking Association. One of the things that we did with them was we detoured trucks to the U.S. via Highways 2 to 13 and then down Highway 32 into the U.S. south of Winkler. Highway 75 is now open from the 49th parallel north to Highway 14, and the detour goes west on 14 over to Winkler, Morden, and then back up on Highway 3. That is the detour we used last year, so obviously Highway 75 from 14 to the border, which is maybe about 15 miles, is in A-OK shape.

What we saw yesterday that was out of water—and I want to remind the member that from the air I would

estimate it was at least 15 miles of Highway 75 is still under water. At Morris there is at least four feet over the highway because you can only see this much of the stop sign post below the stop sign itself, and, as I say, about 15 miles, mainly north and south of Morris, is under water. A spot just south of Ste. Agathe, I would estimate 400 yards maybe of 75, is severely damaged. The water is roaring through there and the cement sections are like dominoes lying in different angles, so there is going to be significant reconstruction needed there.

At the junction of 205, the Aubigny corner, certainly 75 and 205 are fairly challenged there. I cannot comment on what we will find under that 15 miles of water on 75. Clearly the department will respond and get the road up to operational or usable state very, very quickly once the water subsides.

We also looked at Highway 201 by the Roseau River, a fairly good gap there, about 200 yards maybe in the road, which the department is working on today, trying to get it back to where it can handle traffic. It will not be to its original state right away; that will be done over the course of time. We travelled west along Highway 205 towards Rosenort, and we were flying along the north side of 205. Clearly the shoulder was severely eroded on the north side, and in many cases the north lane was half gone, fully gone. Sometimes a lane and a half was gone on that whole stretch of several miles.

Now my director in charge of construction tells me it will not take long to get it up and operational, but we could not see at all because there was still a bit of it under water. I dare say there are many roads in the flooded area in that situation with water over, some undermining, a lot of erosion on the shoulders, some of the lanes affected, and we only know at this stage of about five bridges that were affected. That is not to say that that will be the total number in the end, but I believe every one of those bridge is now operational with some degree of work having been done to get them back to being operational.

The member might like to know some estimate of damage. It is a tough one when you still have 15 miles of your four-lane highway under water, but I know the staff will say \$5 million and I think it is going to be higher than that, maybe significantly higher than that,

before we get all the roads back up and operational. I am just talking the provincial roads. There are hundreds of miles of R.M. road that will be affected, maybe even more than our provincial roads because they are not paved so that the surface is very subject to erosion, it takes the gravel, takes the topsoil.

* (1650)

I think one other road I could comment on was 336, a road that we built last year. [interjection] 332, get the number right, was built last year. The grass was not growing up on the shoulders, so the road was really subject to erosion and a tremendous amount of that topsoil that was put up there at great expense is no longer where we had placed it last year. So that is a little bit of a synopsis of the impact.

Maybe there is one other thing I could say, I think. I refer to my original comments that about 60 roads were closed in the course, and the public at large was very co-operative really and understanding what the department was trying to do to keep the roads open as long as possible. Certainly people are very eager at this point to get back in, maybe even before the roads are deemed to be safe. I am an advocate that, until we get the engineering okay on bridges and roads, the roads should not be opened, because we have not lost lives on the road so far and I do not intent to lose them because we open roads too soon.

But it is a tremendous challenge to get things up and running as fast as the public could want because everybody is eager to get back to their home, their business, and to some kind of normalcy in their life as fast as possible. If the member opposite has some more questions, I will certainly elaborate on what we have just talked about.

The Acting Chairperson (Mr. Sveinson): Would the minister like to introduce his staff present at the same time, please.

Mr. Findlay: Deputy Minister Andy Horosko; Barry Tinkler, acting assistant deputy minister of Construction and Maintenance Division; John Hosang, assistant deputy minister of Engineering and Technical Services; and Paul Rochon, executive director of Administrative Services Division. If the member is

watching my finger, he knows which each of the four are. I am sure he knows them anyway.

The Acting Chairperson (Mr. Sveinson): We are on item 15.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$438,900.

Mr. Jennissen: Mr. Chair, I am just wondering if, for the remainder of the time, we could just continue asking some questions on the flood.

The minister had referenced the fact, I think it was Mr. Tinkler in the CBC interview, had suggested it was \$5 million or in that neighbourhood. But you are saying that is far too early to tell, like there would be nothing preventing that from being \$20 million, correct?

Mr. Findlay: The Highway 75 construction might be a million dollars in itself, for that one location I mentioned, south of Ste. Agathe. With all that is still under water, there are tremendous amounts of unknowns and, yes. Mr. Tinkler, has identified \$5 million. Flying yesterday, it is hard to believe it would come in that low. I think you asked is that disaster money. That is true, we would apply that it would be funded from the disaster process. There is still a little bit, or at least we hope, expect and want it to come from that direction, but it is subject to some decisions of the federal and what they will accept as flood-related damages.

Clearly, we would want to think that the whole building of the Z-dike would qualify a lot of the remedial activity we did in preparation dealing with the roads for the upcoming flood, then the restoration after the flood would all be reasonably acceptable as disaster activities, disaster-related activities.

Mr. Jennissen: Did I understand correctly when the minister said that that 26 kilometres of the Brunkild dike was more or less constructed in actual condensed period of 5.5 days?

Mr. Findlay: Metric versus English, 26 miles. I guess I said kilometres; 26 miles. It started out, when our staff started on it, it was 16 miles. Then part of the old dike, about 10 miles, was identified as being too low, and they had to do it too. So not only did they have a

big challenge when they started on the Thursday morning, they had an even bigger challenge by Saturday, which they responded to. Maybe the water did not rise quite as fast as initially expected, but nonetheless, they had it constructed, had the safeguards in place in terms of straw bales and abandoned vehicles to break the waves, to handle the upcoming water.

I remember there was one point at the Z-dike, the southeast corner where the water was rising, they certainly did not think it was wide enough. They widened it the next day to strengthen it, just did a remarkable job of meeting Mother Nature's challenge head-on for the betterment of Manitoba.

Mr. Jennissen: Yesterday I mentioned a news release by Canada-Manitoba Infrastructure which was dated May 9, 1997, Rural Road Strengthened by \$14 million in Infrastructure Funding. I know there are a couple of paragraphs at least suggesting that there is a connection to that, a strong connection to that and fighting the flood. I am still not clear on how many of the 169 roads mentioned are actually negatively impacted by the flood, not an awful lot of them as far as I could see.

Mr. Findlay: In terms of the list of different roads selected that were nominated by municipalities, and I think it was six or seven of our provincial roads in this list, yes, I am not aware of any of them that are really directly affected by the flood so they will still continue as applied for.

As I said yesterday to the member, the disaster assistance activity and this infrastructure activity are complete, distinct and separate. Should there be roads that are affected by flood, it is to be worked out yet. Clearly, the rebuilding part of it would come from the disaster pot and what they have identified as upgrade would still be available to them in the infrastructure program.

Mr. Jennissen: I guess my concern was that I was not sure why flood, you know, like a couple of the paragraphs dealt with flood, when flood-damaged roads had so little to do with the actual funding part of it.

I would like to switch topics slightly and go on to—when we talk about crumbling infrastructure,

specifically about some of the concerns we have about the national highway system, apparently that exists, but is virtually, well, a minor factor, I guess, in terms of overall percentages. I am sure the minister has some thoughts on a much better or more improved version of a national highway system and the role that the federal government should play in that kind of a structure. Would he comment on that?

Mr. Findlay: We have identified a system right across Canada. It connects all major highways. It is east, west. It connects its major routes to the U.S. So in Manitoba's case, it is 1, 16, Perimeter and Highway 75. In Manitoba, it is 5 percent of our network, of our 18,000 kilometres of network, but it carries 29 percent of the traffic. That shows you high use, and high use means some degree of deterioration on an ongoing basis. On an ongoing basis, we spend \$20 million to \$30 million a year on this road infrastructure, whether it is rebuilding, bridge reconstruction or resurfacing, deck restoration or repaving. The member will notice in the programs, all those kinds of activities go on, on a year-to-year basis.

We collect, out of the users of the highway system, around \$160 million, \$180 million a year in road taxes, licence fees, dues. At the same time, the federal government collects about \$155 million of taxes and fuel tax in Manitoba. At this point, we are putting all our money back in either capital projects, around the \$100 million, and around \$60 million in maintenance and what we collect out of the system, we put back in. At the same time, federally, they collect \$155 million of tax, and this year in our budget we get zero back.

The Acting Chairperson (Mr. Sveinson): Order, please. The hour being 5 p.m., and time for private members' hour, committee rise.

Call in the Speaker.

* (1700)

IN SESSION

PRIVATE MEMBERS' BUSINESS

Madam Speaker: The hour being 5 p.m., and time for Private Members' Business.

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 200—The Legislative Assembly Amendment Act

Madam Speaker: On the proposed motion of the honourable member for Thompson (Mr. Ashton), Bill 200 (The Legislative Assembly Amendment Act; Loi modifiant la Loi sur l'Assemblée législative), standing in the name of the honourable member for St. James (Ms. Mihychuk), who has 13 minutes remaining.

Is there leave to permit the bill to remain standing?
[agreed]

And standing in the name of the honourable Minister of Consumer and Corporate Affairs (Mr. Radcliffe) who has 14 minutes remaining.

An Honourable Member: Leave.

Madam Speaker: Leave has been granted.

Bill 202—The Child and Family Services Amendment Act

Mr. Neil Gaudry (St. Boniface): Madam Speaker, I move, seconded by the member for Inkster (Mr. Lamoureux), that Bill 202, The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Gaudry: Madam Speaker, it gives me great pleasure to rise today to make comments with respect to Bill 202, The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille.

As I mentioned when tabling this bill, its intent is to allow grandparents a right to apply to court for access to a child in a custody battle. Under current legislation, grandparents must meet a criterion of exceptional circumstance before being allowed access to their grandchildren, and to date most grandparents have little success in meeting this criterion.

I view this legislation as one step towards solving some of the problems that beset families. When faced with the difficult problem of divorce, it is simply not good enough anymore to isolate grandparents from their grandchildren. Grandparents have a role after a divorce. I would even say they have a more important role to play in the life of their grandchildren.

Families are no longer narrowly defined as mother, father, sister, brother, and we must broaden the legal scope of what constitutes a family member. This bill is one step in this positive direction.

Madam Speaker, it is popular to claim that it takes a village to raise a child. I would like to point out to all the members of this Chamber that grandparents are an important part of that village. They are the elders who can guide and support younger members of our village.

As a society, we cannot afford to lose this positive influence over a child's life. Potentially this bill will save hundreds of thousands of dollars by giving children support when they need it rather than spending money on support programs or jails when they get older.

Grandparents can be positive role models. Is it right to remove a positive, caring model from a child's life just because their parents cannot agree? Indeed, at this stage when the parents are fighting, it is even more important that children have a positive role model.

Of course there are those who will argue that not all grandparents are fit to serve as a positive model for their grandchildren, but I would also like to point out that there are a great many parents who are not fit to be parents.

This legislation cannot change those unhappy situations. No legislation can, but this legislation does not lessen the protection of a child as in our family court system. This is not a grandparents' rights legislation. It is the children's rights legislation.

A provincial court judge will still have the right to decide if access to a grandchild is the correct path. Remember, Madam Speaker, what is right for the child is the most important issue. This legislation will now allow grandparents to become part of that formula.

Madam Speaker, finally I would like to appeal to all those in the Chamber who may be grandparents or look forward to becoming grandparents, ask yourself if you want your grandchildren taken away from you. Would you like to be in a situation where you never see your grandchildren again, never get to talk with them, never get to watch them grow up? Ask yourself how that would feel.

Madam Speaker, Bill 202 is a good piece of legislation. We may not see it on the front pages of the Free Press or talked about on the CBC. It is not controversial or earth shattering. All it does is it gives grandparents a voice in their grandchildren's lives.

I ask for your support. I ask you to lay aside part of your political differences. Madam Speaker, these are not important. What is important is that we make the lives of the children and grandparents better. I ask you to vote for Bill 202 and remember that.

Thank you very much, Madam Speaker.

Mr. Edward Helwer (Gimli): I move, seconded by the member for Turtle Mountain (Mr. Tweed), that debate be adjourned.

Motion agreed to.

PROPOSED RESOLUTIONS

Res. 10—Balanced Budget, Debt Repayment and Taxpayer Protection Act

Mr. Edward Helwer (Gimli): Madam Speaker, I move, seconded by the member for LaVerendrye (Mr. Sveinson):

“WHEREAS the Manitoba government's balanced budget law has been praised by the Canadian Federation of Independent Business and the Canadian Taxpayers Federation as 'model' legislation that should be adopted by other governments; and

“WHEREAS by controlling spending, not raising taxes, the 1995 Progressive Conservative budget was the first balanced budget in Manitoba in 23 years; and

“WHEREAS recognizing the economic adversities of debt servicing, the act establishes a Debt Retirement

Fund earmarking a minimum amount of money to be paid into the fund every year starting in 1997-98; and

“WHEREAS taxpayer protection provisions prevent increases in major taxes unless the taxpayers give their approval in a referendum.

“THEREFORE BE IT RESOLVED that the provincial government be commended on its innovative legislation, which has benefited all Manitobans because it has helped to create a competitive business climate instrumental to attracting world-class companies.”

Motion presented.

Mr. Helwer: It is really an honour to speak in support of this resolution because few laws passed by this Legislature, or any other for that matter, can truly be described as historic, but The Balanced Budget, Debt Repayment and Taxpayer Protection Act of 1995 clearly deserves such a designation.

First of all, it is an historic act because it brought an end to the 22 years of reliance of deficit financing. [interjection]

That is right. The member for Inkster (Mr. Lamoureux) talks about the good things we are doing.

* (1710)

It is also an historic act because it proclaimed a halt to the steady increases in the burden of debt which we were leaving for our children and our grandchildren to shoulder. It is an historic act because it is a blueprint which will guide our fiscal policies in this province for many years to come, ensuring that the weight of debt which is bearing down on the future of our youth will be removed.

It is an historic act because, for the first time in Canada, it gave the taxpayers of this province assurance that they will have the right to say yea or nay to any proposal to increase the rate of any of the major taxes. So it is a historic act because no other act of this Legislature has been so widely cited as a model for other governments.

Madam Speaker, let us not forget the circumstances in which the balanced budget legislation was passed.

Over the preceding two decades, Manitoba, like most governments in Canada, ran nonstop deficits, and it did not matter whether they were good times or bad, whether the economy was strong or not, governments simply chose to spend more than they took in each and every year, especially during the years when the opposition was the government between '81 and '88.

But it was not always this way. For about three decades after the last World War, Canadian governments were committed to fiscal responsibility. Sometimes they ran deficits, but these were always offset by surpluses in other years, and as a result, Madam Speaker, the total amount of government debt actually declined. So it is no coincidence that the economy was generally very prosperous during this period.

However, starting in the mid-'70s, the deficits began to pile up, and the problem was most serious from 1981 to 1987, Madam Speaker, when Manitoba's debt burden increased fivefold. Between '81 and '87, Manitoba's debt burden increased fivefold in just seven short years—five times in seven short years. Can you imagine that? As a direct consequence, the cost of servicing this debt soared. Manitoba taxpayers were paying only \$100 million in interest costs in 1980, but by 1994 they were paying \$600 million, and these debt costs rose so rapidly under the previous administration that they also had to impose the biggest tax increases Manitobans have ever seen.

These higher taxes did not provide more services to Manitobans. They merely paid the skyrocketing interest on the debt. The 1980s clearly showed that deficits are not a substitute for tax increases. They merely forestall the increase for a few years, and when they eventually become unavoidable the tax increases are much bigger than they should have been because a bigger interest bill has accumulated. Clearly, rising debt was a real threat to our valued social programs. The debt forced an increasing amount of government revenue to be diverted away from the services for people, such as health care, education and family services, and toward interest payments. Deficits did not make Manitobans any better off, not at all.

Based on this bitter experience, the majority of Manitobans know this is exactly what happened, and

they want the government of Manitoba to balance the books, pay down the debt and hold the line on taxes. It was not easy for our government to bring the province's budget back into balance faced as we were with a huge interest bill and the taxes which were already the limit of taxpayers' willingness and ability to pay. But we did balance the books, and we have kept it balanced for three consecutive years. The balanced budget legislation, this ensures that this achievement is preserved.

Madam Speaker, all governments in Canada got themselves into trouble in the eighties by running up deficits, the debt and by increasing taxes, but Manitoba was a leader in restoring a balance to the books and a firm sense of priorities in spending. We continue to provide leadership by passing not only the first but certainly the strongest and most comprehensive balanced budget legislation in the country and possibly in North America. That is why our legislation attracted such widespread attention and praise.

Allow me to remind you, Madam Speaker, of some of the things that people outside of this province had to say about this legislation. The Financial Post published an editorial entitled Manitoba shows the way, which said: Premier Filmon and his Tory government deserve full marks for proposing a balanced budget law with teeth.

Canada West Foundation prepared an analysis of the balanced budget legislation in the four provinces which had such laws at the time, and the foundation awarded Manitoba an A-plus. In contrast, Alberta received a B, Saskatchewan a C and New Brunswick an F. That is the other Liberal government there in New Brunswick.

The International Centre for the Study of Public Debt stated: The government of Manitoba will soon have the best balanced budget law in Canada. In one piece of legislation, Manitoba's law should ensure that the provincial debt will be eliminated over a period of time and that the tax burden does not increase. The features of the proposed Manitoba law are worth studying and adopting by other governments in Canada if they are serious about deficit and debt elimination.

The newspaper of the Canadian Taxpayers Federation said: Manitoba may be the only place in the

country where taxpayers will have really protection in the future. Manitoba Taxpayers Association provincial director, Peter Holle, he praised the balanced budget act as model legislation for the rest of the country. The Manitoba legislation is by far the most comprehensive legislation in the country, and it shows that governments are starting to make taxpayers' concerns a priority.

Catherine Swift, who is the president of the Canadian Federation of Independent Business, said: Manitoba has clearly broken new ground with the toughest balanced budget legislation in the country, and it should serve very much as a model for other jurisdictions.

* (1720)

If you heard the leader of the federal Conservative Party, Mr. Charest, he said that if he is elected he will not only balance the books but he will bring in balanced budget legislation similar to what we have in Manitoba. Mr. Charest, yes, one of his new planks in his campaign, he will bring in balanced budget legislation for Canada. That would certainly help the federal situation and also restore the payments for health and education and family services back to the provinces, so that we can continue to provide the benefits that people need for the social programs.

Some of the benefits that we are receiving from this balanced budget legislation is the jobs that we are creating in Manitoba because of this, because we have removed the payroll tax off of the majority of businesses in Manitoba. The payroll tax we eliminated for 90 percent of the companies in Manitoba. By taking off this payroll tax, we created a climate in Manitoba where companies—

An Honourable Member: The climate is really great.

Mr. Helwer: It is great. Jobs are growing; it is great. We created a climate in Manitoba where companies could expand and provide jobs.

As an example, I want to tell you about a couple of businesses in the Gimli constituency, one located in Gimli, Faroex, which is run by Ken Church, owned and operated by Ken Church. He produces with the

pultrusion method of plastic, he provides or manufactures hog penning, belts for skidoos and things of that nature. He has been very, very successful. He has expanded about three times in the last few years and just recently has put in some new equipment and hired some 30 new people whereby he will have some 130 or 140 people working for him. He will be the largest employer in Gimli, larger than Seagram.

An Honourable Member: Did he pay tax for everything or did he borrow the money?

Mr. Helwer: He paid tax for everything. You do not have to worry about him. No grants there either, no interest-free grants there either. He expanded on his own. He is an entrepreneur. He is doing very well.

Another item of—thank you, Madam Speaker, I have a couple of minutes left. I just want to talk about one other business that has just recently shown some growth in Manitoba. That is, the federal government had a fish hatchery out in the Gunton area that they were using for research for many years, about 20 years. A company out of Saskatchewan purchased this fish hatchery and is expanding, and they are growing. They are going to grow trout and Arctic char there. They started off with about 15 employees. I think they are now up to between 30 and 40. Within two years, they will have 200 employees there. [interjection] Coming to Manitoba, that is exactly right.

But here is an innovative industry growing the fish and producing a market, although aquaculture which fish farming is called has had some difficult times on the west coast and the east coast, but here in Manitoba it has everything going for it. We have the water; we have the energy; we have the hydroelectric generating station that provides the power for us. We have all the things that are necessary to make this company successful, and I certainly want to wish this company well. I hope they are successful.

So, Madam Speaker, this House should not fail to do what others have already done, and that is to commend the government of Manitoba for adopting The Balanced Budget, Debt Repayment and Taxpayer Protection Act, so I therefore encourage all members to adopt this resolution. Thank you.

Mr. Tim Sale (Crescentwood): Madam Speaker, first, the member makes a rather disastrous error when he compares historic to beneficial. World War I was historic, not necessarily beneficial. The bubonic plague is a matter of history, not necessarily beneficial. So, first of all, the member should not suggest that benefit is the same as history. Indeed, the balanced budget act as conceived by this government is historic. The question is, is it beneficial? So let us just take a minor tour of this government's experience with financial management.

Madam Speaker, it is a matter now of absolutely public record that in 1988-89 the Auditor, the Finance minister, his own reports show there was a surplus, \$58 million. That is what this government inherited. Now, when the Pawley government came into power, we were headed into a recession, and we had a \$250-million deficit from the Sterling Lyon government, the biggest deficit then in Manitoba's history. We left, not entirely of our own doing. We know that. The events of the year conspired to produce a surplus in 1988-89, well attested to by all parties. The Dominion Bond Rating Service, the Minister of Finance's own books, the Auditor, they all say there was a surplus. So what did these saviours of the public finance do? They took the surplus and they went to their banker and they said: Loan us some money.

They said, loan us some money, Madam Speaker, so we can create a deficit here where there was a surplus, and we will create something called the Fiscal Stabilization Fund. We will take some of the money out of our surplus and we will put it in this fund, and we will call it a Fiscal Stabilization Fund. The minister, who is standing in the House, knows what the Auditor thought of that. The Auditor thought, not to put too fine a point on it, that was terrible accounting, that did not reflect reality, and the Auditor said so. The Auditor said this Finance minister's predecessor was not accounting properly for the finances of the province.

Now, what did they do, Madam Speaker, from the time that they had a \$58-million surplus? Forward a few years. What did they do? Well, they ran deficits the likes of which this province has never seen. Only their counterpart in Saskatchewan, the Devine government, only that government ran a larger per capita deficit than this province did. How did they

disguise their deficit? With the self-same Fiscal Stabilization Fund. What did they do with that fund? In the middle of having the worst experience that any government in this province has ever had with a deficit, \$766 million in 1992-93, did they let that deficit stand as it truly was? Oh no.

They took some money out of this mythical Fiscal Stabilization Fund and said our deficit is really \$200 million less. What did the accountants say about that? Well, the Dominion Bond Rating Service said, no. No, your deficit really was \$766 million, and if you go to Volume 3 it was over \$800 million, and the \$200 million that you transferred really belonged to another year. Dominion Bond Rating Service is very clear about that, Madam Speaker. They did the same thing in a number of different years, transferring money in and out of the Fiscal Stabilization Fund to make the bottom line look better than it was, or sometimes worse than it was. When they did not want to show too big an improvement they took some money out and stuffed it into the Fiscal Stabilization Fund.

When they were coming up to an election, these guardians of the public purse, these fiscally pure types, what did they do? They found a lottery sock. They found a sock full of loonies stuffed over in the Lotteries Corporation, and my goodness it had \$145 million in it. Now that is a lot of loonies. What did they do with it? They said it is election time, Madam Speaker, it is time for—[interjection] Pardon?

An Honourable Member: The first time they would not spend it.

Mr. Sale: Oh, that is right. The first thing was they had their hand up saying we will not spend it. Absolutely, it is safe. By April '95, there was a desperate public purpose for this money. It was called re-election. We will save the Jets and we will balance the budget. Neither one turned out to be true, as the Auditor pointed out, but there you are, \$145 million in the loonies lottery fund came flooding into the public purse to balance the budget.

* (1730)

Now, Madam Speaker, this same Finance minister that is in office today told Manitobans that all of the

lottery funds would be transferred. All of the money would now go directly into general revenues. There would not be anything left. Well, I guess he must have just forgotten that day that there was in fact \$32 million still in that trust fund, and when is it coming out? This year. So we have another little piece of revenue coming out this year that will enhance the revenues so that this year we will have yet another little surplus. If it were not for the debt repayment schedule the minister would not have had to borrow from his Fiscal Stabilization Fund another \$100 million this year in order to avoid running—horror of horrors—a deficit in which he would have to actually cut his salary. So what did he do? He dipped into his slush fund and pulled out \$100 million. This is the government that is so pure and so committed to transparency in public finance that in this year's budget they even changed the headings to confuse people. They changed the footnotes to confuse people. They moved numbers from the Fiscal Stabilization up into general revenue and pretended that the hundred million dollars they were taking this year out of their Fiscal Stabilization Fund was general revenue. General revenue flowing in in this fiscal year? No, absolutely not. It comes out of the Fiscal Stabilization Fund accumulated surplus. They changed the accounting, because to do it in a transparent and correct manner would have tipped off everybody to the fact that this budget was not balanced. It required a withdrawal from the Fiscal Stabilization Fund in order to make it appear balanced, but it was not balanced.

Let us talk about the record of Conservatives in public finance. What government in Canada nearly defaulted on its total public debt? The government of Grant Devine. Why is there no room in Saskatchewan's jails today? Because most of them are occupying space there. The government of Grant Devine ran the public debt of Saskatchewan to the highest per capita of any province in Canada. This is the record of Conservative finance in Saskatchewan.

What have they done federally? This member opposite talked about the candidate for Prime Minister, the Honourable Jean Charest, the Leader of the only party in the House of Commons history that achieved gender parity, one of each. This is the minister who said in 1993, we have to cut \$8 billion out of public spending, and all of a sudden this year, he is going to

put money back into health care. He is going to promise Manitobans and Canadians he is going to have lots of health care, but he is going to cut \$12 billion out of something else.

Now what is it he is going to cut \$12 billion out of, Madam Speaker? He is not too clear on that, but he is sure that he will find \$12 billion that is not needed. Who is he the successor of? The successor of the Right Honourable—in quotation marks—Brian Mulroney. Brian Mulroney, who ran Canada's debt to levels unprecedented in the OECD nations except for the basket case of Italy, we are told [interjection] Yes, it is getting better. Italy is actually improving sharply.

The Conservative record on managing public finance is a really instructive one. The record deficit in Manitoba; the highest per capita debt in Canada, in Saskatchewan; the worst accumulation of debt in any period in Canadian history under the Mulroney government. So this is a government that wants to give lessons on public finance, a government that used the Fiscal Stabilization Fund to hide the true nature of their deficits, that used the Fiscal Stabilization Fund to provide a phoney balanced budget in an election year, that used the Fiscal Stabilization Fund the next year to balance a budget that is not by withdrawing a hundred million dollars and then would not say so but hid it up under general revenues.

Madam Speaker, let us remember that under the Schreyer government, surpluses were run. Let us remember that under the Lloyd government, under the Douglas government, consecutive surpluses year after year after year were run. Public finances were wisely managed by socialist governments in this country. What is so significantly special about a balanced budget act that requires you to sell off the family's silverware to balance your budget?

Last year, this government, against all the advice of its municipal friends, our big union friends, the Union of Manitoba Municipalities, sold off the Manitoba Telephone System, sold it off. What did they do with the proceeds? Well, they paid off a bit of hospital debt, because that is popular, and they stuck the rest of it in the Finance minister's re-election fund, the 1999 re-election fund. Would a family sell off their house to buy food and then say they had a balanced budget?

Would any businessman in this room sell off a factory, spend the money on materials to manufacture widgets and claim he had a balanced operation? Absolutely not. Even the simplest business person in this country—and there are not that many that are really simple—knows the difference between capital and operating expenditures. This balanced budget act says you not only have to balance your budget on an operating basis, which, over the business cycle, is a very good idea, it says you have to balance your budget every year, capital and operating.

Now, Madam Speaker, I think the members opposite should take an Economics 101 course, just a basic level course, and understand how money actually comes into being. [interjection] That is true, I guess that is the point. When you clip coupons and inherit your money, you do not have to worry about so much where it comes from. When you have to make it, you have to understand that.

What do the members opposite think would happen if everyone in Canada went to the bank and said: Please give me my money in currency? What would happen, Madam Speaker? Well, what would happen would be that after the first 7 percent of the deposits were withdrawn, there would be no money left. After the first 7 percent of depositor's money was taken out of the major chartered banks and the credit unions of this country, there would be no legal tender left—zero.

Money in a developed economy is a function of the trust of people in that economy. No developed economy could ever function, let alone thrive, without credit, without borrowing, without debt. Members opposite have a fundamental misunderstanding of the role of debt in a developed economy. They seem to think that you have to pay cash on the barrelhead for everything you buy, and yet there is not a business person in this province that would agree with that prehistoric, antedeluvian notion that credit is somehow a bad thing.

If all the members of Canada's chartered banks, all of their clients, simply went and said give me my money, after 7 percent of their deposits were withdrawn, there would be no more money. The legal tender in this country is under \$9 billion in circulation at the current

time, but the economy of this country is well over a trillion dollars in total in terms of its various forms of debt, various forms of assets, that are in play at any given time.

So the notion that debt itself is a bad thing is so contrary to any developed economy, to the needs of ordinary people, in fact, paying off all debt would stop the economy cold. If members opposite do not understand that, they should take a simple 101 Economics course. You cannot have a modern economy without debt, because our whole economy functions on trust, that the money that has been borrowed will be paid back, that the money that is available to buy assets is loaned at a reasonable rate on reasonable risk principles.

If cash was required, this economy would stop not tomorrow; it would stop before supper tonight. So they have a fundamental misunderstanding of the economy if they think that debt is a bad thing in a developed economy. No businessman—Mr. Penner could not operate his business without a line of credit, without borrowing for capital equipment. This province would be an immensely poorer place if we had not borrowed money to build schools, to build hospitals, to build the facilities that make this a wonderful place to live.

The notion that that is a bad thing is so perverse and so misconstrued as to be absurd. So the balanced budget act is based on an absurdity that debt on behalf of anybody is somehow a bad thing, that the only thing that works is cash on the barrelhead. The minister knows that would stop our economy dead if it was applied as a principle.

* (1740)

Mr. Jack Penner (Emerson): It gives me a great deal of pleasure to rise again in this House. I have not stood in my place for a number of weeks or participated in the debates. First of all, I would like to thank all members of the Legislature for giving the kind of consideration and recognition to the difficulties that people in the flood area of the Red River Valley are having, and allowing members like myself to be with our constituents, our families, our friends and our neighbours in this time of need. It was certainly appreciated on my behalf.

I also want to thank the Leader of the Opposition (Mr. Doer) for taking time out to come to my constituency, as well as the Premier (Mr. Filmon), and joining the Premier in my constituency to speak directly to people of their needs during this time of distress.

So, to all members of the Legislature, I thank you for that kind of consideration. It certainly speaks well of the co-operation that exists in this Chamber from time to time that is very often not seen outside, and I certainly deeply appreciate those efforts that were made on our behalf.

I have an interest in this piece of legislation, and that is why, Madam Speaker, I asked that I be allowed to speak on balanced budget legislation and the resolution before us. I think it is extremely important to recognize the historical aspects of why this kind of resolution is here today, and it deals with the national security of tenure. That basically means that we should at all times indicate to other countries that we have a stable economy. Security of tenure internationally, in my view, is clearly to demonstrate that to people in other foreign nations who we borrow from from time to time and will keep on borrowing from from time to time, recognizing that there are not only fluctuations in one economy, but there are relevant fluctuations in the needs of the people of a given province such as Manitoba.

We will from time to time use significantly more capital to enhance our ability to serve our people than we do today, and we will also use from time to time capital that we have not got, and therefore we will continue to keep on borrowing. This legislation does not prohibit that, the legislation that we have put forward in Manitoba. The legislation being proposed in this budget does not prohibit that.

So that needs to be clearly understood. I respect and listened very carefully to what the honourable member for Crescentwood (Mr. Sale) said in his remarks, and he is absolutely correct that businesses from time to time, and especially during expansionary modes or expansionary periods, need capital, and therefore they go out and borrow that capital to expand their businesses.

That aspect is substantially different than governing, and that is something that I find that the NDP does not

recognize in its fiscal planning and fiscal proposals. I think that was very evident yesterday in the debate we all witnessed and heard last night when the Leader of the Opposition (Mr. Doer) put forward their program which indicated clearly that we would have to borrow more money and spend more money, that they thought and that they still think they can borrow themselves out of debt or that they can borrow enough money to spend on job creation that will in the final analysis increase the benefactors or be a beneficiary to the overall economy.

No farm or no business has ever succeeded in doing that. There has been no successful demonstration whereby when one runs a business to the point where it is fiscally impossible to meet its commitments can they go out and borrow themselves out of difficulty. It fiscally does not work.

We recognize that, Madam Speaker. Our government recognized that when we put forward the balanced budget legislation. Not only did we recognize it, we put restraints on ourselves, saying that if we borrowed or spent unscrupulously in a given year, we, as members of government and especially our Executive Council, would be the first to see the benefits of their own action, mainly a reduction in their own salary. That is a fairly strong incentive to keep on balancing your books. Balancing books or budgets is not borrowing no money at all, as the honourable member for Crescentwood (Mr. Sale) would have us believe.

I find very interesting the different philosophies that are expanded in this Chamber from time to time, not only in this Chamber but the different philosophies different parties hold. I think it was demonstrated clearly by the former Premier of the Ontario Legislature when he went out and borrowed huge amounts of money to spend themselves out of debt, to create what? Jobs. In the final analysis, the economy was driven to a state that they could not even keep on employing people, and Ontario become the epitome of financial disaster that this country has ever seen. But the people in that province dealt very harshly with that government, and the current Progressive Conservative government is demonstrating that they can, in fact, put together a plan of fiscal responsibility that will set the stage for economic growth which in the province of Ontario affects the whole country.

So I believe, Madam Speaker, that we should take some lessons from that action. There has been much said about Saskatchewan, and the former Conservative administration in Saskatchewan, I agree that there was not fiscally responsible government under the previous Progressive Conservative government in Saskatchewan. However, let us understand how Saskatchewan arrived at balancing its books.

One of the key things they did which no other province has done—oh, there have been a few administrations in the Maritimes that have done it, but I think the electorate has also dealt harshly with them, but what the Saskatchewan NDP government did was close 58 hospitals in order that they were able to achieve a balanced budget. If you have ever seen a health care system being impacted by financial restraints, just look at Saskatchewan. They demonstrated clearly their ability to balance budgets, but who did they impact the most severely?

When we look back as to why a province such as Manitoba would need the kind of legislation we have put forward, it is clearly demonstrated by the previous action of the Pawley government. When you look at their record, when under Schreyer they had significant surpluses—as a matter of fact they had so much money at times they did not know what to do with it, and they built monstrosities that they did not pay any consideration to in the future as to whether they might, in fact, even have money left over to shingle the roofs when it became necessary.

That is the reality. They became absolute, pure spendthrifts. Well, the taxpayers and the voters of this province dealt very severely with the Schreyer administration, and it took some fairly severe actions by the Conservative government that was elected at that time to bring the whole thing into proper balance again, and I believe that we have demonstrated that we know how to not only run businesses on this side of the House, we have demonstrated that we can actually run and control government spending.

* (1750)

When you look at the surpluses that were there under Schreyer and when you look at the actions that the next Conservative government had to take when the actions

were severe enough on the other side that the electorate chose to go back to the NDP government of Howard Pawley, well, look at that record. It was very similar to Bob Rae's record in Ontario.

The Howard Pawley record speaks for itself. They not only increased taxes to the highest level of any province and anywhere in Canada, and we are still feeling the brunt of that, but they actually increased the deficit from \$1 billion to \$5 billion during that period of time, even though they drove taxes to historical highs. So what did we end up with? The taxpayers at the end of the day said, we are not going to tolerate this any longer, and they elected Gary Filmon and his crew to take over.

Well, we have very diligently, very diligently, Gary Filmon and his colleagues in this government—and, yes, I would like to call them a crew because it takes a good ship's captain and a good crew to run a sound ship and operate it to ensure that it will arrive safely across an ocean. Well, let me say to you, Madam Speaker, that this captain and this crew have steered this ship Filmon to the other side of the ocean, and we have clearly demonstrated that we can operate a government without debt in a sound, fiscal-managed way.

The honourable member for Crescentwood (Mr. Sale) talked about casino pride, and he talked about loonies being accumulated. Well, when one looks at the opposition and the word "loonies" is mentioned, one wonders how many each of them have in their pockets because these little things with this little picture on the back of it, you know, are present most of the time in all of our pockets, and one would have to interpret the word correctly in order to assume that the casino that was established by the NDP under a government under Howard Pawley at the Convention Centre and the—[interjection] Yeah, we heard the word, tiny little operation. Those of us who walked through that casino at the Convention Centre were absolutely ashamed at what we saw, and it took Gary Filmon and his good ship crew to change that, to get us out of that messy situation and put the casino in a place where we had some order and where the kids were not playing under the crap tables, as you saw in the Convention Centre.

So I would say, Madam Speaker, that our government stands tall, and we stand proud, and we can expound

the virtues of balancing a budget, and therefore the motion is before the House today to suggest to the federal government that they adopt similar legislation that will not only ensure a balanced budget in this country be attained but will ensure that it will be sustained over a long period of time if similar kinds of restrictive legislative provisions are written under the act.

Thank you very much, Madam Speaker.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, it is with pleasure that I can put a few words anyway on the record with respect to this particular resolution.

Ultimately, Madam Speaker, I think that if this resolution came to a vote, we would not see very much of a variation, with the exception of the former member for Portage la Prairie who is no longer around, in terms of the actual vote outcome for this vote than the legislation that we actually had recorded votes on.

Madam Speaker, the balanced budget legislation that this government introduced was flawed. It had a major flaw in it and it bodes about incompetence in government and wanting to be able to once again pull the veil over the eyes of Manitobans.

Madam Speaker, we have seen this government play trickery when it comes to the managing of finances in this province. The member for Crescentwood (Mr. Sale) articulated and articulated well the ways in which this government has manipulated the Fiscal Stabilization Fund as an excellent example of just what this government has been doing with respect to the financial affairs of this province.

Madam Speaker, it makes absolutely no sense for the government to say that every year we have to have a balanced budget. It makes absolutely no sense whatsoever, and as in the committee room I would challenge any good, wise businessman who can stand up and say that there is no need to borrow money. At some point in time, you have to borrow money. I will acknowledge that Manitobans want to see a balanced budget. Manitobans want to see surplus budgets, and I believe all political parties want to see balanced and surplus budgets, but it is irresponsible to believe that there is no need to borrow money at any point in time.

That is, in fact, what this legislation is, in essence, saying. It does not take into any account a business cycle, for example. [interjection] No, it does not take into account business cycles, Madam Speaker. That is one of the biggest criticisms that we leveled at this particular government, and the Minister of Finance (Mr. Stefanson), who sat through the many public hearings and public presentations, was very much aware of that fact. At times, it is necessary to borrow money in order to facilitate better economic opportunities in some cases, in order to facilitate social programs.

You know, Keynesian theory will tell you that the best time that you should be spending money is during depressions or recessions, Madam Speaker, and during the better times of an economic cycle, that then is your opportunity in which you can start to balance and build surpluses. But there has to be a balanced approach, and that is something that this legislation and the proposer of this resolution do not recognize.

That is unfortunate because the individual who proposed this particular resolution is, in essence, carrying on the same theme of what the government was trying to talk about during the last provincial election, trying to mislead Manitobans into believing that this government is serious at trying to balance and provide surpluses in a straightforward fashion, because they have not been straightforward with Manitobans.

The member for Crescentwood (Mr. Sale) talked about when they were first elected, Madam Speaker. When they were first elected, they actually had a \$45 million, \$54 million surplus, in around that range, and instead of acknowledging the surplus they chose to create a deficit by borrowing \$150 million with the idea of creating a \$200-million Fiscal Stabilization Fund, and I take great pride in the fact that the member for St. Boniface (Mr. Gaudry) and I are the only two members of this current House who voted against the Fiscal Stabilization Fund.

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Inkster (Mr. Lamoureux) will have 11 minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 13, 1997

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