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Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
- and
PROCEEDINGS**

**Official Report
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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
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DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
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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.
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MIHYCHUK, MaryAnn	St. James	N.D.P.
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NEWMAN, David, Hon.	Riel	P.C.
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PITURA, Frank, Hon.	Morris	P.C.
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RADCLIFFE, Mike, Hon.	River Heights	P.C.
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Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 28, 1998

The House met at 1:30 p.m.**PRAYERS****ROUTINE PROCEEDINGS****PRESENTING PETITIONS****Winnipeg Hospitals Food Services—Privatization**

Mr. Doug Martindale (Burrows): Madam Speaker, I beg to present the petition of L. Barabash, G. Lamoureux, E. Karlinski and others praying that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Praznik) to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.

READING AND RECEIVING PETITIONS**Winnipeg Hospitals Food Services—Privatization**

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

WHEREAS the provincial government has embarked upon a project in which it is closing hospital kitchens and having hospital food transported in from Toronto for reheating; and

WHEREAS this proposal will not improve the quality of food but will cost hundreds of jobs to the provincial economy; and

WHEREAS on December 8th of 1997, the provincial cabinet staged a photo opportunity for the media in which government MLAs were served chicken breast

from a chef flown in from Toronto for the occasion while the actual meal served residents that night was macaroni and peas; and

WHEREAS this proposal will result in more health care dollars being spent on questionable privatization projects; and

WHEREAS in December of 1997, the provincial government was forced to drop a similar privatization scheme involving home care which had been opposed by the clients, families and the public; and

WHEREAS once again the provincial government without consultation has committed itself to a privatization project which will likely cost taxpayers more money for a poorer quality service, thus forgetting the patients who deserve better care.

WHEREFORE YOUR PETITIONERS HUMBLYPRAY that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

THAT people who are in the hospital require nutritious and appetizing food; and

THAT the announced savings as a result of the contract have been disputed, and one study by Wintemute Randle Kilimnik indicated that, "A considerable number of studies have compared costs of service delivery in health care between self-operation (public sector) and privatization. Invariably, privatization is more expensive."; and

THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

THAT the Urban Shared Services Corporation (USSC) has announced plans to privatize laundry, food services and purchasing for the Winnipeg hospitals; and

THAT it is estimated that more than 1,000 health care jobs will be lost over the next year as a result, with many more privatized in the next two or three years; and

THAT under the terms of the contract, Ontario businesses will profit at the expense of Manitoba's health care system; and

THAT after construction of a food assembly warehouse in Winnipeg, chilled, prepared food will be shipped in from Ontario, then assembled and heated before being shipped to the hospitals; and

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THAT no one in Manitoba seems to benefit from this contract, especially patients.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospital food services.

* (1335)

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

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

Motion agreed to.

INTRODUCTION OF BILLS

Bill 29—The Statute Law Amendment (Taxation) Act, 1998

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I move, seconded by the Minister of Natural

Resources (Mr. Cummings), that leave be given to introduce Bill 29, The Statute Law Amendment (Taxation) Act, 1998 (Loi de 1998 modifiant diverses dispositions législatives en matière de fiscalité), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House, and I would like to table the Lieutenant Governor's message.

Motion agreed to.

Bill 32—The Municipal Amendment and Consequential Amendments Act

Hon. James McCrae (Minister of Environment): Madam Speaker, on behalf of the Minister of Rural Development (Mr. Derkach) and seconded by the honourable Minister of Industry, Trade and Tourism (Mr. Downey), I move that leave be given to introduce Bill 32, The Municipal Amendment and Consequential Amendments Act (Loi modifiant la Loi sur les municipalités et modifications corrélatives), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House, and I am pleased to table the Lieutenant Governor's message.

Motion agreed to.

Bill 35—The Mental Health and Consequential Amendments Act

Hon. Darren Praznik (Minister of Health): Madam Speaker, I move, seconded by the honourable Minister of Family Services (Mrs. Mitchelson), that leave be given to introduce Bill 35, The Mental Health and Consequential Amendments Act; Loi sur la santé mentale et modifications corrélatives, and that the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House, and I am pleased to also table a copy of His Honour's message.

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 Grades 11 and 12 students from Minnedosa Collegiate and also from Baie-Comeau, Quebec, under the direction of Mr. Daniel Kiazzyk. This school is located in the constituency of the honourable Minister of Labour (Mr. Gilleshammer).

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

ORAL QUESTION PERIOD

Students-at-Risk Report Government Action

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, the government has commissioned a report dealing with students at risk, and the participants were members of the government Department of Education, principals, superintendents, school administrators and others. Regrettably, the findings are devastating in terms of the status of students at risk and their situation in our education system. The findings have the system overwhelmed; they have the resources as inadequate and state that students are becoming casualties of this system.

Madam Speaker, I would like to ask the Premier (Mr. Filmon) today: what action is his government taking and going to take to deal with the report on students at risk in Manitoba?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, we have spoken often recently in this Chamber and in government and to the wider public about students at risk and the various ways in which their needs can be addressed. Through the Children and Youth Secretariat, we have come together as departments to co-ordinate activities between and amongst the Departments of Education and Training, Health, Family Services, Justice and Native Affairs. With my colleague the Minister of Family Services (Mrs. Mitchelson), we are embarking upon initiatives

for early intervention that take place prior to the school years beginning, so that students begin school ready to learn as opposed to beginning school disadvantaged, and they will take a wide range of initiatives ranging from nutrition to reading readiness and a whole series of other interventions.

As well, once students begin school—members will recall in this year's budget that we have set aside a fair amount of money for early intervention and literacy, primarily through the Reading Recovery Program and things of that nature.

* (1340)

Mr. Doer: Madam Speaker, I would like to table a report conducted for the minister from Lindberg Consulting, where they conclude that the current resources in the education area are inadequate, that schools are investing more and more costs and resources to deal with the social needs at their doorstep, and there is a widespread belief that the provincial public policy is not—and the best interests of the students are moving in the opposite direction.

Madam Speaker, I would like to ask the Premier (Mr. Filmon): why has his government and the Department of Education introduced policies that are moving in the opposite direction of what is in the best interests for students at risk here in Manitoba?

Mrs. McIntosh: I obviously do not accept the preamble in the member's question, because the initiatives we are putting in place are being put in place designed to address some of the problems that we are able to identify. We have spent a lot of time trying to identify what the risk factors are and how they should be addressed. We just recently have begun some initiatives. The Minister of Family Services (Mrs. Mitchelson) recently, just last week, presented funding for a side-by-side program in one of the schools in Winnipeg whereby we are working with people who are not necessarily educators but housing them in schools to begin to address some of the societal needs that children at risk experience.

We have an urban aboriginal strategy which is coming into being. We are working with a wide range of community groups to deal with literacy problems that begin to show in early years. A lot of these things

are things that need to be done preschool, and we have identified and are beginning to implement initiatives in that arena.

Mr. Doer: It is no wonder that the report talks about the lip service given to these issues by the ministry and the Minister of Education, regrettably. The report on page 12 goes on to say that at-risk students currently in the system at junior and senior high schools will continue to be casualties for at least five more years. The field and students cannot be left with this pain on their own.

I would like to ask the Premier (Mr. Filmon), instead of just providing lip service to the students at risk in our schools, some 20 percent of our students in Manitoba schools, what real action will he take to deal with this devastating report that was commissioned by the minister's own department? It had people from the minister's own department in it and still condemned the minister for lack of action for students at special risk.

Mrs. McIntosh: Again, I do not accept the preamble the member insists on putting on the record. In putting forward ideas as to how to deal with students at risk, it is necessary first of all to identify what those risk factors are. We have had many and numerous experts in to the government to talk to the Children and Youth Secretariat and various ministries involved in it to identify the risk factors, identify the target groups to whom we need to address our efforts. We have begun putting forward both programs and funding to identify these as they are identified.

Madam Speaker, it is much more beneficial to take aim at specified targets than to do the wild, random shotgun approach of the members opposite and just aim at everything and anything without knowing if you are going to achieve good results, so we have a concentrated effort. We have funding in programs currently being put in place to deal with these factors that have now been identified for us, confirming that which we knew and bringing to our attention things that we sought answers for.

Students-at-Risk Report Government Action

Ms. Jean Friesen (Wolseley): Madam Speaker, after 10 years of the revolving door of Tory education policy,

we seem to have a minister who has not read the report, who has not understood the issues that people across Manitoba, 18 focus groups, are saying to her. I wanted to ask the minister: what is her response going to be to those 18 focus groups of principals, superintendents, teachers, student service advisers who are saying that all these groups, and I quote from the report, all the groups agree that Manitoba Education and Training should repair the breakdown in communication and trust? That is what has happened in Manitoba education. What is the minister's response to that?

Hon. Linda McIntosh (Minister of Education and Training): Of course, the member quotes selectively again, out of context again. Madam Speaker, as I indicated, we need to identify first what our target is and then take solid aim at it. We are doing that. This year alone we have had a large amount of money being put into schools for students at risk, specifically in the city of Winnipeg alone, some \$6 million for students at risk targeted specifically to key areas of concern. Those kinds of initiatives need to be dealt with in an orderly way and we are doing that, notwithstanding the rhetoric of the members opposite who never did take a look at trying to identify what the risk factors were or make any attempt to try to address them when they were in government.

* (1345)

Ms. Friesen: Could the minister tell us what her response is—and I can assure her I am not quoting out of context—to people across the province who have told her, and I quote, there is an overwhelming number of students who are currently in the system who are behind grade level expectations who have come into the grade without the prerequisite skills. I can tell you they came in in 1998 and 1999 when this government came to office. These students currently in the system are and will continue to be casualties for the next five years. The field and the students cannot be left to deal with this pain on their own. Will the minister respond to that?

Mrs. McIntosh: The member can take a look then, for example, at recommendation one which says that we need an integrated approach. We need an integrated approach, Madam Speaker, and we have formed an integrated entity, the Children and Youth Secretariat.

It has begun to do some of the other things that are mentioned in here. The integrated approach also indicated that they needed a school-linked service delivery program—[interjection]

Madam Speaker: Order, please. The honourable Minister of Education and Training, to complete her response.

Mrs. McIntosh: Thank you very much, Madam Speaker. Also in that first recommendation, it indicated a need for a school-linked service delivery and, as I indicated in one of my earlier responses, the Minister of Family Services (Mrs. Mitchelson) just last week was over presenting a cheque for a side-by-side program in a school that would address this type of initiative. The member will recall, as it talks in here about some of the things that are needed to be done in a preschool way, initiatives announced in the Minister of Finance's (Mr. Stefanson) budget about early intervention and early child care and nutrition programs, teenage pregnancy and a number of those other issues. The member will note in the few weeks ahead other announcements coming in this area.

Madam Speaker: The honourable member for Wolseley, with a final supplementary question.

Ms. Friesen: Thank you, Madam Speaker. Could the minister tell us why the report says that principals were the most vocal regarding the pressure on schools and the widespread impact on students at risk? They tell us that many schools are actually pushing these students at risk out for fear of pulling down school results, and they, the principals, mistrust the political agenda and do not feel supported.

Mrs. McIntosh: I know the member is opposed to standard exams and assessment but, Madam Speaker, I can assure her that the vast majority of the public and educators in the classrooms support the kind of rigorous curricula and testing that is coming in place. It does not push students out. We have indicated emphasis on students at risk in terms of reading recovery, in terms of literacy intervention, in terms of funding that we are putting in place for literacy groups outside the school system for those who have been a long time out of school and need to equip their literacy skills. We are taking a serious look at the present time at the

aboriginal education to ensure a higher graduation rate. We put in place Partners for Careers that assures that those aboriginal students who do graduate can obtain jobs and serve as role models to inspire other students to remain in school and acquire the education that will launch them to success and the like. So most of these recommendations are already having initiatives towards them to be addressed.

Students-at-Risk Report First Nations Schools

Mr. Oscar Lathlin (The Pas): My questions are also for the Minister of Education, and that is: given the fact that First-Nations-operated schools still fall under the jurisdiction of the Department of Education with regard to standards even though they are federally funded and are being managed by the First Nations people, I want to ask the minister to give us one good reason why this study which was commissioned by this government did not include any First Nations schools.

Hon. Linda McIntosh (Minister of Education and Training): This speaks about students at risk, and we know that in various parts of Manitoba a large number of those students at risk are of aboriginal ancestry. Madam Speaker, they do in fact refer to aboriginal students. It talks about the ability to recognize and protest subtle yet powerful attitudes of bias and racism towards our aboriginal people needing to be addressed at all levels of the system. That is precisely what—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

* (1350)

Mrs. McIntosh: That is a document tabled by the member opposite. That is precisely what our new curricula is doing. We are threading through new curricula at all levels and in all subject areas, the aboriginal awareness perspectives precisely addressing this very point in very clear terms. We are doing it in partnership with other provinces in the western part of Canada, and we are seeing this as something that will address not just aboriginal students but all students, that all students should be aware of aboriginal perspectives,

and cross-cultural awareness will lead to greater understanding and success for all.

Madam Speaker: The honourable member for The Pas, with his supplementary question.

Mr. Lathlin: Madam Speaker, I feel like I should ask the minister that question over again because she never answered the question.

I recognize that there are aboriginal students in towns and city schools, and they are under the jurisdiction of the provincial government. My question to the minister is: why did this study, which was commissioned by her government, not include those schools that are situated on First Nations territory?

Mrs. McIntosh: I say to the member that students at risk, be they aboriginal or nonaboriginal, will have certain key things that need to be addressed, those being early intervention, those being identification of the factors that may inhibit their learning once they reach school. It does need to be a joint effort between the community, the home, the school and government.

Madam Speaker, that is what we are trying to address. Federally run schools—and many of the schools the member is referring to are federally run, not provincially run—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Education and Training, to complete her response.

Mrs. McIntosh: Thank you very much, Madam Speaker. In Estimates over the last day and probably again today, we have been delving very deeply into this particular issue of the specific needs of Manitoba's aboriginal students and the ways in which the province is addressing those needs. I would invite the member—he may wish to attend the Chamber this afternoon and sit in on Estimates of Expenditures and get detailed answers to those specific questions to enlighten him on our initiatives.

Madam Speaker: The honourable member for The Pas, with a final supplementary question.

Mr. Lathlin: Madam Speaker, my final question to the Minister of Education is: given that this government has a Native Education branch, which incidentally has been slashed from 12 to three, how can this branch be expected to bring forward relevant aboriginal curriculum which this government has failed to do but is being recommended by this study?

Mrs. McIntosh: Again, the member would be well advised to attend the Chamber and sit in on Estimates because he could then—we have already answered that question for him. He speaks about a branch that has gone from 12 to three. I tell you that we now have a department-wide initiative that involves many, many more than 12 people. We have a new directorate, reporting directly to both ministers of Education, of three people who are co-ordinating throughout government all aspects of the Department of Education, aboriginal initiatives and perspectives. So far from having gone from 12 to three, it has gone from 12 to every person involved in the curriculum writing, in all of the aspects of programming for schools. That directorate is now reporting directly to the deputies and the minister as opposed to simply being a branch of the School Programs Division. So it has been definitely expanded in terms of its scope and its nature, and the number of people involved is much greater than before.

Workers Compensation Board Budget Surplus

Mr. Daryl Reid (Transcona): Madam Speaker, the 1997 Annual Report of the Workers Compensation Board indicates that the Workers Compensation Board now has a \$54-million surplus. I want to quote from the Workers Compensation Board's annual report of 1991 that says that the Workers Compensation Board's financial position and prospects have improved significantly as a result of the proclamation of Bill 59. The immediate financial effect of this bill was to reduce the expectation as to further costs attributed to past and future claims.

I want to ask the minister responsible for the Workers Compensation Board to explain why his government gave 15 percent premium reductions to the employers of this province as a result of the 1996 surplus, and there were no benefits accrued to the injured workers of this province because you have penalized them, as is stated in your annual report in this province.

Hon. Harold Gilleshammer (Minister charged with the administration of The Workers Compensation Act): Those of us on this side of the House, and I am sure most Manitobans, are very proud of the fact that we have eradicated a \$234-million deficit, an accumulated debt that was put in place in about six short years, from 1981 to 1987. Prior to that, there was no debt. As a result, rates went up dramatically in the 1980s and early 1990s. We are very proud of the fact that the board has made decisions that have allowed them to be rid of this debt. They no longer have to pay off that debt; they no longer have to pay off that interest and, in fact, have been able to reduce the rates to all of the employers across this province, and we are very proud of that.

* (1355)

Mr. Reid: You cut the widows' and children's benefits as a result of your Bill 59.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. Would the honourable member for Transcona please pose his question now.

Mr. Reid: I want to ask the minister to explain the statement from another of his annual reports that says: the liability for short-term disability was significantly reduced in 1992 as a result of changing from a payment system of 75 percent gross to 90 percent net after income tax for claims incurred subsequent to December 31, 1991, by virtue of legislation enacted by this government.

I want to ask the minister: how many people have been affected as a result of your changes? How many widows have been shortchanged as a result of your cutbacks, and how many dependent children have been shortchanged as a result of your legislative changes in this House?

Point of Order

Hon. James McCrae (Government House Leader): Madam Speaker, on a point of order. I know the honourable member for Transcona feels strongly and passionately for the matter that he brings forward, but

there are rules in this House that his House leader often reminds us all that we have to obey. There is a rule that we ought to address our comments through the Chair. Any comments made in the second person directly to a member on either side are out of order and unparliamentary, and I would ask the honourable member to remember to speak through the Chair when he puts his questions in Question Period.

Madam Speaker: On the point of order raised by the honourable government House leader, indeed the honourable government House leader does have a point of order, and I would remind the honourable member for Transcona to direct his questions through the Chair.

* * *

Mr. Gilleshammer: Madam Speaker, in addition to reducing that long-term debt and reducing the rates that employers have to pay annually, we have also brought in many service enhancements so that individuals who need to access the services of the Workers Compensation Board can get their cases heard and adjudicated in a timely fashion. The remuneration that recipients receive is indeed equal to if not higher than it was previously.

I would remind my honourable friend that we do have a board who makes these decisions. The board consists of public interest individuals, individuals from labour nominated by labour and also those that are nominated by employers. I know last year, when we had an opportunity to discuss this in committee, my honourable friend said: I have trust and confidence in members of the board and in Mr. Fox-Decent. These are the same people that he appears to be criticizing today.

Madam Speaker: The honourable member for Transcona, with a final supplementary question.

Mr. Reid: Madam Speaker, I want to ask the minister responsible for the Workers Compensation Board, since the number of reported accidents have increased by over 2,200 in this past reporting year up to over 43,000 reported workplace injuries in this province of Manitoba, how he can sit there, how his government can sit there and say that they can give rebates back to employers in this province. He knows full well that the

legislative act that he brought into this House prohibits the Workers Compensation Board from sharing those surplus benefits with the injured workers of this province. Why will he not do the right thing and share those surplus benefits with the injured workers of this province as well?

Mr. Gilleshammer: Madam Speaker, the member seems to be troubled by the fact that the Workers Compensation Board that he praised last year in committee has been able to rid themselves of the debt, have paid off the accumulated debt and are now offering premiums at a lower level. There are rebates and lower levels of payments required by employers. At the same time, the board has seen fit to introduce last year and again this year a million dollars which is dedicated towards research and education grants. I know that the labour community has been particularly pleased by the fact they have had a tremendous amount of input into how this money is going to be spent. I certainly look forward to getting into that committee with my honourable friend so that we can get into these issues in more detail.

Video Lottery Terminals Community Referendums

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister responsible for Lotteries. The Gaming Commission is one of the groups that suggested that there is a need for referendums. Yesterday, we understand it was raised in Question Period that the Conservative candidate in Charleswood also sees the benefit and actually is saying communities should be allowed to decide if they want to ban VLTs.

My question to the government: when you have a by-election going on and you have a candidate that is talking about allowing communities to decide whether or not VLTs should be banned, is there not an obligation on the government to come clean with the electors in Charleswood in terms of what is this government's position? Are they in favour of allowing communities to decide whether or not they can have VLTs?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Madam Speaker, I think it is very

important in any election campaign that candidates who put their names forward to represent people express their views, their beliefs, issues that they will fight on behalf of the citizens that they represent. Our candidate has certainly done an excellent job of doing that in the constituency of Charleswood, and I am sure as a result of that will deserve the kind of support that should follow.

In terms of the issue, the very specific question, Madam Speaker, we responded to it yesterday. The independent Gaming Control Commission, which was one of the recommendations from the Desjardins committee, has been implemented here in Manitoba. It has several issues to address, and one of the very important issues that it is currently addressing is the entire issue of referendums here in the province of Manitoba. We await their process and the final report that we will receive from them.

* (1400)

Mr. Lamoureux: Madam Speaker, will the Minister of Lotteries come clean and indicate to this Chamber that it is not the Gaming Commission's responsibility to determine the referendums, it is this government's responsibility? It is the people of Manitoba who hold this government accountable.

The question to the Minister of Finance or the Minister responsible for Lotteries: does he or does he not support referendums for VLTs?

Mr. Stefanson: Madam Speaker, I think somebody should check the mike for the member for Inkster to make sure that it is on and working. We had no difficulty hearing him; he does not have to shout.

We have already indicated very clearly that there is a process. The independent Gaming Control Commission is going through a review; it is doing some research on the issue. It will potentially hold some public meetings on the issue. It is obviously looking at other jurisdictions. We have always said in terms of the gaming issues, the policy issues, they will be decided by government, but we certainly have in place with the independent Gaming Control Commission a body that will do an independent assessment, will do the kind of research and will have consultations with Manitobans.

Mr. Lamoureux: Madam Speaker, a jellyfish comes to mind. My question—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. I would remind the honourable member for Inkster that this is not a time for debate. He was recognized to pose his third and final question.

Mr. Lamoureux: Madam Speaker, will the Minister responsible for Lotteries at least admit to this House that if in fact there is going to be any chance of a referendum, that decision has to be made well in advance so that at least we could have it done this year when we have municipal elections coming up this fall? If it is going to be past the fall, the referendums are not necessarily going to work for the next few years. Will he acknowledge that fact?

Mr. Stefanson: No, I will not, Madam Speaker, because different jurisdictions have had different approaches with referendums. One option is to have a referendum at the same time as municipal elections, which are currently held every three years in Manitoba. There are other options. Some jurisdictions have looked at having referendums based on a certain number of citizens coming forward calling for a referendum on a particular issue, so there are various ways to trigger a referendum without them necessarily only being at the time of municipal elections. Having said that, that certainly is one option, and that is one option that will be reviewed as part of this entire process.

Hepatitis C Compensation

Ms. Diane McGifford (Osborne): Madam Speaker, yesterday we introduced a motion into committee recommending that the Legislature and the House of Commons hold their free vote on extending compensation to all victims who have contracted hepatitis C from contaminated blood.

I would like to ask the Premier (Mr. Filmon) today if he will support this motion.

Hon. Darren Praznik (Minister of Health): Madam Speaker, the motion moved by the member for

Osborne, which is certainly a very appropriate motion, is resulting in a very good debate and discussion of this issue in the Committee of Supply, and I look forward to continuing that debate this afternoon.

Maple Leaf Foods Plant Construction Contracts—Bidding Process

Mr. Leonard Evans (Brandon East): The first construction contract awarded for the Maple Leaf hog plant in Brandon involves excavation and earth moving which is one type of work that any of the five Brandon-based companies can handle. This may not be the case in subsequent portions of the construction. Unfortunately, it provided no job opportunities for local workers, and also the contract was awarded on a closed or secretive basis.

I would ask the Minister of Industry: given the fact that millions of public dollars are involved, would the minister take steps to have the bids for this particular tender award made public so that the taxpayers can be assured of the fairness of the process and of the decision?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, let me say at the outset that I am extremely pleased and proud that Manitobans were able to attract a plant of that magnitude to add to the overall economic base and 2,200 jobs to the province of Manitoba in the long term.

Our participation as a province was to support the infrastructure and training but not to get involved in the private development of this initiative which in fact is carried out by contractors from the private investor.

Mr. Leonard Evans: Would the minister use his good offices to persuade the construction company and others involved to use an open-bidding system in the future so that contract boards will be made public and everyone, including the taxpayers who do have a vested interest in this, not only from the city of Brandon but from the province of Manitoba—that everyone is fully informed?

Mr. Downey: Madam Speaker, again, I could reiterate my first answer, but I think it is certainly the company that is doing the development to purchase the services,

to purchase the goods in a manner which gives them the best product for probably the lowest price. I would leave it to them to answer to the member for Brandon East if he feels that he would like to ask them that question. We are extremely pleased that the plant is being developed in the province of Manitoba.

Mr. Leonard Evans: Madam Speaker, is the minister telling the House that he is not prepared to go to bat for the taxpayers in Manitoba to assure that there is an open—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Brandon East, to pose his question.

Mr. Leonard Evans: The minister knows that we are fully supportive of the government's move in this respect. We are fully supportive of the plant, including everyone in the community. That is not the issue.

Simply put, Madam Speaker, will the minister use his good offices to ensure that all awards of tender in the future, and including this one, are made public so that the taxpayers of this province who do have a vested interest in this project and who welcome the project by and large, I believe, are fully informed? That is a straightforward request of a noncontroversial nature of this minister.

Mr. Downey: Madam Speaker, I certainly am interested in the interests of the taxpayers. That is why I have supported this government and worked very hard for 10 years to bring forward balanced budgets and pay off the excruciating debt that was imposed upon them by the NDP in the province when they had their chance to be in government.

Madam Speaker, this is a private sector business initiative that is building a hog plant in Brandon. We are supporting the training and the infrastructure. They are free to carry out their activities in a way which will accomplish a world-class plant creating 2,200 jobs for the long term for this province. [interjection]

Madam Speaker, the member says I am not interested. Yes, I am interested in the development of

this plant and maximizing the employment of the people of Manitoba.

* (1410)

Amanda Cook Murder Investigation Departmental Review

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice: Manitobans today are hearing of a travesty of justice in the case regarding the slaying of 14-year-old Amanda Cook, where the Crown has sought and the court has ordered a stay of proceedings, a stay of the charges on the basis that the evidence gathered by the RCMP had serious shortcomings. Indeed, a tape recording apparently had been tampered with. The judge had serious questions about the credibility of the investigation and, as well, the procedures and the interviews that took place of the accused.

My question to the minister is: in addition to the internal RCMP investigation, what does this minister propose to do to reduce the risk of this kind of thing happening again? What is he going to do differently now?

Hon. Vic Toews (Minister of Justice and Attorney General): Well, Madam Speaker, the first thing that I will not do is interfere with what is now an ongoing investigation. I did have the opportunity to meet with both Chief Clearsky and with Councillor Tim Cloud in respect to this issue. During the course of that meeting, both the chief and the councillor were very complimentary of the Crown attorney in that particular case who is a very experienced Crown attorney.

I am not about to second-guess what the Crown attorney is doing in this case, but I know that he has the interests of the people of Manitoba at heart, and he is doing the right thing, I believe, in staying the charges at this time so that the investigation can proceed and that ultimately the culpable party will be brought to justice.

Mr. Mackintosh: Would the minister address the question, which was not about the Crown attorney, but why does he not feel it necessary to review the police procedures here, and will he not ensure that there is a review by his department? After all, it is his department and this minister that is responsible for the

contracting with the RCMP at a cost of about \$50 million or more every year for the people of Manitoba. It is procedures. Will he review them?

Mr. Toews: Madam Speaker, I do not want to say anything that will prejudice any ongoing investigation, but I can assure the member that I have raised this particular case with the appropriate individuals. It is not for this department to tell that federal police agency, although they are under contract to us, how it is to conduct its affairs. At this time I am advised by senior prosecutors that this is an ongoing matter and that the investigation is continuing.

Mr. Mackintosh: Would the minister possibly explain then, why, in his talk about what his department is responsible for, he goes on to talk about monitoring the services provided by the RCMP, making recommendations about their policies and procedures while on the other hand saying that he will not do anything? When is the last time he reviewed the policies and procedures of law enforcement agencies in Manitoba? When is the last time his department had seminars about the proper legal procedures to be followed in investigations and what instructions has his department given to law enforcement agencies? I am talking about general procedures.

Mr. Toews: I can indicate, on another matter which we will be announcing very shortly, that our department has had very extensive discussions with the Winnipeg city police, with the RCMP and with other municipal forces in respect of the way in which certain legal issues are approached.

We realize that, even though I do not have direct control over the RCMP, it is in fact very important that both the Attorney General's department and the Department of Justice and the municipal police forces, including the provincial police, act in a co-ordinated fashion in the best interests of the people of Manitoba.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Madam Speaker: I have a ruling for the House. Order, please.

On April 7, 1998, the honourable member for Brandon East (Mr. Leonard Evans) rose on a point of order respecting the reading of members' statements. The government House leader made some input on the point of order as well, and I took the matter under advisement.

The honourable member for Brandon East suggested that reading verbatim of speeches was not in order, although the use of notes was acceptable. He noted that many members were reading statements as opposed to giving speeches from notes. The government House leader, in essence, concurred that the practice has tended toward more reading of speeches. He suggested that reading of questions and of statements was a reality of parliaments in the '90s.

* (1420)

In considering the matter, I note that our Rule 33 prohibits with certain exceptions the reading of speeches during a debate. A member's statement, however, is not a debate, so it does not fall within the ambit of Rule 33. I would make the observation that ministerial statements are made from a prepared text. I would also make the observation that members' statements are restricted to a very short period of time—two minutes.

I have had a survey done of practices in other Canadian jurisdictions. Of the 11 Houses which responded, 10 allow members to read from a prepared text during members' statements. The 11th House does not have members' statements. When members' statements were considered by the Rules committee the issue of whether they could be read was not discussed by the committee. I would note that it seems to have become the practice in the House for members to read their statements.

Because there is no specific rule for the Chair to interpret, and because there was no position expressed by the Rules committee in its consideration of members' statements, it is difficult for the Chair to make a ruling.

I would note that in the past, on issues like whether members had to stand to ask questions in Committee of Supply meeting in the Chamber, that matter was decided by putting the issue to the House. I am,

therefore, suggesting that a similar approach be taken with respect to the matter raised by the honourable member for Brandon East. If the House is willing to deal with the matter immediately, I would be prepared to put a question to the House. If there is a desire to have some time to consider the matter further, I would be prepared to put the question to the House at a later time, and I also suggest if there are concerns that perhaps the House leaders could arrange a meeting and discuss this if there is no will today to make an immediate decision.

What is the will of the House?

Hon. James McCrae (Government House Leader): Madam Speaker, this matter appears to me to be an excellent candidate for some discussion at some future time.

Mr. Gary Doer (Leader of the Opposition): Yes, although we would concur with the fine assessment of the member for Brandon East (Mr. Leonard Evans) in terms of having the ability to debate without somebody writing your speech, we would certainly be willing to discuss the sentiments of the member for Brandon East at the Rules committee or at another appropriate committee.

Madam Speaker: I thank the honourable members for their advice.

MEMBERS' STATEMENTS

Workplace Accidents

Mr. Peter Dyck (Pembina): Each year in Canada, April 28 is designated as a national day of mourning for those who have been injured or who have died in workplace accidents in Canada. Life is precious and all injuries are preventable. Any workplace injury or fatality is a serious matter and of great concern. All of us are touched by workplace accidents, whether the person injured is old or young, male or female, someone who may have been working as a farmer, a logger—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable member for Pembina was recognized for a member's

statement and I would request the co-operation of all members in the House in ensuring that that member is audibly heard over the roar of the private conversations going on.

Mr. Dyck: Thank you, Madam Speaker. All of us are touched by workplace accidents whether a person injured is old or young, male or female, someone who may have been working as a farmer, a logger, a construction worker, miner, as a worker on an assembly line or in some other area of work. From each incident that occurs, whether it results in a serious injury or not, we must learn the cause so that we can prevent similar occurrences and ensure that such tragedies do not happen in the future.

In the last decade, there have been significant reductions and improvements in accident rates and traumatic fatality rates. Employers and workers have been working as partners to ensure that workplaces become safer. This partnership must continue. As long as any worker is injured or killed in a workplace accident, there is room for improvement. We must remain diligent in continuing to make Manitoba's workplaces even safer and healthier. Injury and death in the workplace brings pain and suffering to co-workers, families and friends. The day of mourning on April 28 gives all of us a chance to consider the serious nature of work and to set aside a few moments to think about those persons injured or killed and to consider how we can all work towards the goal of eliminating all workplace accidents. Thank you.

Mr. Daryl Reid (Transcona): Madam Speaker, today, April 28, is the day of mourning for those who have lost their lives or been injured in workplace accidents. On average, three Canadians lose their lives each working day as a result of workplace injuries. Each year more than 820,000 Canadians lose their lives in workplace accidents. One worker is killed or injured for every nine seconds of work time. In Manitoba last year, 43,831 workplace injury claims were filed, an increase of 2,296 over the previous year. In 1997, 60 fatalities were reported in Manitoba. The previous year there were 49. Many of these fatalities are as a result of an occupational disease, although not solely limited to that particular area, because trauma claims a large number of workers as well.

Madam Speaker, 17,306 Manitoba workplace injuries resulted in temporary or permanent disability; 506 widow/widower pensions are issued, in addition to 348 children who lost a parent in a workplace accident. April 28 has been recognized by the Parliament of Canada as the Day of Mourning. This day was brought about by former NDP Churchill MP Rod Murphy. I ask each and every member of this Legislative Assembly, in fact, all Manitobans, to rededicate ourselves to preventing workplace injuries and deaths. We mourn for the dead; we fight for the living.

Manitoba Schools Science Symposium

Mr. David Faurschou (Portage la Prairie): Madam Speaker, this past weekend I had the opportunity to attend the 1998 Manitoba Schools Science Symposium at the University of Winnipeg. The students in attendance were from all across this great province of ours, and they had worked extremely hard to gain that opportunity in their own school and in their own division. There were 574 students in attendance, manning 503 projects. I might just mention to the honourable Minister of Education that this year there were more female students in attendance than that of male, which is indeed an interesting fact on the basis that science was once known as predominantly male-driven.

My daughter competed in the agricultural sector of this competition. I am extremely proud as a father of her accomplishments with a silver medal in environmental studies science component. Not only did the students work extremely hard, which I am very much and acutely aware of the efforts that went into their involvement in this activity; however, I also want to draw the attention of honourable members to the extreme amount of work by the co-ordinators and all those involved in the putting on of this symposium.

I would like to also recognize two participants from Portage la Prairie at the senior level. Loryssa Rosnagel and Vlad Gidzak both received gold medals and major awards from the Young Scientists of Canada. Vlad will be this province's representative to the international science symposium in London, England, in the engineering and technology category. I would like to take this opportunity to thank everyone involved, including the departments of this government that

supported this symposium. Without that support, I am sure that this symposium would not have been the success that it was.

* (1430)

Manitoba Heritage Federation Awards

Mr. Stan Struthers (Dauphin): Madam Speaker, it was my pleasure on Saturday evening to attend the Manitoba Heritage Federation awards banquet held in Neepawa and hosted quite admirably by the Margaret Laurence Home. Our heritage in Manitoba is something that we should really spend a lot of time teaching to the younger folks, younger Manitobans. It has always been my opinion that our heritage is something that is very important. Indeed, it was George Santayana, the historian, who once said that if we do not learn our history we are bound to make the mistakes of our history.

On Saturday night the Manitoba Heritage Federation took the time to recognize a lot of people from around the province who have made some very good contributions to preserving the heritage. I want to mention a few from the Parklands area who received awards that night, beginning with John and Kay Slabodzian of Dauphin for their work at the Trembowla Cross of Freedom—in fact, the Trembowla Cross of Freedom, as well, received an award that night—Mr. Gerald Morran for his work at the Grandview Museum; Mary Prokopowich from Dauphin; and Ken Romaniuk and Val Sirski for their work in convincing the federal government to proclaim the Ukrainian Catholic Church of the Resurrection in Dauphin a national historical site.

I want to finish up by congratulating the organizational committee in Neepawa for doing an excellent job in hosting a wonderful night and also the Margaret Laurence Home for hosting this year's annual awards banquet of the Manitoba Heritage Federation. Thank you.

Law Enforcement Officers

Mr. Gary Kowalski (The Maples): Madam Speaker, I was not planning to make a statement, but something that happened at Question Period causes me to rise. I take strong objection when police officers are criticized and they have no avenue to respond to it.

In a murder investigation—and being a former robbery homicide detective, I know how difficult it is—emotions are running high in the community, and there is strong pressure for the police to solve the crime, and a suspect does not want to tell you that he committed a murder. So it is an abnormal situation where you are sitting down with a suspect who does not want to tell you something and you want him to put in writing what he did.

So when RCMP officers are criticized for attempting to get a statement falling within the rules, and if there was not sufficient evidence to charge him without that statement, that statement became very important. After many, many hours of interviewing a suspect, what would they have to lose? They would keep going further and further. It is an art. It is not a science in a murder investigation, nor when the Crown prosecutor takes the case. It is subjective.

So when I hear a member of this Chamber criticizing RCMP officers, criticizing Crown attorneys, it is easy to second-guess, but it is a difficult job they do. It is easy to second-guess them, and it is very subjective. Overall, we have good Crown attorneys, we have good RCMP officers, good Winnipeg police officers. It is easy to second-guess them for political purposes, but they do not deserve that, Madam Speaker.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable Minister of Culture, Heritage and Citizenship (Mrs. Vodrey), 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

Mr. Chairperson (Gerry McAlpine): 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, unanimous consent had been granted to skip to line 23.3. Industry Support Programs (a) Mineral Exploration Assistance Program. The honourable Minister of Energy and Mines had 25 minutes remaining in this debate of the motion moved by the member for St. James (Ms. Mihychuk). We ask the honourable minister to please proceed.

Hon. David Newman (Minister of Energy and Mines): Continuing my discussion on the use of the Mining Community Reserve Funds for the Mineral Exploration Assistance Program, I wanted to put on the record that Section 44(3)(a) of The Mining Tax Act states as follows: in addition to all or any monies authorized to be expended under any other act of the Legislature, the Lieutenant Governor in Council, in his absolute discretion, may direct the expenditure from the Mining Community Reserve of such sums as he may specify for the welfare and employment of persons residing in a mining community which may be adversely affected by the total or partial suspension or the closing down of mining operations attributable to the depletion of ore deposits.

It is the position of my government that one of the best ways to sustain a mining community is to discover new ore deposits which will sustain the employment of persons residing in a mining community. How are new ore deposits discovered? Through exploration. My government believes in taking a proactive approach to support this needed exploration, discovery and continued employment rather than wait until a mine closes before initiating any action.

This government's vision of the Mining Community Reserve is to provide for the development and maintenance of economically healthy mining communities. This is achieved in two ways. The first is through maintaining the Mining Community Reserve to provide for communities in times of need; the second way is to take a proactive approach during times of development to help avert times of need. For this reason we have the Mineral Exploration Assistance Program which has as its objective: to increase exploration and stimulate activities that can lead to the development of new mines by providing financial

assistance to companies/individuals conducting exploration in Manitoba.

We are also supporting through the Mining Community Reserve other community focused projects such as the recent funding support approved for an economic development officer for the LGD of Lynn Lake. In addition, my staff are presently examining a proposal for infrastructure support for the community of Bissett.

The honourable member for St. James (Ms. Mihychuk) is opposed to the transfer of funds from the Mining Community Reserve to general revenue to help offset the incremental expenditure costs associated with MEAP. If we had taken her approach, the annual allocation for MEAP would have remained at \$1 million per year instead of the \$3 million per year that we have presently allocated to the program. The result would have been fewer companies actively exploring in Manitoba and considerably less being spent by explorationists in the province in an effort to discover new ore bodies.

I would like to take a moment to demonstrate how the Mining Community Reserve has been used specifically through MEAP to directly impact the four traditional mining districts of Flin Flon, Snow Lake, Lynn Lake-Leaf Rapids, Thompson nickel belt and southeastern Manitoba. In 1996-97 fiscal year, we transferred \$1.3 million from the Mining Community Reserve to general revenue. In that same fiscal year, the total MEAP assistance dollars in support of the four traditional mining districts was approximately \$2.1 million. For the '97-98 fiscal year, we are projecting to transfer an additional \$1.3 million from the Mining Community Reserve to general revenue. In that same fiscal year, the total MEAP assistance dollars in support of the four traditional mining districts was approximately \$1.8 million. For 1998-99, we expect this trend to continue in those areas. This demonstrates that the four traditional mining districts receive funding in excess of the total transfer from the Mining Community Reserve in support of MEAP.

Yesterday the question was raised about the success of MEAP. An evaluation of MEAP indicates that the program has been successful in increasing exploration activity in Manitoba and the number of new companies

to the province. As well, the majority of funds paid out through MEAP have been directed back into more exploration by the companies, further enhancing chances of discovering new economical ore bodies. The program may not be the sole reason why companies select Manitoba to conduct exploration, but it is an important component in that decision-making process.

In considering the economic impact of MEAP, the government funds invested as seed money have generated an incredible return from the industry. This industry investment has in turn leveraged significant spin-off business further contributing to the economy of Manitoba. Furthermore, the exploration industry itself has indicated support for incentive programs reflecting government's commitment to the industry. This commitment also demonstrates government's willingness to take some of the risk in the continued development of Manitoba's second-largest resource industry.

* (1450)

Specifically, here is what industry had to say through a MEAP industry survey: 95 percent of MEAP participants are satisfied with the program and would like to see it continued; 73 percent reinvest assistance funds back into exploration projects in Manitoba; 58 percent said MEAP was an important factor in attracting their company to Manitoba; 24 percent said they would not have conducted work without MEAP assistance; and 12 percent were unsure of their ability to conduct work without MEAP.

An economic impact assessment was conducted for all projects completed in 1995-96, and 1996-97. The following are some of the highlights of this assessment: \$2.9 million of assistance attracted \$13.9 million in exploration expenditures or, for every one dollar of assistance, \$4.76 was spent by industry. Of the total industry expenditures, \$11 million was spent directly in Manitoba. The \$11 million of direct expenditures leveraged another \$10.1 million in spin-off of business expenditures for a gross expenditure in Manitoba of \$21.1 million.

Every dollar in assistance represents \$7.19 in gross expenditures. Total incremental tax revenue collected

in Manitoba is estimated at \$2.5 million, including federal, provincial, and local taxes. A total of 160 person years of direct and indirect employment was created.

Our own departmental statistics have also shed some light on the successes of MEAP. Since inception of MEAP in 1995, the number of companies operating in Manitoba has been on the rise. In 1995, 45 companies are operating; 1996, 58 companies are operating, of which 23 were new; 1997, 61 companies are operating, of which 18 were new; 1998 to date, 71 companies are operating, of which 13 are new. Since 1995, 54 new companies have committed to exploration in the province.

At previous sessions, the question of accountability of that program was raised. To ensure accountability in the program, the following steps are undertaken: 100 percent review of all applications by qualified geologists from Mines and Geological Service's branches; inspections of projects in progress, based on 30 percent of approved assistance funds by qualified field geologists; 100 percent review of all companies' applications for payment, including all invoices and receipts, are reviewed by MEAP co-ordinator; 100 percent review of all work conducted through companies' final project report by assessment geologists; company office audits of 20 percent of the paid assistance dollars by internal government auditors. These steps designed to ensure accountability and integrity of the program were developed in concert with and approved by our internal auditors.

MEAP has proved to be a successful program. Funding of the mining community reserve is being maintained at a level that will address the Manitoba mining community needs in both the short and the long term. Consequently, Mr. Chair, I would ask that the honourable member for St. James (Ms. Mihychuk) consider withdrawing the motion or voting against her own motion, which now that she is aware of the facts and aware of the benefits of MEAP and the relevance and direct benefit to communities in Manitoba and mining in general and all taxpayers of the province, will now either, as I say, withdraw the motion or vote against her own motion.

Thank you very much, Mr. Chairman.

Ms. MaryAnn Mihychuk (St. James): Well, I thank the minister for his comments and will be supporting my motion, and my motion was directed at the use of the Mining Reserve Fund for funding MEAP. The minister knows that we have discussed accountability issues and the effectiveness of MEAP, but I have in general been quite supportive of MEAP, and I have said on several occasions that I believe it should come out of general revenue, but I do not support the accounting procedure of moving it out of the Mining Reserve Fund, then into general revenue, and then into MEAP.

I believe the money is really needed in the Mining Reserve Fund, and I am prepared to move on off of this line after the vote.

Mr. Chairperson: Is the committee ready for the question?

The question is as follows: that this committee condemn this minister and the provincial government for transferring \$6 million out of the Mining Reserve Fund to general revenues instead of directing the funds to the needs of the miners, their families and the businesses in their mining communities.

Voice Vote

Mr. Chairperson: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed to the motion, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it. I declare the motion defeated.

* * *

Ms. Mihychuk: I move for consensus to move back into line 23.2.(c) Mines. There are several more questions I would like to complete in that area before we move on to Geological Services.

Mr. Chairperson: For the benefit of the committee, we do not need consensus or unanimous consent to

move back from the previous line. We just need unanimous consent to move—

An Honourable Member: To get out of it.

Mr. Chairperson: To get out of it. So if the honourable member would like to revert to section 23.2. Energy and Mineral Resources (c) Mines (1) Salaries and Employee Benefits \$1,370,900.

Ms. Mihychuk: There are several areas that I would like to ask some questions on, and they include some questions on the inspection process that we have in effect, and I might as well start in that area, I guess. Can the minister tell us how many claims inspectors we have now in the department?

Mr. Newman: One.

Ms. Mihychuk: Is that a traditional or a historic average? Let us say, 10 years ago how many claims inspectors did the department have?

Mr. Newman: Two.

Ms. Mihychuk: Does the minister believe that this one individual is sufficient to do the necessary claims inspections for the whole province?

Mr. Newman: It is working adequately at this time.

* (1500)

Ms. Mihychuk: Is the claims inspector that the department has based in Flin Flon or The Pas? Sorry, I think it is The Pas.

Mr. Newman: Based in The Pas.

Ms. Mihychuk: Can the minister tell us how many claims we have in Manitoba, and how many visits the claims inspector has made to the various regions in Manitoba? I know that we have some claims in southeast Manitoba, for example, and it is quite a long distance to go all the way from The Pas down to the Lake of the Woods area.

Mr. Newman: My staff does not have those numbers with them. We can undertake to give you those

numbers if you wish, but we do not have them handy today.

Ms. Mihychuk: Has the support budget for the claims inspector been increased now that that one individual is required to cover the whole province?

Mr. Newman: Yes.

Ms. Mihychuk: Would the minister provide that information as to what his supports were previously when there were two inspectors versus now when he has total responsibility?

Mr. Newman: We will provide you with that information. They do not have that readily available.

Ms. Mihychuk: Did the minister indicate that we did not have the information as to the number of claims that are active in Manitoba at this time?

Mr. Newman: That was my answer. The figures I gave you yesterday were the registered claims, the newly recorded claims for the year. You provided some figures which I assumed were figures that represented the total active claims in Manitoba, but I have not had those validated.

Ms. Mihychuk: Can the minister indicate if it is the goal of the inspection program to do a visit on each new claim and then what percentage of old claims, or is there a standard policy for this type of inspection?

Mr. Newman: All claims are not inspected. Those with anticipated or known problems are investigated, and there is a random investigation as well.

Ms. Mihychuk: I thank the minister, and I hope the report will indicate the number of visits of new claims and past or traditional or continuing claims, and that should satisfy my inquiries.

In terms of inspections for pits and quarries, it is my understanding that there are four inspectors and that these inspectors do basically two jobs, the supervision or the maintenance of the rehabilitation program as well as inspections. Is that correct?

Mr. Newman: That is correct.

Ms. Mihychuk: Traditionally or historically, the department, I believe, employed three geologists or three inspectors who worked full time doing pit and quarry inspections. Is that correct?

Mr. Newman: That is correct.

Ms. Mihychuk: Can the minister indicate—I guess what I am trying to get at is that the rehabilitation program is a new project that started two or three years ago, I think, and involves the rehabilitation of pits and quarries, somewhat labour intensive perhaps. I am wondering if we have had to sacrifice on the number of inspections we are making because there are additional responsibilities now for the rehabilitation program.

Mr. Newman: The pits and quarries rehabilitation initiative began in 1993. Initially, there were three pits and quarry inspectors of the rehabilitation, and then over more recent years there have been four. Once again the opinion of my director is that the way the work is organized their numbers are adequate to do a satisfactory job.

Ms. Mihychuk: Can the minister indicate the number of pits and quarries that are active? By this, I mean there are those that are actively being mined and have some sort of disposition or a quarry lease or a permit, and then there are hundreds of pits and quarries in our rural areas that are available for further mining. So have we got an indication of the number of active pits and those that are available for additional extraction?

Mr. Newman: The evaluation that has been done by the department is that there are approximately 6,000 pits in the province of which approximately 1,000 operate at any given time, and that includes private and Crown.

Ms. Mihychuk: Can the minister tell us the aggregate reserves in a 60-mile radius of Winnipeg and the length of time that we have supply for the city of Winnipeg?

Mr. Newman: Are you sure you do not want it within 30 miles of Winnipeg or 61 miles? You want it 60 miles, within 60 miles.

Ms. Mihychuk: I am flexible. It could be 100 kilometres.

Mr. Newman: I am a little facetious in that I guess I have difficulty understanding whether or not having that sort of finite evaluation of reserves within that area would be readily available, but is there some magic to the sixty-mile—

Ms. Mihychuk: No.

Mr. Newman: No. Okay, within range of Winnipeg sort of thing.

Ms. Mihychuk: Sure.

* (1510)

Mr. Newman: We are both being given the comfort by my staff that, based on their best judgment, there is adequate known supply for the needs of the Winnipeg area, and we are talking about—I have used the expression within one hour, sort of, driving distance of Winnipeg for the next approximately 20 years.

Ms. Mihychuk: It is a concern to many rural municipalities, and I mentioned this in my own opening statements, as well as to the people of Winnipeg that a reasonable source be fairly close, managed properly and available for the future.

The reeve or the mayor of a southern municipality, I believe around Winkler, Morden, indicated to me at the Morris Stampede that they were facing a real crisis in terms of supply to maintain the road system which is now their responsibility and, in fact, had sent a letter to the government saying that they could not under their present financial circumstances maintain the roads because in their case, there is no aggregate down there that is of sufficient quality. It is very high in shale and the resources are just not available in southern Manitoba, that they actually import it from the States and that it was extremely expensive, and they wanted to turn over the whole maintenance of the road system to somebody else because it was going to bankrupt their municipality.

Is the minister aware of this type of crisis out there in rural Manitoba, particularly, I would say, from Winnipeg south, probably south of Portage la Prairie, where quality reserves have been depleted?

Mr. Newman: I would invite you to have that individual, or through you, share all the details of that

with myself and my staff, and we will take a look at that. We do not have knowledge of that specific situation and would be very pleased to take a look at it and respond.

Ms. Mihychuk: The other area that is of particular interest is the huge supply of material that we have in Birds Hill, and there was recent alarm when the parks, Natural Resources, went around and they were looking at protected areas, and some concern was raised, well, the government will go into Birds Hill and mine it, and there was a clause at that time indicating that, no, that was not the intention of the government to open large gravel pits in Birds Hill. Obviously, it is very close to Seddons Corner or I mean to the area of gravel extraction south of Birds Hill, and Birds Hill itself is actually a gravel deposit. Has there been an estimate made of the value of Birds Hill in terms of an aggregate supply?

Mr. Newman: No.

Ms. Mihychuk: There is, I think, right now the concern about having to look at that as a potential has been put on hold, but I am concerned about the reserves in terms of feeding Winnipeg's needs and what looks like Manitoba's crisis in terms of road infrastructure.

We have seen lately several stories in the paper talking about the need to invest in our roadway system. There has been rail line abandonment which means that there is more and more use of our municipal and provincial highways which means, of course, municipalities have to grade more and provide more material to maintain those roads. So from what was a federal jurisdiction, we have now moved it onto the province and ultimately on local municipalities, and the need to have significant good quality aggregate is going to become, in my opinion, even more critical to those municipalities as they look to maintaining roads which are going to be used to even a greater degree than they have in the past. We have seen some municipalities looking at closing some roads because they cannot maintain their full network.

So this is an issue I think that we should anticipate as a government, as a province, that we need to establish fairly good monitoring of the reserves available and ensure that they are there for the future and that if we

are going to look at doubling our expenditures in Highways, that is going to have a significant impact, for instance, on reserves available and the cost of those reserves.

So I look to the minister to look for some planning in terms of our aggregate resources in the Capital Region and ensure that those municipalities that are in a desperate situation will have the ability to have quality material at a reasonable price. This is something, I think, that will become more and more critical as we move on towards the new transportation reality for our farmers and our rural area.

Mr. Newman: Given your background having worked in the department and particularly in this area, I can appreciate the quality of the questions you are asking here, and maybe for the benefit of whoever will read this record, I can expand on some of the kind of detail and at the same time respond to your question.

In the aggregate inventory program, there are, of course, priorities that are established by the department. One of the near-term priorities under this heading for the next three, that is '99 and 2000 through 2001, 2002, the near-term priorities include a completing and updating of the aggregate resources maps for the Capital Region area including the R.M.s of Tache and St. Clements, updating of aggregate resource assessments for major urban areas including supply-demand forecasting and a digital compilation of the aggregate database.

Your question, which I believe was in relation to Morris, in a broader context and to put that in a context, many parts of southern Manitoba are aggregate poor which does require municipalities and highways to bear the burden of high transportation costs in many areas, and no amount of additional mapping will change the fact of the natural resources in particular areas of the province. Examples are that Portage la Prairie imports gravel from the Interlake and Brandon areas because there are no local sources of high quality aggregate. I say that for the benefit of the honourable member for Portage la Prairie (Mr. Faurshou) who is here.

Grunthal is a major supplier, on the other hand, of aggregate to aggregate-poor R.M.s on the clay plane south of Winnipeg. In several places in western and

southwestern Manitoba, we export aggregate to communities in Saskatchewan. So we have to put each individual situation in its appropriate context and also in that broader province-wide kind of context.

We do foresee the need and desirability of conducting a broad regional assessment of aggregate supply and demand across southern Manitoba, so that those areas rich in these resources can effectively plan not only for their needs but for the needs of their neighbours. That is the kind of process which may be of some benefit to Morris and certainly would be for Morden and Miami as well. When you pose the specifics of your situation, the response will serve not only that immediate community but any other municipalities, and we will make that known to the appropriate municipal association in its perhaps newly emerged form.

* (1520)

Ms. Mihychuk: There seems to have been in the last couple of Estimates the perception that perhaps Manitoba's aggregate resources had been fully defined. I would, I guess, challenge that concept. Our aggregate reserves are formed in a geological process. Some of them are buried under Lake Agassiz clays. I remember specifically an example in Ontario where they have an intense need for aggregate in the Toronto-southern Ontario area, where a geologist was able to discover a fairly significant deposit under a fairly shallow clay cover. This was very recent, in the last probably 10 years, worth maybe a considerable sum, millions.

So that potential is also there in Manitoba. It is one of those Voiseys. If you could find something under the Lake Agassiz clays that was available for those southern municipalities, you are talking significant deposit in Manitoba.

So I guess to ensure that the minister understands, that although it may not be as glamorous as diamonds and gold, it is very valuable, and the same geological processes follow through. Just as we have geologists who are exploring for base metals, there are geologists exploring for aggregates, and the department used to have a fairly significant group of individuals—I do not remember the peak, maybe five or seven—who were out there doing that type of exploration. I would urge the

minister to perhaps give that some reflection, as we have now moved away from that sector I would say almost completely.

So there is still potential to find new deposits. The challenge is greater because they are not sitting at surface, or they are not going to be right there beside the highway, but that does not mean that that type of effort should not be put forth, in my opinion, that we do need to diversify our inventories in terms of metals, base metals and precious metals.

That is very important, but it is also important to have people working on industrial minerals and in aggregate sectors and in the peat industry, that we have seen dramatic success in those various sectors. So I just urge the minister to remember that the door on new deposits in terms of pits and quarries should not be closed. Manitoba has the potential. I think there is a certain onus on behalf of government given that you do actively explore in other sectors in the minerals field to do some of that work in aggregate as well.

Mr. Newman: I congratulate you for these constructive suggestions. I treat what you have said as being unequivocally supportive of the industrial minerals initiative that I have asked my department to put into place, and this is definitely a part of it. Again, the approach that the official opposition might take in theory to this kind of issue, which is to hire more civil servants, is not necessarily the approach that our government sees to the solution. To the extent that we can induce the private sector to do that job, with our encouragement, we expect to get positive results, but your comments are certainly appreciated and are very relevant.

Ms. Mihychuk: Just a couple of more questions on the rehabilitation fund. This was established—and I thank the minister for the clarification—in 1993. Can the minister indicate what the balance is of that fund now?

Mr. Newman: The March 31, 1998, balance is \$5,356,812.

Ms. Mihychuk: What do we expect to expend of that fund on rehabilitation in the upcoming year?

Mr. Newman: I will give you the historic expenditures. The amount collected in the beginning of

this initiative for '92-93 was \$987,148. That has accumulated at over \$1 million a year, so the total amount collected was \$8,212,338. Of that, \$2,855,525 was expended in annual amounts of '93-94, \$490,000 and change; 1994-95, \$696,000; 1995-96, \$537,000; 1996-97, \$501,000; 1997-98, \$629,000. So what will be spent in '98-99?

I spoke to the heavy construction industry and to my staff, and I really challenged them to get to work and see if a more aggressive approach can be taken to it. It is challenging the industry as much as anybody else and making sure that we do not impede them through our scrutiny of applications in moving ahead. The result of that is that the hope and, indeed, a goal of our department—and bear in mind it is not within our control. Our hope and goal is to have \$750,000, \$800,000 expended out of the fund for that purpose.

* (1530)

Ms. Mihychuk: Well, on an annual basis, I get letters of concern from the industry, and I would suspect that it is probably the same company, but the issues that the company raises, I think, deserve some merit and some question. So I am going to ask on behalf of this gravel contractor some of his—or there could be a woman, you never know. I think there is one female operator in the business, so that needs to improve as well, but anyway, I divert. The questions raised are related to the rehabilitation account and the cleanup, and they expressed concern that it is not being expended at the same rate as it is being collected.

But I think of even more significant concern is, and I want to quote: As a contractor in this industry, I personally know there were a lot of accidents in gravel pits and quarries this year as compared to previous years. It is my understanding that the mines inspectors for the department have as a priority the pit rehabilitation and not the safety inspections, and, further, some pits are safety inspected by the Department of Labour, and some are inspected by Energy and Mines. This is confusing for the pit owner who moves around the province to work.

As an employer and a worker, I do not object to safety inspections if it may prevent injuries at the worksite, but the priority should be to conduct safety

inspections and not clean up gravel pits. The safety inspection should be done by one department only.

So I look to the minister to respond to the concern that this gravel contractor has expressed in his letter dated January 27, 1998.

Mr. Newman: I do not recall ever receiving that letter. I have asked my department responsible or the staff responsible in that area, and they do not have any knowledge of that letter. I take it the letter is an anonymous letter—

Ms. Mihychuk: I can share it with you.

Mr. Newman: Yes, and I would appreciate that is their return address on it there?

Ms. Mihychuk: If I did I would have contacted them.

Mr. Newman: Okay, so we have an anonymous letter that has no return address. But whether that is so or not, if the points are relevant and helpful, and I believe they are—I mean, if what is said there is true, it seems to me to be a reason to consider an integrated approach for inspections between departments. We have done that in many other situations, so the very fact that this has been raised—my deputy is here and assistant deputy Minister of Mines and I am sure their ears perked up just like mine did—I do not have to tell them that I am interested in having what is suggested there reviewed. I will want some advice as to what could be done to address that, what appears to be a potential inefficiency and a potential duplication and a potential confusion to the customers in the gravel business. Whatever the source, it is something that is worthy of consideration and thanks for bringing it to our attention.

Ms. Mihychuk: For the minister and the department's information, I have given the letter to the clerk who will be making copies for your perusal, but, unfortunately, the person did not identify themselves. I appreciate the minister's comments that they will review the situation and ensure that those concerns are addressed.

I would like to ask a couple of questions on the Prospectors Program, and I understand that grants are given to prospectors and that this is a fairly new program. Can the minister outline what the program involves?

Mr. Newman: In 1992, Energy and Mines introduced the Manitoba Prospectors Assistance Program which is an incentive program directed towards self-employed prospectors and designed to boost mineral exploration in Manitoba. The program was considered necessary in light of the alarming decrease in exploration across Canada and Manitoba, particularly since 1990 when the federally funded flow-through share financing program for junior exploration companies was discontinued.

It is a funding program and to qualify for the funding, an applicant must hold a Manitoba prospecting licence, be experienced and self-employed, have a prospecting project within Manitoba on mining claims held by the applicant, or on open Crown mineral land, and have a prospecting target. Qualified applicants may receive up to 50 percent of expenditures incurred to a maximum assistance level of \$7,500 per year. The 1998-99 funds made available is \$125,000 in total.

Ms. Mihychuk: Can the minister indicate what is required to receive a Manitoba licence as a prospector?

Mr. Newman: Apply and pay \$10.

Ms. Mihychuk: Well, the criteria is not too tough, I do not think. Has consideration been given to requiring some sort of training in terms of prospecting?

Mr. Newman: The other criteria are experienced, self-employed. If you are wondering whether or not for general purposes there should be some training prerequisite to obtaining a licence to prospect, no thought has been given to that, no research, no effort, no requests for that. If you are making a request, please stipulate that and then a request has been made, and we will have to consider it, but you will have been the first to have ever done that, that we know.

Ms. Mihychuk: Have any of the prospectors that receive this grant work for companies that are also receiving MEAPs?

Mr. Newman: My department staff are not aware of any such situation. Maybe you could elaborate more and give us a hypothetical situation, and then we could focus our attention on it.

Ms. Mihychuk: Well, I know that many companies, mining companies, exploration companies will hire

local individuals who have some experience in prospecting. They can recognize boulders that have some mineralization. I remember that in Newfoundland, if you found a boulder of a certain size, you got paid X number of dollars, so you would get a direct payment. So people were scrambling around, and they would throw these boulders in the back of pickup trucks because, of course, you would never want to leave it there where it was. That is part of business and those companies want to know where that information, where that boulder was found, but they do not want anyone else to know about it.

So there are all types of exploration that goes on and prospecting is one of those areas where regular, local people can be involved. Many of them are out there doing their bit and trying to find something significant, and they can be and often are hired by mining companies to do a little bit of exploration for them. So I think that it would be quite possible to have a company out there working and having local prospectors doing some work for them.

* (1540)

Mr. Newman: I have no doubt about that, but in terms of the project which is funded through the applicant for prospectors' assistance, the dollars are being paid in relation to the prospecting project which is described in the application, so if in addition to that project, funded up to 50 percent of expenditures to a maximum of \$7,500 per year, you are simply examining or speculating about the possibility of that individual entrepreneur supplementing that relatively modest income by some other contractual arrangement with a mining company like HBM&S or Inco. Certainly that is possible in relation to another project.

Ms. Mihychuk: Can the minister indicate how many prospectors, licensed prospectors, are of aboriginal descent?

Mr. David Faurschou, Acting Chairperson, in the Chair

Mr. Newman: We do not keep those statistics. There is nothing in the application form that shows what your ethnic, national, religious background, ancestry is, so we do not have those statistics. We certainly do know

just by observation and knowledge of individual human beings who are prospectors that there are definitely aboriginals who are prospectors who have licences in Manitoba, but we do not have a record of that for any group classified in those sorts of ways.

Ms. Mihychuk: This seems to me to be an area where we could do some proactive work with First Nations in terms of informing them of the program, providing some, perhaps, collaboration, if there was that will, with First Nations peoples in terms of training. Some training in prospecting may be useful, especially for people who are not familiar with geology at all. Since the requirements are quite minimal, this may be an opportunity for First Nations to explore and to be informed.

Can the minister indicate what has happened in terms of informing First Nations communities of this program and how to become involved and eligible, et cetera, in the past year, or are there plans in the future?

Mr. Newman: Once again, I think you have made a very constructive suggestion that is a very affordable kind of participation, the first step getting your licence. There have been prospector training programs in the past even in First Nations communities, Split Lake, Nelson House, and it has been done on a response-to-request basis for the most part.

The ninth point of our mining strategy which we discussed previously dealing with aboriginal involvement and better understanding in mining and exploration, my staff, having workshops coming up imminently, will be making sure that this particular aspect of involvement of aboriginal people will be discussed, and we will use any forum where there is interaction with aboriginal people through our Energy and Mines department to expose them to the opportunities and encourage their involvement in careers and entrepreneurial opportunities in mining and encourage them to get the best training and experience available.

Ms. Mihychuk: The availability or the training of people into prospecting is I think a worthwhile endeavour, and I am glad that the minister will look into that. The First Nations are a sector that I think should be informed, as well as perhaps in our mining

communities where we are facing difficulties, as we have talked about before. If people can go out and do some of this exploration on their own, then perhaps that will assist not only themselves but those mining communities in finding those reserves which are so important to keeping the mining communities alive and well. So I am pleased that the minister is responsive and going to investigate.

In the area of the Mines Branch, one of the other things that I noticed in terms of the Activity Identification, which is in our Estimates, is the compiling of inventory of aggregate resources in the province. It was my understanding that this jurisdiction has actually been moved to Geological Services. Is that correct?

Mr. Newman: Yes.

* (1550)

Ms. Mihychuk: Perhaps next year that could be removed from this Estimates. I think it was probably just an oversight, but that has been moved over, and are there intentions to have the individual who deals with land use management which deals with conflicts of resource utilization and who worked very closely with the aggregate geologist to be moved as well, or is the intention to have that individual remain with the Mines Branch?

Mr. Newman: That individual will remain with the Mines Branch.

Ms. Mihychuk: Under the area of Expected Results, the Mines Branch indicates the successful completion of projects and the publishing of maps and reports. Can we have an indication of what types of maps and reports have been published from the Mines Branch?

Mr. Newman: The digitization of claims maps is to be completed in November of 1998, and the digitization of assessment reports, which will eventually go onto the Internet.

Ms. Mihychuk: Can the minister indicate the number of employees or workers in the mining sector? Those statistics, are they maintained by the Mines Branch?

Mr. Newman: The figure that we have used as the rough figure for employees directly involved in the mining industry in Manitoba is 3,000. More specific data that I had readily available was the reported employment levels of the companies with operating mines in the province, and that figure is just over 2,000. Then, in addition to those 2,000 directly in those mining companies, there are the companies without active mines; there are the self-employed prospector types. It does not include the mining supply companies. So the figure that we use that came from the Mining Association of Manitoba to describe those directly employed in mining is approximately 3,000.

Ms. Mihychuk: Can the minister provide us with a historical perspective? Has there been a decrease in the number of workers? I know very recently we have seen layoffs at Inco. The member for Thompson (Mr. Ashton) was indicating that there was that type of job reductions in Thompson, and we know that there were job losses because of the closure in Bissett. But I am wondering in terms of a historical record for the past five years, have we seen significant changes in the employment numbers for individuals working directly in the mining sector, and are those numbers available?

Mr. Newman: The numbers have declined for a variety of reasons, which include everything from mine closings to technological developments to whatever rationalizations companies have, from a figure of what was, again, an approximate figure like the 3,000 that was used in general discussions, to 4,300 over the last five years or so.

* (1600)

Ms. Mihychuk: It is a little shocking, actually, the actual number of workers in the mining field. I have a report from the Mining Association. I have not had an opportunity to check what their numbers are, but I guess I am a little bit surprised. This is March 21—I have just located it—March 21, 1996, and the Mining Association indicates that mining employs 4,600 people directly and another 13,800 indirectly.

So perhaps we need to be cautious about using their numbers, because this was as of 1996, and I believe that I have seen in press releases from the department, from the minister, numbers indicating approximately

4,300 employed in the mining sector. So perhaps we need to ascertain where the actual numbers are coming from.

I mean, it is very important to understand how many people are working in the mining sector if we have gone down from 4,600, 4,300 since 1995 to 2,000. Are those comparable numbers? Has there really been the loss of almost 50 percent of jobs in the mining sector in the last three or four years, or is it a difference in the source of the numbers that is perhaps causing such a dramatic difference?

So I look to the minister to perhaps provide some insight as to the disparity in the numbers that have been recently reported and now what we learn is actually closer to 2,000 people working in the mining industry in Manitoba, which is, if I am not mistaken, perhaps the lowest level of employment in the mining industry in Manitoba ever. Perhaps the minister has some insight as to this discrepancy in the numbers, and what is the situation for mining in Manitoba? How many workers are employed in the mining sector?

Mr. Newman: We have, of course, placed reliance on the figures that come out of the association representing the mining industry. We do not have a right to ask these private companies to give us regular reports on what their employment levels are or indeed what they are going to be or even what they have been. So it is an indicator of the contribution mining does make to the province. So we find it of some value to have that kind of information. It also indicates, to a certain extent, the state of health of the industry, but other than seeking the co-operation of the Mining Association and the co-operation of individual companies to provide us with that information as they see fit, I am not sure that we can or should do much more than we do in terms of getting the information.

But your questioning certainly has caused me to ask my department to at least get an historic record of what the Mining Association numbers are by going through their annual reports. I think it has, as I say, given the lack of perfection of the information, it still is useful to review it as an indicator. That will be done, and we will share that information with you when it is done.

Ms. Mihychuk: Would the minister use the information available through StatsCan as well, so that

we can provide a comparison as to the numbers provided by the Mining Association and those reported by StatsCan? There may be a dichotomy there or there may be a difference because of the reporting structure. I would be very interested to understand the numbers because they do have a significant impact on how we view mining and mining health in Manitoba.

Mr. Newman: I will share that information with you when I get it, and I am hereby requesting that information be provided to me for the same period. We seek that information from the Mining Association of Manitoba.

* (1610)

Ms. Mihychuk: One last area of interest that I am going to explore in this year's Estimates is the Aboriginal Mining Accord. I look to that with some optimism. This is the first specific initiative that I have seen that deals with the aboriginal community. I hope that this will be a significant move, progress in terms of reaching out to First Nations.

I would ask the minister to provide some detail as to what the Aboriginal Mining Accord will be doing. I see a line item of \$40,000 put towards that project. Perhaps there can be an indication of the number of staff that are going to be working in this sector, what initiatives we are going to undertake and what results we hope to accomplish.

Mr. Newman: Let me deal with the general, departmentally described approach, background, present status and suggested strategy, and then I will get into a little more detail.

The need for a strategy dealing with the relationship between mining companies operating in Canada and the aboriginal people has been evident. As Canada and the aboriginal community resolve the issues of land claims and move towards self-government for the aboriginal people, the need for an economic base for the aboriginal communities becomes paramount. There is little doubt that mining is the most likely industry to provide such a base. In the past, the aboriginal community has received little benefit from mining, other than some employment opportunities, and mining was not permitted on reserve lands.

With the advent of self-government, however, this will change. Mining will be possible on land owned by the aboriginal people, should they wish to allow it. Aboriginal groups will be able to invest directly in exploration, and mining will also be able to benefit from a variety of spin-off business opportunities.

At the present time, there is a need to work on developing a better relationship between the aboriginal community and the mining industry. If a common understanding of each party's needs can be achieved, there is every reason to believe that a relationship can be established that is of benefit to all. There is also a need to have an enhanced understanding of the values and traditions and cultural sensitivities of both, each for the other.

The suggested strategy is: it is proposed that Manitoba's aboriginal mining strategy be initiated by means of a ministerial letter to the appropriate aboriginal groups and the Mining Association of Manitoba. The letter would outline briefly the background and the government's desire to facilitate a dialogue between the two parties resulting in a form of accord or quoted best practice. This accord would outline the type of activities that a mining company would be expected to undertake when contemplating the establishment of a mine near an aboriginal community, and also when engaging in explorationist activities.

The letter that I did sign pursuant to that strategy went to the AMC, MKO, NACC, and the MMF, the Mining Association of Manitoba, and the Prospectors and Developers Association. The letter has not gone yet. I have approved the letter, but it has not gone yet. It will constitute an invitation to an initial workshop at the end of this month, at the end of the month of May, to begin the process of developing greater understanding of needs and aspirations, and to begin work on the development of the accord.

Ms. Mihychuk: Is it possible to get a copy of the letter? As Mines critic, I would be very interested in this project and would appreciate if I could get a copy of that.

Mr. Newman: You will definitely be given a copy of the letter, concurrently with its going out to the organizations that I have named.

Ms. Mihychuk: Where is the workshop going to take place?

Mr. Newman: Winnipeg.

Ms. Mihychuk: Can the minister explain why the workshop will be in Winnipeg when most First Nations involved in mining, in the mining sector are in the North?

Mr. Newman: The desire is to attract, at the initial stages at least, the leaders of the organizations in question, and all their offices—AMC, MMF, NACC—are in Winnipeg, and so are the two mining organizations.

Ms. Mihychuk: This workshop is going to be here in Winnipeg, I understand, and leaders have been invited. Do we have an estimate of the number of individuals we are inviting to this workshop?

Mr. Newman: In addition to resource staff and a facilitator, 14 people will be invited. Two of them representing each of those organizations, with the exception of the Prospectors and Developers Association; because there are two associations, there will be four representing those two associations—for a total of 14. So two from AMC, two from MKO, two from NACC, two from MMF, two from the Mining Association of Manitoba, and four from the two Prospectors and Developers Association groups.

Ms. Mihychuk: Is it anticipated that there are going to be more workshops? I look for a broader strategy. You have \$40,000 allocated. You are only having one meeting with maybe, what, 30 people. I would seriously hope this is not what we are calling the Aboriginal Mining Accord, that there has to be greater vision than that. I look for clarification from the minister.

Mr. Newman: We are talking about the initial meeting. Growing out of that will be a series of workshops at locations and in circumstances, and involving those people that the initial meeting will determine as an appropriate inclusive process that will be effective.

Ms. Mihychuk: Can the minister indicate who the facilitator will be?

Mr. Newman: A candidate has been approached and has not yet committed to terms.

Ms. Mihychuk: Is the minister intending to be there at this workshop?

Mr. Newman: In this kind of event, in no way do I ever want to interfere with the process or impose myself on the process, but I always make myself available, when I do not have prioritized competing obligations, to contribute to a process like this when asked by the people that are paid to successfully facilitate these kinds of processes. But I am very sensitive to only participating as a contributor to the process, no other way.

* (1620)

In the past, when we have had these kinds of workshops in Northern Affairs, I have opened the process indicating my expectations, and provide my encouragement. I make very clear to them that they are empowered to come up with what they think best, make very clear that those decisions are theirs.

Mr. Chairperson in the Chair

When I have been invited during processes like this to come back to sort of get a report as to how things are going, I have done that. Maybe most importantly of all in these kinds of processes, I have come in at the end for a debriefing, and my experience in this and the things I have done throughout my career in facilitating things myself, I found sometimes the debriefing is the most valuable of all, because from that you can learn most. Knowing that and having that in feeling ways, you can then also use that as a very clearly understood foundation for the next step in the process, and there is always a next step.

Ms. Mihychuk: Have there been preliminary discussions between First Nations and the minister in terms of generating this idea? Was this a collaborative approach? Is this a government initiative? Where did this come from?

I guess I am still not clear as to the purpose. The minister talked about greater awareness and cultural sensitivity, but I would think that this is—we are inviting

the leadership of aboriginal organizations and the leadership of the mining sector, so I do not believe this would be a cultural awareness workshop. This apparently will be, perhaps, a time to look at the co-operation from all three sectors or to look to visioning as to how this could be done, which I think would be a positive step, but I am very interested in learning where the idea came from, and where this is going to lead to, I guess.

Mr. Newman: The idea came from me. The testing of whether the idea had any merit whatsoever came from countless discussions with aboriginal people and the mining industry, and the theme of the Mines and Minerals meeting, conference in Winnipeg in November of 1997 was—one of the themes—one of the major themes running through the whole conference was aboriginal involvement in mining and aboriginal views and aboriginal perspectives. A paper was presented by MKO Grand Chief Francis Flett, a paper was presented by Chief Ron Evans of the Norway House band. We had cultural features throughout the event. The wonderfully well-received entertainment at the closing banquet was all aboriginally driven. The gifts to speakers were talking sticks.

The whole theme, that theme was designed to expose people who do mining in Manitoba to the culture, and even in the cultural component at the banquet there was an educational component. There was an elder who was explaining the process. There was an opening prayer. So we have been working at this in those kinds of ways. That was the largest audience, but we have ongoing discussions and meetings with people from Cross Lake who are very interested in mining.

When we were in St. John's, Newfoundland, we had two representatives from the Cross Lake area who participated in that Mines ministers' conference in St. John's. We involved them in a dinner meeting with the Mining Association, and we learn from them every time we interact. I have had discussions with both grand chiefs.

The director of our Sustainable Development Co-ordination Unit has been meeting with Merrell-Ann Phare, who is the director of the First Nations environmental group located at The Forks that reports to the Assembly of First Nations. She is an

appointment of national Chief Phil Fontaine, and they are working very hard on environmental issues, and we have had the two of them interact. Bryan Gray, the director of the Sustainable Development Co-ordination Unit, the acting director, will be one of the resources at our meetings, because they have been focusing on this issue, discussing it and how they might go about it.

* (1630)

So a lot of thought has gone into this and a lot of discussion has gone into it. This is not going to be, even at the initial meeting, I would hope—unless they want to come, and that is entirely up to them—will not be a meeting of CEOs and grand chiefs. They can come in whatever capacity they want, and they can be a representative, but we are talking about two representatives. The hope would be that the choice would be of—it might be nonpolitical people who are going to be the leaders or the informed, involved people in the influence they might have over communities, with communities.

The choice is theirs. The choice will be theirs who they send to the initial meeting, but it may very well be that they would see fit to send elders who have the respect of the First Nations. It may be that the MKO will send two people that they think are appropriate representing the North and the AMC will send two people that will represent the southern interests in mining. But the emphasis here is on understanding and appreciation—each for the other, and out of that, mutual respect. Understanding and mutual respect and sensitivity would be the kinds of things that hopefully will grow out of the process.

Ms. Mihychuk: Has an agenda been set for this workshop, and if so, can that be shared?

Mr. Newman: The agenda will have to be done in conjunction with the facilitator, and the deal has not yet been consummated to engage that facilitator, but I have—again, my experience in dealing with the aboriginal people in these kinds of processes is it is best to go in with a blank page and either have an agenda for discussion purposes—even that sometimes causes suspicion, so it is almost better if agendas are created by the process itself.

The goal is known, the letter does set out the purpose of all of this, but how you go about it has to be tailored for the participants and being very sensitive right at the beginning that no one should be dictating what the agenda is going to be.

Ms. Mihychuk: Well, the aboriginal mining accord is found under the responsibility of the Mines Branch, and as we just discussed earlier, there are clearly some sensitivities about where mining companies or exploration companies do their business and how they respect First Nations lands in terms of resource areas, and so I think you are right, the minister is correct, there needs to be a great deal of sensitivity, and I am wondering about the Mines Branch being that facilitator.

I have all the confidence in the world that they are familiar with and culturally sensitive to the mining industry and to the Mining Association. I am wondering if they also have that sensitivity towards First Nations and the aboriginal community, if the management of the Mines Branch has had aboriginal cultural-awareness sessions and are familiar with First Nations issues and concerns so that they would be perceived to be neutral and lead this workshop or this initial stage.

So I guess my question is why is it centred on the Mines Branch? Perhaps there might have been—perhaps at more senior level to direct this, and what specific cultural and other learning processes have the branch members experienced so that they would be more sensitive and prepared to go into this with some type of background that is going to be useful for this workshop?

Mr. Newman: I think all of your comments here show a certain amount of understanding of the sensitivities which we are well aware of, I am certainly well aware of, and that is why it is useful to see the role of the Mines Branch as being a funding role. This is where the resources are coming from to do it, but this is not going to be driven by, dictated by the Mines Branch or its personnel. The facilitator, who we will engage, will definitely be an aboriginal person. The candidate happens to be an aboriginal woman.

The department, and I want to give the assistant deputy minister of Energy and Mines a very considerable amount of credit because as acting deputy minister for a period of time of both Northern Affairs and Energy and Mines, he has had a very intensive exposure which has been very helpful for his current position, extensive exposure to northern and native issues, as well as his long history in the Mines Branch.

It is no accident that the deputy minister who has been appointed, Oliver Boulette, is not only a well-respected, well-known Manitoba aboriginal but, as the long-time assistant deputy minister in the Northern Affairs portfolio, has extensive, intensive, intimate involvement in aboriginal issues and also has been leading, intensively so, the healthy Sustainable Communities initiative in the Department of Northern Affairs in these kinds of facilitated workshopping ways. So I think the top leadership in the mining area in our department is very well qualified to be involved. I have been assured that they are going to be involved by actually participating in the process.

As I indicated earlier, we have taken some steps. We have had our human resources leader participate in a Three Fire Society intensive learning experience. This is another one of those kinds of experiences, and whatever it will take through that process to have that kind of shared experience in this process, whatever emerges out of it may become less important than having shared a process, a learning experience together in this way.

* (1640)

Ms. Mihychuk: It is positive that the director of human resources had that experience, but I would like to suggest that the senior management of the department, and I am not talking necessarily of the assistant deputy minister or the deputy minister, but those that are hands-on need to be aware of it, of cultural awareness, the role of mining, the role of the department in the North. I know of many circumstances where the department itself went out into communities fairly close to First Nations, never went to address themselves to the council or introduce themselves to the First Nations community, did no shopping in the community, did not provide the information to the community.

So there needs to be sensitivity amongst the geologists, amongst the branch management. I would say that the geologists, because they go up north, are probably more aware of what is going on than those that have desk jobs in Winnipeg. I urge again that those individuals such as the marketing director, the Mines Branch director, Financial branch director roll up their pants and take, yes, roll up their shirt sleeves and go up there and visit the North and visit First Nations communities so that they can understand exactly what the situation is.

I mean, the minister has been up north numerous times. I understand that, I recognize that, and I hear the sensitivity that he is talking about, but I think that the department needs to provide that experience to those who make policy decisions, that deal with mining companies, because then those branches would be more sensitive to those companies that want to, for example, do exploration in a resource area that is close to a reserve which may not appreciate that.

So although the minister talks about it, I think that there needs to be a much more comprehensive program of learning and communication. I urge the minister to look in depth in the department, because there is no doubt that they have familiarity with the mining industry, their needs, and their aspirations, but there needs to be that sensitivity throughout the department, not only the director of human resources but that each individual in the department understands that.

I think that it is reassuring to know that the assistant deputy minister is, I understand, going to be leading this project. I have a great deal of confidence in him and the deputy minister, but I do have sincere concerns that this is not near enough and that this is really baby steps in terms of where the department needs to go in dealing with mining companies, the mining industry, and the First Nations, that have virtually been excluded from the mining sector. So I will be watching with anticipation and perhaps we can see this mining accord grow and develop as I think it merits and look for that in the future.

Mr. Newman: I am pleased to hear what you have said. Some of your suggestions I have some difficulty with because I know how some of the First Nations and other aboriginal communities feel in terms of going into

their communities. I have never gone without being invited to go, but aside from that, a minor kind of disagreement.

If you do monitor this closely, you and I will both be doing that. We are on the same kind of page on this, and I have very high expectations for the leadership of this department and everybody in the department, so it may very well be that we will be monitoring them together.

The difference is that I will be the one who accepts full responsibility for what they achieve and do not achieve, but they certainly have my direction with the resources that they have to do the maximum they can to achieve a higher level of cultural sensitivity and awareness, so they can more effectively relate in mutually beneficial ways with the aboriginal community for the benefit of the aboriginal community and mining and exploration in Manitoba and, therefore, for the benefit of all Manitobans.

I do agree that this is a part, but not as small a part as you think, in the process, but it is certainly just one part of a more comprehensive process which is ongoing and does involve cultural awareness and education programs within the department. But I do have very high expectations in this area and my department knows that, and I am encouraged that we seem to share that expectation, and that just means that the creative tension is stronger.

Ms. Mihychuk: One of the Expected Results from the Mines Branch is satisfactory resolution of questions, disputes, matters or claims, and I understand that these issues are referred to the Mining Board. Have there been issues referred to the Mining Board relating to this, and the number of issues that have been raised, have they increased, decreased? What is the status on these issues?

Mr. Newman: I am advised it is one or two a year, and the best information by recollection from my staff is 1997-98, one referral; in 1996-97, two referrals.

* (1650)

Ms. Mihychuk: Who sits on the Mining Board, and are they remunerated?

Mr. Newman: There are five members on the panel, on the board, and three constitute a quorum. The chair is Doug Abra who is a lawyer. The vice-chair is Ian Restall who is a lawyer. Don Anderson [phonetic] is a geologist and retired professor; Lawrence Yaschyshyn [phonetic] from Thompson, and a fifth person whose name my staff cannot remember, but we will give you the name later.

Ms. Mihychuk: I have confidence that the department will provide that information in the future. The compensation that members of the Mining Board receive would be per meeting, or is it an annual rate? Do they report to the Mines Branch or to the minister, or what is the reporting procedure for the board?

Mr. Newman: What is the question? I will try to get the information before—in the next five minutes, but if not we will get the name of the fifth person right away.

Ms. Mihychuk: I do not believe I got a response as to whether the compensation for the board members would be included in that report or whether that information is available at this time.

Mr. Newman: They are paid, as I understand it, a per meeting fee, or a per diem fee, or per half-day fee. We will get that information for you, too.

Ms. Mihychuk: Can the minister indicate what the length of service is for a board member? Are they appointed for a certain length of time, two years, five years? How are individuals selected for the Mining Board?

Mr. Newman: I will have to get you the details of the terms. I do not have personal knowledge of this, because I have been very satisfied with the performance of the board. I have had no reason to interfere with their composition.

Ms. Mihychuk: One of the other results that the branch hopes to achieve is the collection of all fees, rentals, royalties, taxes, and levies due to the Crown. Can we have a status of that activity and goal?

Mr. Newman: The revenue for 1996-97 was \$4,081,403, including the rehabilitation levy. The

1997-98 revenue was \$4,230,952. I do not have the figure. I do have the breakdown. Rehab for 1996-97 was: of the \$4,081,000, \$1,477,091; and the rehab levy out of the \$4,230,000 was \$1,643,052.

Ms. Mihychuk: How much is owing to the department? How many outstanding accounts are there and money that the department is actively trying to be reimbursed?

Mr. Newman: Less than \$500.

Ms. Mihychuk: Well, that is a very good record. That is civil servants on the ball. Five hundred bucks and their income is over \$4 million. Boy, I tell you, those civil servants work hard and very competent.

Well, I think I have harassed the Mines Branch enough and am actually prepared to move on to Geological Services.

Mr. Chairperson: 23.2.(c) Mines (1) Salaries and Employee Benefits \$1,370,900—pass; (2) Other Expenditures \$559,500—pass.

23.2.(d) Geological Services (1) Salaries and Employee and Employee Benefits.

Ms. Mihychuk: We are now in the Geological Services Branch and look forward to exploring this in some detail and welcome the acting director, who I had an opportunity to meet at the mines convention, and I know that she has considerable experience across Canada and in Manitoba and has a fairly challenging responsibility directing Geological Services with, I understand from the minister, 32 geologists, total staff of almost 52 and a budget of \$3.8 million.

It is the area where I hear probably the most about from industry, that the work that they do is very valuable and what they would like is a whole lot more of it. I also know that this sector has seen some downsizing, that there are fewer geologists in the department now than there were 10 years ago, probably five years ago, and the demands keep on growing.

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

HEALTH

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

When this section of the Committee of Supply meeting in Room 255 last sat, it had been considering the Estimates of the Department of Health. During those Estimates, the honourable member for Osborne (Ms. McGifford) had moved a motion which reads: that this committee recommend that the Legislature and the House of Commons hold a free vote on whether to extend compensation to all victims who have contracted hepatitis C from contaminated blood.

The motion was under debate when proceedings were interrupted at 5 p.m. yesterday for private members' hour.

The honourable Minister of Natural Resources had three minutes remaining.

Hon. Glen Cummings (Minister of Natural Resources): Mr. Chairman, I am prepared to conclude my remarks. I understand the member for Crescentwood (Mr. Sale) is prepared to speak and that we had agreed that we would be prepared to hear fully from both sides of the table on this issue.

I just summarize my main point of interest from yesterday which is that I think we have to be careful that we do not divide on the lines of partisan disagreement and forget about the fact that we are looking for the best solution, one that does not set a precedent that we cannot live with but at the same time being well aware of the very difficult and very unfortunate circumstances that many people find themselves in in relationship to this issue. I will conclude my remarks there.

* (1440)

Mr. Tim Sale (Crescentwood): I first wanted to say that I think every once in a while, not often enough, but every once in a while in this Legislature we have the opportunity to have an exchange of views about fundamental issues. I think that with very few exceptions the remarks made yesterday were helpful in

some ways in pointing out the dimensions of the debate.

I want to say, in particular, I thought that the honourable Minister of Natural Resources' (Mr. Cummings) remarks, who just concluded, I found to be an honest struggle with very fundamental questions, and I want to compliment him on his struggling with the issue in particular. There were also some moments of humour. I had not ever heard about the Clapham omnibus, but now that I know about it, I can say that I have gained something from my honourable colleague for River Heights. He claims he has ridden on that particular bus, and I have not, but it is an interesting test.

I want to say, first of all, that I think all of us on both sides of the House are well aware of the legal and ethical and political ramifications of this issue, and my honourable colleague for Osborne did not make this motion lightly. She put it forward, I think, at relatively early opportunity, and, of course, the minister will remember that we asked in the fall sitting of the House questions about compensation for hepatitis C sufferers. So this has been an issue on our minds, as it has been on the minister's mind and on the public's mind for some time since it was first understood that there was a new variant of hepatitis that was blood-borne and, obviously, then, could be contracted through that mechanism.

So I do not take exception to the remarks of the honourable minister who suggested that we have to rise above pure partisanship. I think that is very true, and I think that we, at least on our side of the House, have tried to do that because we hold this issue to be one of a deep ethical content, and deep ethical questions cannot just be lightly struggled with. They are not questions that can be just tossed off as though there were simple answers; there are not.

I want to start by recognizing a concept that was perhaps most popularized by Ivan Illich, who wrote about iatrogenic illness. Iatrogenic illness is essentially illness contracted from and essentially caused by modern medicine, that is, that in modern medicine's quest for dominance over disease it sometimes unwittingly and sometimes with knowledge introduces

into the practice of medicine risks which were not there. Obviously, before we knew how to do blood transfusions we could not get anything from transfused blood because we did not do it. Before we did general anesthetics, we could not have the kind of pneumonias that often accompany the effects of general anesthetic on some particular individuals who appear to be more susceptible than others to respiratory distress after a general anesthetic.

Iatrogenic illnesses are illnesses that come about as the result of modern medicine. Depending on the authorities that you seek to learn from, iatrogenic illness counts for a great deal of what we wind up treating in our illness care system. It is very well known that a large number of admissions to hospital by seniors are as a result of the improper use of drugs that have been prescribed for proper purposes. It is well known that sometimes drugs interact in ways that are not predictable and cause very serious illness, and in the case of my father, for example, caused his death.

Now, he died of anaphylactic shock, which is just a pretty word for a severe allergic reaction to an iodine dye. In the little hospital that he was being treated in they did not yet know apparently that you are supposed to do skin tests before you administer that particular drug. This was in 1965. He simply went into shock as soon as the drug was administered and he died. We did not hold the hospital system liable for that. We did not sue the doctor. We did not run around blaming people, because in some ways his life had been saved by the medical system several other times. So in some ways it does not make sense to rush around and scream blame. That is an issue that is being raised by honourable members opposite: where do we compensate and where do we not compensate?

We probably, as a family, could have had a case if we had wished to do so, but I think that the honourable Chairperson and perhaps the honourable member for Turtle Mountain (Mr. Tweed) would recognize that the ethics of small towns are that one does not do that, at least in this country. The notion of rushing out to sue somebody for malpractice in 1965 was a rare notion. I wish it were still rare in many cases because, to reference what the minister said and what the member for River Heights (Mr. Radcliffe) said, it is not in anybody's interest that we become more and more

litigious as a society. I do not think it ultimately works well for a society that wants to stay together.

That being said, I think there is a clear principle for compensation in the case of this particular problem. I want to frame it this way, had a nurse in the Health Sciences Centre contracted hepatitis C as a result of a needle stick, as a result of an accident, in which he or she became exposed to contaminated blood and contracted AIDS or hep C, there would have been no question of his or her entitlement to compensation. It was an automatic for a number of reasons. It is automatic because of the recognition of the risk that health workers face in their jobs, so they are ineligible for compensation. It is also automatic under the principles of Workers Compensation. That I think is the principle that is most useful to think about in this case.

For there to be a compensable injury in a workplace in Manitoba or any other jurisdiction in Canada for that matter, there does not have to be any negligence at all on the part of the person claiming the injury or on the part of the employer. It is simply not a question before the board as to whether there was negligence or not in terms of the compensation issue. The question of negligence is only relevant as to whether there is some penalty to be levied on the employer for having a workplace site that is unsafe and whether that employer then is liable for criminal or civil penalties, but not as a question of compensation for the injured party. That is not the issue at stake. The minister has some question about that, and I would be interested to hear his views on this.

But as far as I understand, the nurse would be compensated automatically because she contracted her illness in the course of her work. If she received her hepatitis C, if she was stuck with a needle or whatever happened to pass on the infectious agent at work, there would not be a question. But the patient in the same facility is to be judged by two different standards based on the time of whether a diagnostic tool was available or not. I think that is not a sufficient principle on which to deny compensation for a broadly suffered injury.

The principle of compensating people for injury—and I go, for example, to the case of Federal Pioneer Electric and the two families who are finally, after

many years, awarded very significant compensation, because a member of their family died from pancreatic cancer which has been linked to the exposure to heated mineral oils, by the work of a Manitoba doctor, Dr. Annalee Yassi, by the way, a very well thought of epidemiologist and occupational health research physician.

* (1450)

Now, the issue is not here. Was the workplace at fault? The workplace at the time that the exposures first occurred did not know that this was a problem. They did not have any knowledge of it but, nevertheless, Workers Compensation says this is a compensable injury. Whether or not there was knowledge that the oils were a problem, whether or not there was negligence in exposure, whether or not the ventilation systems worked properly, that is not an issue. The only test of whether or not there should be compensation is was the injury as a result of exposure in the workplace. No questions are asked about negligence in regard to the direct compensation of the worker. The negligence issue is a separate issue.

I think there is another principle in which we can look at this and that is the notion of what happened in Manitoba last year. In spite of the Premier's (Mr. Filmon) words about taking responsibility for where we choose to live, there is no argument that if someone's livelihood or house was damaged in the flood, they are eligible, without any conditions, for some kind of compensation. Now, they may have to pay a deductible, and they may have to pay some depreciation, and they may not get all of their losses covered. Those are all questions of how much compensation. But the principle of compensation is not at issue. All who received an injury are to be compensated, and they are to be compensated by the public purse.

There is a reason for that, and the reason is in a civil society, one of the marks of a civil society is its banding together collectively, through legislation and through its governing structures, its elected structures, to save its members from injuries that would prevent them from being able to continue to be part of the civil society that they have been born into or joined voluntarily. So we do not quibble about people who are flooded out. We

discuss with them the level and nature of their injuries and we may audit their expenses, but we do not say to them that they are not eligible because they live on a flood plain. That is not what we do with that. We do not do that with tornadoes. There are many other things that we simply say it is an expression of our collectivity as a society that we compensate people, usually in groups, who are affected by something beyond society's knowledge or control. We do not rush around looking for someone to blame for that. We do try to take preventive measures.

That is why I hope this question of compensation does not go down the road of when was the test in Germany available and when did the first research report come out that said that there was something going on in our blood supply, because that kind of parsing of history I do not think will serve the real issue here.

I think Mr. Justice Krever had it right when he said that something of this magnitude comes along relatively rarely but, when it does, only society acting collectively has the resources to be able to offer some form of compassionate compensation for the families and individuals involved.

Simply I think this is a question of civility and not a question that belongs under tort law. If we are a civil society, then we will find ways to work collectively and compassionately to offer some level, some tangible level of compensation that goes a small way to alleviating the pain and distress and in some cases the loss of life associated with hepatitis C.

We have accepted the principle of no-fault insurance in our car system. This does not mean that there is no responsibility on the part of automobile manufacturers or drivers or builders of highways to act diligently, but it is to say that when push comes to shove and we have serious human injury or loss of function that we need to provide some compensation for that and get on with life and not spend years and years and years going through the courts.

So I think that if we could work out how to compensate all those who suffered HIV infection, then I think we could equally work out how to compensate those who have suffered from the same essential

mechanism of transmission, an infection from hepatitis C. I do not know how many funerals the minister or his colleagues have been at for people who have died as a result of AIDS. I have been to a number, and I know a number of people continuing to live with that disease. I do not know nearly as many with hepatitis C, although I have one friend who has recovered actually after a great deal of treatment. It seems to be in remission or whatever happens to the virus after it stops what it was doing to him. He lost a lot in those two years that he was sick, but he is reasonably well again and I am very glad for that.

So I do not know the scope of it in Manitoba, but I am led to believe that the numbers in Manitoba are actually quite small, of people with significant hepatitis C involvement. There are many more who appear to not be reacting to the virus though it may be present for whatever reason. We do not understand the mechanisms I guess completely as to why some people get so sick and some people seem to continue to function quite well without reacting.

So I would put forward those thoughts on this issue. It is a complex issue, but I think it will be very hard to maintain at the end of the day that there is a date, and, of course, the trouble with dates is that they are quite exact. They do not allow for much variation. So at 12:01 on January 1 of some year, people will receive compensation, and those who appear to have received their transfusions on New Year's Eve will not receive compensation. I think that principle will ultimately fail us as a principle on which we can test our compassion and our civility as a society.

So I do not know whether the honourable member for Turtle Mountain (Mr. Tweed) wishes to speak next, but I would be happy to hear the thoughts of the minister. I know we are going to continue this debate. I am sorry that the government is not prepared to have a free vote on this issue either here or in Ottawa, but I do think it is an important debate and I welcome the opportunity for putting the comments I have on the record.

Hon. Darren Praznik (Minister of Health): Mr. Chair, I just want to respond to some of the points raised by the member for Crescentwood, and I would agree wholeheartedly with him that this is, I think, one of those occasions in this Legislature where we really

do have a very thoughtful debate with a very difficult ethical, legal and moral issue. I think all of us who have come to this issue, and particularly as a provincial Minister of Health who had been working with his colleagues across the country and been immersed in this issue for some—almost a year now—nothing about it is easy. I appreciate his comments and some of the points that he raises.

* (1500)

What I would like to just say in responding is I do agree with him wholeheartedly that it is society who ultimately has the wherewithal, in many cases, to deal with the personal disasters that afflict us as individuals from time to time in our lives, or may afflict us from time to time, whether that be a natural disaster that wipes out our home or a disaster of illness or unemployment, that collectively we share some responsibility in one pool or another of the community to provide for that common need, that individually we could not be expected—for most of us at least who are of more limited means—to be able to provide for our own ability to deal with that disaster.

If that is a health disaster, a severe illness—we all remember the days before medicare where a severe illness, as my father used to say, you lost the farm, and that we decided as a society over time, and I think it was a good decision in Canada. One of the things that, I think, distinguishes us from our neighbours to the South is that recognition that illness, or the ravages of age which is a more common affliction, should not wipe out our ability to support our families and earn a living.

As well, he has flagged the disaster assistance program which is not in itself a compensation program, and that is one comment I would make. I have had the opportunity to be intimately involved with that program in my early years as an MLA when I had some major natural disasters happen in my constituency—windstorms, et cetera—that caused a great deal of damage, and so I worked very closely with the Disaster Assistance Board and many constituents.

One of the things we often forget that that is not a compensation plan in the sense of compensating for loss. The purpose of the disaster assistance plan is to

ensure that people are returned to some livable condition, that if they have lost their home that they are able to be put in a position where they have shelter if their means of earning a living have been significantly damaged and there is some assistance to assist them to be able to again return to earning a living.

The reason I raise that is I know one of the issues in my area—and the member knows a little bit about my constituency. I have a large cottage, or summer population, more rightly, I think, so a weekend population as opposed to summer, because those places are well used throughout the year, but having gone through Disaster Assistance programs, we have never provided compensation for loss of a second residence, for example. My constituents who had lost their primary residence received assistance. In some cases, there was a debate as to which was a primary residence or not, but the purpose was not to compensate for loss but to be able to have people not left without basic shelter. If a person's second property was destroyed, they received no benefit because they had a home. They had shelter for their family.

I flag that because it is part of what the member for Crescentwood (Mr. Sale) flags as our collective responsibility in the community to ensure that no one is left destitute by some of the ills that can happen in our life. When we, as ministers, discuss this issue—and I know it is often forgotten in the media debate around it, because it does not make for a very short clip on the media—but whatever, whether it be compensation, whether it is negligence or for non-negligence, what anyone has been talking about is really in essence a top up to the existing social safety net that is in place.

Now we may argue whether that safety net is adequate or not adequate, and I probably agree with the member, or he may agree with me, that there are many parts to that that I have found in dealing with constituents that are inadequate, particularly for people who suffer from a number of disabilities or are in a position where they do not contribute to the Canada Pension Plan. There are certainly areas where that can be strengthened. But we, as a society collectively, already have built elements of a safety net. We certainly provide for the health needs of individuals. In the case of Manitoba and a number of other provinces, we provide home care, certain support for

pharmaceuticals and other basic health needs, so that whether you are injured by negligence, your own doing or just life, no one, for whatever reason, goes without medical compensation.

We sometimes forget that and take that for granted, but if one were living in the United States or a jurisdiction that did not have our medicare system, your ability to access health care would be dependent on whether you insured yourself or there, in fact, was a negligence. If you were injured in a manner and did not have your own insurance, you would be really dependent on charity. We thankfully do not have that in Canada nor would I ever support that, but as part of our social safety net, we already provide the health side.

We also provide income supports. Some may argue that it is not sufficient, but certainly through the Canada Pension Plan, which we all contribute to, there is a disability component that was designed to provide some income replacement for individuals, who, through whatever fault or no fault at all, are unable to earn an income. I have a number of constituents, as I am sure the member for Crescentwood (Mr. Sale) has as well, who have come down with cancer or heart disease or other ailments through no fault of their own and are unable to earn a living and are reliant upon the Canada Pension disability pension or other private disability insurance that they have obtained in order to support their families and to be able to replace their income.

So there is already that element of a collective responsibility that I think has to be recognized. One may argue that it is not adequate, and in many cases I would share that view, but it cannot be forgotten.

The main point, or one of the issues, the principles that the member talked about, was no-fault. He used the example of a nurse working in a hospital versus a patient. He is right, that there are two ways of judging whether an individual who received hepatitis C or any other injury during the course of their work or employment in that facility, who then would be unable to work, is compensated versus a patient. The reason for that is one that we actually have wrestled with as Health ministers because the Krever commission does recommend a no-fault system of compensation for blood into the future. That becomes important for us as

Health ministers in planning for the new Canadian blood system which we, in fact, will be owners and responsible for. That is an issue that we are still wrestling with: how do we ensure the future in blood. It is a very complicated issue which we are exploring currently as, in essence, the trustees of the shareholders, who are the public, of that new blood system. The difference between the example of the member here today in using the no-fault is that in every no-fault system it is decided that there shall be that system and any one injured under that no-fault system, the planning to finance that system has already been put in place.

So, in the case of the nurse who works in a health facility, they are in fact—their compensation is in essence prepaid or anticipated and paid for by the public as employers or owners of the facility into a pool to cover any injury on a predetermined basis in terms of the level of compensation. Things like pain and suffering are not covered, and other parts of the tort system or compensation under tort are not usually covered in no-fault. There is a balance between having a certain level of coverage for every injury, and the trade-off is not being able to have the full benefits that you might receive under tort if there was a negligence.

But those no-fault systems were planned for and put in place in Workers Compensation, in automobile insurance in the case of Manitoba. So they have already been set up, established and financed. So the nurse who may have contracted hepatitis C in the course of their work in essence has already been enrolled in an insurance plan that provides a predetermined level of coverage should the circumstances, that being inability to work arising out of the course of work, have been met. Patients are not part today of a no-fault scheme in our health care system. They are still part of the tort system, and they of course can only seek compensation if there was in fact negligence.

I found the member's introductory comments about injury in the health care system very interesting. It is not an area I am as familiar with as he, and his comments make eminently good sense, and it is one of the issues with which we struggle in dealing with this issue. Do we provide at some point in time compensation beyond the safety net, the existing safety net, for those who are injured or conditions made worse

because of their interaction with the health care system? We have not yet today or any time in the past made that decision, nor have we started to put away the money to support that kind of insurance scheme. We have operated probably because no one has addressed it in the tort system.

Mr. Justice Krever, when he does recommend a no-fault system for a new blood system, there is some good sense behind that, but if we are to do it, one has to also put in place the financing and how one is going to set aside the resources to anticipate potential need into the future. We as provinces, who have been left with the mess to clean up quite frankly from the Red Cross, in putting together a new Canadian blood system, that issue is one that is now on our table that we are attempting to address. Regrettably, this was never put into place in the past. The financial resources were not set aside to have a no-fault system, to compensate people who may be injured by our blood system or health care system where there has been no negligence.

* (1510)

I appreciate the member's comments, but it is difficult to draw the analogy to the no-fault system when we have not put one in place nor have we to date agreed to that or put the funding in place to support it. So I appreciate his comments and his analogies. Where we go in the future, at some point he may want to provide some advice and direction as we wrestle with this issue on a national level, but I thank him for his comments. They were very instructive, particularly on his own involvement with his father.

Hon. Vic Toews (Minister of Justice and Attorney General): I certainly appreciate this opportunity to put some comments on the record on what I consider a particularly important issue. Whenever an issue regarding a matter of a free vote comes up, I think all members should very carefully consider its implications, not only of the free vote, but understand very fully the ramifications of a vote in any particular direction. I have not seen the particular wording or position that we would in fact be voting on, so that causes me some concern. But be that as it may, I want to perhaps put on a few comments which outline my concerns and perhaps, in due course, the Minister of Health could address these concerns. I would like to

raise those with him in the course of my comments. I think this is a very appropriate time for reflection, for ensuring that we are going in the right direction procedurally and, above all, that we are doing the right thing in terms of any substantive result.

I want to put my bias on the record very clearly and that is that I am in favour of no-fault insurance schemes, and I think that they have been very effective in a number of situations. Having said that, I know that cautions have been made in any no-fault scheme, and we have to take a look at those cautions when looking at any particular no-fault compensation or insurance scheme.

The Workers Compensation Act, of course, is an act that has embodied, to a large extent, the principle of no-fault insurance. That no-fault arises in a very particular context. It is not a universal no-fault; that is, compensation is not granted for every individual who suffers an injury no matter where it occurs. The injury itself is related to a specific location or activity and that is to the workplace. The compensation is very closely related to the insured activity that is the subject of the scheme. So, for example, in our present Workers Compensation Act—and I would say that this is not unique to Manitoba, but it certainly is indicative of every Workers Compensation scheme across Canada—the injuries that are compensated are compensated in respect of a particular activity.

The issue then is to what extent should, in an area like Workers Comp, that compensation be extended. Well, I know that we all feel very, very deeply about what has happened to hepatitis C victims, and we are committed, I believe—and I certainly am committed—to ensuring that they receive the full benefits available to them under our medical insurance health scheme. We certainly believe that. Similarly, a work person or worker who is injured, let us say outside of The Workers Compensation Act circumstances, that is, or injury on a workplace, that person would only be entitled to compensation provided that the injury falls within the scope of the insured risk. While it might seem unfair that a worker who is working would be compensated for, let us say, a broken foot, while a workmate who perhaps broke his or her foot at home and is under the same disability is not compensated appears to be inherently unfair, and yet when the act

was passed it was felt that defining the limits of compensation was necessary for the viability of the particular plan.

It should be noted that it is just employers who pay the premiums. The employers pay the premiums for a certain insured risk. That then becomes the extent of any possible liability, and a worker working within that defined risk can be assured that if injured he or she will be compensated. The worker who is injured outside of the context of his or her work would not be eligible for benefits under that particular scheme.

On the other hand, it should be noted that the worker who is injured at work receives no-fault benefits but has lost his or her right to sue under that particular Workers Compensation scheme. Indeed, if the worker falls within the scope of The Workers Compensation Act and the injury is a compensable injury, they have even no constitutional protection to insist that they are entitled to any type of compensation outside of the scheme. Indeed, the only one who has a right to proceed against a tortfeasor is in fact the board itself who becomes vested with the rights of the worker who was injured within the scope of employment.

* (1520)

Now the worker injured outside of the scope of employment cannot derive the benefits of The Workers Compensation Act, but in fact has all of the common law remedies available to him or her to recover any loss which may have been suffered. Of course, along with the right to recover for any loss, including pain and suffering, comes the risk of not being able to recover anything because no negligence has been proven.

So it is a trade-off in the context of The Workers Compensation Act that governments, labour and business agreed to. This has been a principle that has been well recognized not only in Canadian law, but in terms of ensuring that workers in a workplace are not unduly exploited. If in fact they are injured in the course of that work, they have a remedy, regardless of fault, by being able to apply to the Workers Compensation Board for recovery.

I bring that particular example to the attention of the Minister of Health (Mr. Praznik) and this committee in

order to place this discussion in a larger context in order to elicit, I think, information, direction, comments from other members who may well be aware of the Workers Compensation scheme and yet believe that this particular situation which we have here should not follow that same type of format, that the risk insured against—if I can use that expression, borrowing it from The Workers Compensation Act—should be any risk at all that any user of the blood system of Canada has been put to regardless of negligence, regardless of whether there has been a scheme put in place.

I note that the government of New Zealand at one time had a comprehensive no-fault insurance scheme that effectively insured every person in New Zealand against any injury so that, regardless of where that injury occurred or who was to blame, a person could be compensated. I recall when I learned about that in law school back in the mid-'70s, early '70s, Professor Dale Gibson was a strong advocate of that type of comprehensive no-fault scheme that had been implemented in New Zealand. Now I guess from the lawyer's point of view that is not necessarily a good thing because the lawyers would all be put out of work. From the general opinion of the population of Manitoba, maybe that is not a bad thing. I do not know, but I know that there is a lot of frustration from time to time with the legal system and this requirement of having to determine fault. So I can see why particular governments such as the government of New Zealand proceeded to act in the way in which it did.

Now I might hasten to add that entire system eventually collapsed upon itself, given that there was no ability to sustain that kind of a comprehensive no-fault insurance plan. There was simply not enough tax dollars to compensate people to the extent to which the plan demanded it. Perhaps then the issue was, and which might have or should have been addressed, perhaps the benefits were too generous. I am not familiar enough with that scheme, but I think this committee could do well by looking at perhaps the New Zealand example and their comprehensive no-fault insurance scheme to see whether there is not a solution that can be found in that particular situation.

I would also point out in drawing back, and I point this out for the benefit of the Minister of Health (Mr. Praznik), whenever the limits of any compensation

scheme are eroded and compensation is awarded on an unprincipled basis, that is, without legal basis, then you inherently run the risk of the scheme collapsing, as it did in New Zealand. That is, in fact, the situation that many Workers Compensation Boards found themselves in over the last decade or so. I know our Workers Compensation Board here in Manitoba during the NDP years virtually was on the brink of collapse because of an unprincipled approach to the granting of compensation without a careful consideration of the funding necessary to achieve that social goal. So, while the goal of no-fault compensation for anyone might be admirable in the abstract, it is always very important to remember that in the end someone has to pay for it.

So I know in that context our government undertook certain reforms which, without prejudicing the workers in this province, were able to reform the operation of the board, put it on a solid setting, and thereby ensure future generations of workers, including the present workers, that if they were injured in the course of work there would be somewhere to compensate them from, a pool of money from which to compensate them.

Unfortunately, in the province of Ontario the NDP government did a similar thing, with the horrendous result that the board in Ontario racked up a \$12-billion to \$14-billion deficit during those NDP years, \$12 billion to \$14 billion, which is almost twice the total provincial debt here, Mr. Chair. That is quite remarkable. All I say is that again one has to be mindful of eventually who pays and, while the goal is admirable and the social need is maybe demonstrable, we need to consider that issue very, very carefully before we simply proceed in a direction where we do not know where it is going to land up.

Because we can say to workers here in Manitoba today that if you are injured on the job, there is a fund which we can recover your losses from and you will be paid on a no-fault basis. Unfortunately, the workers in Ontario, due to the policies of the previous government, have virtually bankrupted the fund by which workers could be compensated. That is a tremendously dangerous thing to do.

I am not saying the situation with the hepatitis C here is absolutely parallel. I am simply saying that before—

* (1530)

An Honourable Member: It is totally different.

Mr. Toews: Well, the member says it is totally different. Perhaps she can explain to me in due course how it is totally different so that I can determine which way to vote on this particular matter, but—

An Honourable Member: Well, you are not going to get a free vote anyway.

Mr. Toews: Well, the member says I am not going to get a free vote. That remains to be seen but, while I am here, the member for Osborne (Ms. McGifford) should realize that I do have a right to put my comments on the record so that even though the member might think my concerns about the hepatitis C situation and the victims of hepatitis C are not well founded, I happen to be very concerned. It is not just people who come from left-wing parties who have those types of concerns. I think the people of Manitoba generally—[interjection] Well, again, the member for Osborne feels that she has a better argument, and I am prepared to listen, but I want to put my concerns on the record so that it can be part of this broader discussion to determine exactly where we should be going.

Mr. Chair, I think this is a tremendously important matter. I know that the real short-term agenda here of the NDP is to simply embarrass the government. That is not my concern. My concern is that what they have provided us with is an opportunity to discuss what I consider a very important issue. For that reason I thank the members for allowing them to have this type of discussion, because these are the very important types of debates that we can get into from time to time and let the people of Manitoba know that we, in fact, are seriously considering these concerns.

Now, again, the Ontario government under the NDP virtually bankrupted the Workers Compensation system and, thereby, left in jeopardy thousands of injured workers. It is a tremendous concern that I have, because in the end of the day, who is it that cares about those injured workers? Is it the government of Ontario, which was an NDP government, who left nothing for the workers other than bankruptcy and debt? Or is it the government of Manitoba who said we owe an

obligation to injured workers to ensure that they are protected? So my concern here is that whatever direction we go into, I want to assure that this is absolutely the best way of proceeding for those victims of hepatitis C.

The other analogy, I think, that we need to draw on is the Manitoba Public Insurance analogy and the no-fault. I want to say that our government has been very progressive, adopting ideas, not from a point of view of ideology because certainly no traditional Conservative government would implement a no-fault insurance plan such as that we now see in Manitoba Public Insurance situation, and the reason our government went in this direction was because of the concern that the tort system was destroying the ability of an insurance system to be self-sustainable. I know that there are still bugs to be worked out in that system, and we have recently received a report from a former NDP cabinet minister who, while being generally complimentary about the MPI program brought in by our Conservative government, thought that there should be changes. Again, I believe our government will address those concerns and make those changes, Mr. Chair, in a manner that is not ideologically driven, but rather driven out of a desire to ensure that Manitobans as a whole benefit.

So, again, I do not think members here need to be concerned about the bona fides of our government in respect of ensuring what the best system is. We are committed to finding that best system.

But I raise one last concern, because I know that my time, at this time, is drawing to a close, but I want to have an opportunity to discuss this a little further yet, because I think there are some interesting issues. Those issues relate to the nature of a national program. Our colleagues in the NDP party always talk about national programs, and I, for one, am very supportive of a national program as were, in fact, Health Minister Allan Rock and Saskatchewan NDP Health Minister Clay Serby, who on behalf of all provincial governments including all the NDP governments, adopted this particular plan to provide Canadians who were infected by hepatitis C virus through the Canadian blood system between 1986 and 1990.

I am at first puzzled, now, why would the NDP here be opposing what their colleagues in government have

adopted in British Columbia, in Saskatchewan? That leaves me wondering. I think we need some more information. One of my concerns, and I know how the NDP here are trying to undermine this national program, maybe this national program is not a good one. I do not have enough information on that particular point and we need to discuss that more. I know that there are other speakers here who will be discussing that and sway me one way or another, but the issue of this particular national program is compounded by the constitutional right to mobility.

If Manitoba broke ranks and said, we will compensate all hepatitis C victims regardless of when it occurred, whether it was between 1986 and 1990 or not, then every single hepatitis C victim in Canada would be entitled to come to Manitoba, every hepatitis C victim could come here to Manitoba and collect, not out of a national program, which I usually find members of the NDP supporting, but it would overwhelm and destroy the resources of this province.

So, Mr. Chair, and for the benefit of the Minister of Health (Mr. Praznik) rather than destroying a national plan which would then overwhelm the resources of the provincial government, maybe we have to examine, in fact, why the NDP would be opposing a national program here and yet supporting it in Saskatchewan and British Columbia. Maybe the difference is that they are not in government here and can make irresponsible promises. We need to be responsible and I need more information in order to make that responsible decision.

* (1540)

On the other hand, it may not be that it is simply because they are in opposition. They demonstrated their irresponsibility in spending when they were in government, so maybe this is just a philosophical continuation of that irresponsibility into opposition, indeed, after 10 years of opposition, they have still not learned that our social programs require sustainability, that without sustainability everyone loses. So we must be careful with our resources, and we must be fair to the victims. And so that, Mr. Chair, is certainly my concern as I listen to other speakers participate in this particular debate, and I welcome any comments from either the Minister of Health or perhaps other members.

Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship): I am pleased to be able to say a few things on this very important matter which actually relates very directly to people. It is people and victims that we are speaking about and that we think about in government, and we are attempting to deal with issues that actually relate to and affect real people.

First of all, I think it is important to note that I think everyone on the government side has a sympathy and a sympathetic feeling towards the people who have been affected by this hepatitis C. It is obviously a very difficult disease. It has psychological sides to it as well in that people are, in fact, symptom free for a great number of years possibly, and they simply do not know when, in fact, they may begin to encounter some of the chronic symptoms of the disease. So there is certainly a sympathy for those people who have this particular illness, and for many who are in the chronic phase, but for others who are living through the psychological concerns of whether or not they will, in fact, experience symptoms.

I am also very interested—some professions are also somewhat at risk of this disease, and I know dentistry, for one, has been a profession which has had to take special care and make sure that professionals within dentistry are given as much information as possible so that they can protect themselves in their particular profession. So it is one that has come to my attention and has been important to me, to our family, for some time in terms of a very special interest in looking at this issue and also making sure the public is aware of how, where possible, they may be protected from this particular illness.

This was a really difficult issue for our Minister of Health, for governments across the country. There is a proposal put forward by the federal government to deal with a compensation system for people who have hepatitis C, and there is a requirement to, in fact, share some of this responsibility. But there is no question that the federal government needs to take the leading role. It was up to our minister, then, to look at the proposal and to make comment on the proposal, but it is, in fact, up to the federal government to determine what proposal they are prepared to put forward.

It is also important to note that we are all citizens of Canada, that there is basically one taxpayer paying

either the provincial share or the federal share of the compensation package, and all of those issues had to be weighed by our Minister of Health and also by the federal Minister of Health. This made the compensation package, I am sure, quite a complex issue to deal with. I am just trying to think of how much time in fact it has taken them in terms of working on this issue, but I know that it has been some time, in fact, and that there has been a great deal of public discussion during the time that they have been deciding on the compensation package and that they have had an opportunity to hear from many people who are affected by the disease or who have a particular interest.

So I start my comments by saying that I would express sympathy, certainly, to those who are dealing with the disease. I also would say that I know how long and hard our Minister of Health (Mr. Praznik) has worked along with his colleagues across the country, colleagues that I would comment, as my colleague the Minister of Justice (Mr. Toews) did, of all political persuasions. This was, in fact, arrived at by governments which are NDP governments, which are Conservative governments, which are Liberal, and this took, obviously, a hard look at the issue. Those people who were involved in looking at a compensation package had to put aside some of their perhaps philosophical views, or if they were in government, they had to recognize certain realities in relation to their role of government and their view in responsibility to direct service to people.

I note that the lead minister provincially is the Health minister from the New Democratic province of Saskatchewan, so he had to also look at the issue, in fact, in the light of reality. That really the basis of the discussion today is to get some information to make sure that information is available and on the record and information which reflects a reality.

I would like to talk for a moment about the fact that this is a national program then, proposed by the federal government, worked on by the federal minister and in consultation with the provincial ministers of Health. There is an importance to this as a national program because members across the way, in their discussions with us, have constantly said that there has to be a kind of certainty for people when they receive health care across the country, wherever they receive it within the

province, wherever they receive it across the country. That underscores the importance of this program being a national program, because if someone contracted the disease in one province and happened to move to another province and then needed to collect on a compensation package, which compensation package would they collect from? Would everyone move to one particular province, who happened to be a more wealthy province then to attempt to collect a richer compensation package? Or even if you happened to live in a province which may have more money, would you in fact collect from the province in which you contracted hepatitis C? Therefore, there may be 10, 12 tiers of compensation package that individuals would have to look at collecting.

So the importance of the national scheme which has been put forward does in fact deal with one of the issues raised frequently by the NDP, the opposition in Manitoba, which says that a national program then provide some certainty to a compensation package. Our Minister of Health (Mr. Praznik) has obviously worked with others to come to some agreement about how that package would work. I see from the information which has been provided to us that we see a basis of a compensation package, a compensation package which has an amount of money set aside, but it is clear there is still a lot of work to do in terms of this compensation package to actually operationalize the compensation package as well.

So we have the shell of a compensation package, the idea of a compensation package to be a national package, to provide some kind of certainty with a dollar amount, but the details of that still seem to be not quite firm and still need to be worked out. They will require work from the provinces and from the federal government. I am sure the Minister of Health (Mr. Praznik) would look for co-operation from the federal Minister of Health in terms of developing the details of this plan, and how it will be operationalized so it can be operationalized across the country in similar ways.

* (1550)

I would just like to comment now on the amount of money that governments have set aside in the current package, \$1.1 billion. Of that amount of money, the federal government will provide up to \$800 million and

the provinces and territories up to \$300 million for the compensation package.

Just so that it is clear in terms of our province's support to people with hepatitis C, in addition to the financial assistance program, the provinces and the territories will also provide the medical, the hospital, the home care, the drug, the social assistance and other services that will cost the governments an additional \$1.6 billion over the next 30 years; a significant commitment in dollars, a significant commitment in terms of the support required for those individuals.

I will be very interested to see how the federal government may in fact in any way provide any further assistance in that area. But it is in fact a package which is a significant amount of money. I understand that in addition to the money set aside by governments, this has not been confirmed but, from information which I have received, there could be a further contribution by the Red Cross which is discussing its participation.

The number of people who I understand potentially fall into this particular proposal is approximately 20,000 to 22,000 individuals who could be eligible for assistance under this current proposal. This takes into account, as I have said, some of the best estimates of how the disease works and also how the courts have successfully resolved other health-related issues. As I said, some people who are affected by the disease are basically asymptomatic now, so in fact they are not experiencing symptoms. Some people, to my knowledge, may not in fact be fully aware that they have this particular disease. Now I stand to be corrected on that but, as I said, I have watched it carefully from a personal point of view from people involved in the dental profession in specific, because of course that would be a health risk attached to that profession and the profession itself would want to monitor.

I understand that the assistance to this number of people—and again, not a small number of people determined in this proposal—will be through a negotiated settlement. As I look at the number of people in this settlement alone, I have to say that I can understand now why the process in fact was a very time-consuming one, because of those 20,000 to 22,000 people, they would in fact reflect people of all kinds of

circumstances, who would have a wide range of needs. So, it would in fact be important to look at where they were in the disease pattern at the time, what their circumstances might be, and of course as has been done, to look at the courts and to say: what are the court settlements in this area, what is reasonable. A compensation package does provide the dollar amount to go directly to the individual to avoid a lengthy court process and to assist the person perhaps in the time that they actually need the support.

I understand also that estates of deceased people will be eligible under this current program providing that the primary cause of death is hepatitis C related, and it can be traced to the specific time frame '86 to '90, and that the details of this will be determined as part of the negotiating process. I think that is a point not widely known. It was not widely known or generally known by me during the process of the discussion, though I am interested to know that now, and I think Manitobans and Canadian people in general would be interested to know that. So there are quite a large number of people eligible to have assistance in the current package.

I am not really wanting to provide a defence for the current package. I want to make that clear. I just want to make sure that I have in my discussion today focused on the fact that the national package and the compensation program that has been proposed does have some points which in fact may not be generally known and speak in favour of the national program, again so that there is some certainty regardless of where people live and that we do not have 12 different programs or more than 12 different programs, 13 if we add the federal government.

If individuals do not want to be part of this compensation package, as the member may be indicating through this resolution—I am not entirely sure if she is speaking for people who are not pleased with the package—but clearly it would be up to an individual to decide whether they wished to be part of the settlement or not, and individuals do have the opportunity or the liberty to opt out of current class actions and pursue individual actions through the court. It will also be up to individuals to decide if they want to be part of the settlement.

I think that it is important for individuals to be able to weigh the risks and also the costs of a court case.

There is not certainty in a court case, and you obviously go forward with the strongest arguments that you believe you have available to you, but the result may be in fact something negotiated through the courts that is less than what you had hoped, or in fact it may be that you simply receive nothing.

So I think that for many this compensation package as proposed may be something that they wish to look at, but I do think that it is important—and I would make note of it to the minister—that individuals have the opportunity to decide if they wish to be part of the settlement or if they in fact wish to carry on through a class action suit or pursue an individual suit through the courts.

I understand that, as I said earlier, the details of the program and how it will be operationalized are yet to be worked out. I would say to the minister and to anyone who is participating in developing these that I would be hopeful that the time frame would be reasonable, since this has caused a lot of people to be thinking about it. I think that there is likely an anxiety level, and I would be hopeful that things can be worked out in a reasonable amount of time. But I would also say that I would want them to be worked out with reasonable reference points and with fairness, so that again, in the application of any kind of program, the application is in fact fair and equally applied or applied in the same way across the country.

Mr. Chair, my colleague who spoke before me as well spoke about the importance of sustainability in programs, and this is obviously an important part of any discussion that we would have on this issue. I want to stress that in looking at sustainability and speaking about sustainability, I speak about it with the same concern, that it is sustainable and able to continue to support those people it was set up to support and that there is not such a drain that in fact no one seems to receive the benefit or the prolonged benefit that they would require for the period of time that they would. I have a sense, though again I think further information as you carry on developing this program would give us more information about sustainability, but it seems as if that was perhaps one of the elements that was put forward or that you considered when you were developing this program as ministers. The federal minister, as he put forward, as I listened to him, that

seems to be one issue which he speaks about as well. That would be I think important to all individuals. I would look for that to be one of the requirements for the time period that I understand this program is going to be available for victims.

* (1600)

I understand too, then in looking at the program that people cannot yet sign up for the program but, in fact, they would have to wait until the details are negotiated. I will be very interested to look at how, in fact, the program is administered and how there may be some co-operation, particularly perhaps by health groups in terms of administering the program.

Mr. Chair, on the issue of no-fault, which Justice Krever had raised and had recommended, on this area it may be fairly difficult to introduce no-fault specifically for the blood-related injuries and not allow application for other health care related misadventures or injuries or difficulties. But on this particular issue, I would also feel that it is important to have further information. It is an area that members before me have spoken about similar kinds of programs which may be available through Workers Compensation. I feel that it would be very helpful to have further information about what Justice Krever was in fact thinking about in detail in terms of this particular part of the compensation package or further compensation package.

I understand that the next steps then in working through this program, should it in fact be accepted—and we do not yet know what the results of that will be, but I understand that, should this in fact proceed based on the federal government's decision, that there will be a negotiating team being appointed that will involve the provinces, the territories and the federal government, and that there would be the beginnings of a negotiation process with victims, and that, should it go ahead, as I said, for me, I would be interested in the settlement to occur as quickly as possible. But today we are sitting here and we are not yet sure in fact what the results will be, what the end of the debate will be in the federal parliament.

So on that, we will be very interested to see how the federal Minister of Health is able to manage this issue and if he is able to provide some leadership, and if he

is able to deal with people who have concerns which are being raised across the country today. Yet some of those people are people who would in fact be covered by this package. I think it is important to start somewhere.

But, Mr. Chair, with that I would just then summarize my comments by saying that, again, in all of the thinking that I have done on the matter, I start from a position of sympathy for those who have the disease, sympathy for those who fear that they may have the disease, and also in recognition that this has been a difficult issue for those people who have been involved.

It has been a time-consuming issue to develop a mechanism of compensation and reference points for compensation, but I would stress that it is important from my point of view that whatever program is finally arrived at, that it be a national program, that it not be a program of 12 or 13 different types of compensation so that a person wherever they live in Canada may in fact be getting some different kind of compensation. So I would stress that the national nature is important. I would look for the leadership of the federal Minister of Health in dealing with this matter and bringing forward issues to assist in providing a fair compensation to people in Canada, and I would also look for the sustainability of the program.

Mr. Mervin Tweed, Acting Chairperson, in the Chair

Those five points are in fact my main thinking on this issue. I will be watching very carefully for the next part of the development, again, as I said, because I have a personal interest, as I see a certain profession that I am aware of, dentistry, is one that is potentially at risk. So I always watch for how these things are managed in relation to that.

I would just finally say, Mr. Chair, that I believe our government's record of support to those who need is a significant record of support, whether it be our government's participation in the hepatitis C compensation program, our money being put on the table, our support to people who require assistance through hospitalization, through Pharmacare, through home care. Our government's record of support is I think very good, and I look across a number of health issues. I do not want to stray from the topic, but I do

note the interest that was expressed as recently as today in the fetal alcohol syndrome issues which the Minister of Health (Mr. Praznik) and the Minister of Family Services (Mrs. Mitchelson) announced our government's position on today.

So with our record of support, which I think is a reasoned and sustainable one, I will look forward to some further information from the federal Minister of Health on this particular issue, and I would be very happy if the five issues that I have raised today would also be of assistance to you in your further considerations. Thank you very much, Mr. Chair.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, if it might be the will of the committee, may I suggest just a very quick five-minute recess before my presentation?

The Acting Chairperson (Mr. Tweed): Is it the will of the committee to take a five-minute break? [agreed] The committee will recess and meet back here at 4:15.

The committee recessed at 4:07 p.m.

After Recess

The committee resumed at 4:21 p.m.

Mr. Chairperson in the Chair

Mr. Chairperson: Order, please. We will resume consideration of the Estimates of Health. The honourable member for Inkster (Mr. Lamoureux), I believe, was about to speak.

Mr. Lamoureux: Hepatitis C is an issue that has garnered a tremendous amount of attention over the last period of time. I know I have had opportunity to have discussions with a couple of my constituents on this very important issue, and what I was wanting to do was more so make somewhat of a statement, but I am interested in hearing from the Minister of Health (Mr. Praznik) at the conclusion of this statement what it is that he would in essence be recommending, or his thoughts specific, as opposed to constituents having to

read pages and pages of Hansard—just kind of like a five-minute rebuttal to my comments.

In looking at the motion, there is a concern that I do have with it, and I will address that specific, Mr. Chairperson, once I get some other comments on the record. In looking at this particular issue, I did a Hansard search a while back, and I think that if you compare Hansard of the last two weeks to Hansard of the previous nine years, you will find that this particular issue came up more in the past two weeks than it did in the previous nine years. In fact, I like to think that, generally speaking, I am not short when it comes to speaking on different issues. I try to comment on as many as I can, depending on the research that is done for me and what research I am able to do.

One of the things that I found out was that there was very, very little discussion on this issue, so that when I was in fact contacted by constituents, it is one of those issues which I had indicated that I needed to get a little bit more information on in order to comment more intelligently or to provide a more strong personal opinion. When you do have some limited resources, you are not necessarily afforded the opportunity like the larger caucuses and other members to be given briefings on issues.

So this is one that has come up over the last little while in which I am not as comfortable as I would have liked to have been in terms of dealing with the issue, but there is a motion that is before us, before the committee, on which MLAs are expected to vote, and I did want to get on the record with respect to it, and it is an issue which has been raised by constituents to me.

In doing some Hansard searches, what I did find out is actually the member for Osborne (Ms. McGifford) is probably one of the more ably minded individuals with respect to this issue. I was really interested in a resolution that in fact she had proposed back on November 5, 1996, where the title was Resolution 21, Provincial AIDS Strategy. In reading through that particular resolution, you quickly become aware of some of the problems that are out there. There was one of the WHEREASes that really—actually a couple of them, but one in particular that really made me think, and that was: “WHEREAS Health and Welfare Canada estimated that one in 1,000 people are HIV positive,

and it further estimates that by the year 2000, one in four people living in the North will be infected.”

I think that we do not necessarily have a full understanding of the degree to which hepatitis C is in fact out there, and it is a very emotional issue. I would not deny that. I like to think that one of the differences between us and the United States is that we are more of a compassionate society and recognize the need to be good to each other, and one of the reasons why we have the universal health care that we have today. When I look at the hepatitis C issue, in a nutshell it is explained that many, many thousands of people have been infected, but because of when they were infected are going to be disqualified for any sort of compensation package. That does create a great deal of concern for me.

I recognize that it is very easy as an opposition MLA to say that everyone should be given some sort of an entitlement. One of the things that I did is I had asked an individual what type of support this particular compensation package was receiving in other jurisdictions in Canada, and it seems to me that provincial governments of all political stripes are having a difficult time with this particular issue. It also seems to me that governments and particularly the provincial governments are going out of their way in terms of trying to pass a good part of the responsibility on to Ottawa. I think that is unfortunate. I think that there needs to be a strong sense of co-operation between both the provincial and national governments in trying to do what is right with respect to this infection. Most people will acknowledge that those who have received hepatitis C should be compensated. The degree of the compensation I think is somewhat questionable and debatable, but virtually most people that I am aware of would indicate that people should be compensated.

I wanted to read into the record a couple of very short letters that were sent to me which I really have not responded to as of yet, and generally speaking, I like to respond quickly when a constituent writes to me. That is because I am a little bit unsure of exactly what it is that I could be saying to this, because it is such an infection that has such a dramatic and profound impact on constituents.

* (1630)

The first one—and she has written me two letters—was dated February 27 of this year, and it is obviously written to me. It states that: the reason I am writing you this letter is to plead with you for some compassion and understanding. I do not know if you are involved in the negotiations for compensation for hepatitis C victims, but I would like you to be aware of our plight.

Two years ago, my husband was informed by the Red Cross that he had tested positive for hepatitis C after receiving a blood transfusion. We have since watched him go from a hard-working, strong, athletic person to one who is sick, depressed and basically has enough energy to make it through the day. He was always very involved in coaching our children's hockey, ringette and baseball teams but since had to give it up due to his ill health. Needless to say, our kids feel the loss. I have had to take on all of the tasks of raising our two children, as he is generally so exhausted after his day at work that he has to recuperate. We hope he will be well enough to continue working as I can only find temporary part-time work, not enough to support one person, never mind four.

My husband was accepted as a patient to test out the newest research drug for hepatitis C, and so far it has kept the virus from doing further liver damage. Because it is such a new virus, no one can give us any long-term predictions. He feels that the death sentence is hanging over him. The study drug he was on was administered by self-injection done three times a week for six months. The side effects were horrendous. He was severely ill for the first couple of months with nausea, fever, severe muscle pain, no appetite and barely the energy to get out of bed. He lost 30 pounds and has still not managed to put on any weight. Luckily he had some holiday time he was able to use as he was not capable of going to work. My kids said it was the worst summer any family could ever have. He now has to be tested every six weeks for the virus, and this will go on indefinitely. Every so often a liver biopsy is needed, which is extremely painful.

We heard on the news that a cure for hepatitis B and hepatitis C has been found. This is not so, as further research is needed. If it takes seven years for FDA approval, how many of the 60,000 Canadians infected

will be left? We were once optimistic about our children's future, but now we are terrified. If my husband cannot work till retirement, we will be forced onto welfare. This is all so unfair. How could the Red Cross administer blood they did not know for sure was safe? When will someone take responsibility for these actions?

I beg you to consider my family if you are involved in any issue regarding hepatitis C. Money will not bring back my husband's health or our peace of mind but will ease the burden of worry over our kids' future. Please, please keep this in mind and think of the impact that this would have on you and your family if you were one of the unlucky ones needing a transfusion at the time. Thank you for taking the time to read this. I pray your decision will be favourable.

The member for Osborne (Ms. McGifford) has indicated that this is one of the letters that in fact she herself has received and has also read. Well, there was a follow-up letter that was sent, and I do not know if she received that particular letter. She indicates that she has not. I will just share that with the committee. It is dated April 22, and again it is addressed to me:

"I am writing to urge you for your help and support regarding the issue of compensation for hepatitis C victims.

"My husband is one such victim. He required a blood transfusion and the result is he is now hepatitis C positive. We have watched him go from a strong, athletic, hard-working man to one who is constantly ill. He has lost 29 pounds due to this virus's symptoms which are: flu-like including nausea, fever and/or . . . while his liver is being damaged in 20 percent to 30 percent of people infected end up with liver cancer. He is depressed and lethargic; he feels he has been handed a death sentence. Needless to say our children feel the loss. All his adult life my husband was a 2 to 3 x's a year blood donor. This virus did not appear till immediately after the blood transfusion. There is no question as to how he got the disease. The virus destroyed my husband's health and in turn our family life. If this happened to your children, your spouse or yourself would you not feel extremely angry and feel the government guilty because they did not test the blood they knew was tainted.

"We are a compassionate people, and to not compensate all victims of hepatitis C is unjust and unfair. To use the time frame of 1986 to 1990 is not treating all victims equally. We are supposed to all be equal Canadians. All HIV victims were compensated, why not hepatitis C victims? Your blood system poisoned these innocent people, compensation for all is the least we fellow Canadians can do.

"Money will not bring back the most important thing (my husband's previous good health) but will ease the burden of worry over our children's future. We were once secure and happy, now our sad hope is by sheer will power my husband will be able to work till retirement and not be too deathly ill to enjoy what few remaining years are left.

"Over a two day period I have collected over 500 signatures and addresses stating their objections to the proposed compensation package. I was met with NOT ONE negative response, all felt that ALL victims should be compensated, regardless of time of infection. These have been forwarded to the House of Commons.

"I beg each of you MLA's to put pressure on our Health Minister to change this compensation package to include all. I pray together we will do the right thing. Thank You in Advance."

Well, Mr. Chairperson, I read both letters on to the record because this was in fact an emotional plea, as members of the committee can tell, from a constituent who is trying to ensure that her voice is being heard. I am very sympathetic to what it is that she is saying, but I also want to do what I feel is the right thing on this particular issue. In it, there are a couple of points that I wanted to focus some time on.

The first one is regarding the whole issue of us as a compassionate society. Here is an infection that is causing a great deal of problems and putting so many people through emotional torture of sorts that really wears on all families. The package that was agreed to between 1986 and 1990 might alleviate, at least in part, because, as my constituent so well stated it, you are not going to restore the individual, the infected individual's health, but at least in part those individuals who are being compensated will have some feeling of financial security in a limited way. I do not know the details of

the compensation package, so I cannot say to what degree that they are financially compensated, but at least it appears that there is going to be some compensation for those individuals. Well, the individuals who fall outside of those years, I think there is a responsibility for government to, at the very least, address these people.

I do not necessarily understand the exact arguments that were used for the time frame, and I would be interested in hearing from the minister his government's reason for that time frame. So, when I am done, I would be interested in hearing specifically that from the Minister of Health.

* (1640)

But suffice to say for now, individuals who were infected outside of that time frame, at the very least, I believe the government has a responsibility to provide some reason to have hope that the government is not going to forget about these individuals. If the government is not prepared to incorporate them into the package that is there today, what are these people to think with respect to their future? As my constituent has clearly demonstrated, the future is very bleak not only in terms of healthwise but financially where in one letter she makes reference to the possibility of having to go onto social assistance.

Mr. Chairperson, I believe that there are grounds for us to be more compassionate with those individuals that have been infected with hepatitis C outside that time frame of 1986 and 1990. I am interested in knowing what specifically the government's plans are with reference to that because I do not believe it would be appropriate at all—and this is with what very little research I have been able to do to date—I do not believe for a moment that government should just wash its hands clean of this particular issue, that they have to take on some responsibility, and I am not hearing that from the government. I think that is most unfortunate. I do not want to hear, well, this is what Ottawa is doing, and we are just following Ottawa's lead.

If Ottawa comes up with an agreement, and it deals with a specific number of individuals within a certain time frame, that is fine maybe from their perspective,

and if the government, the Minister of Health (Mr. Praznik) is content with that, then he can say so. My concern is not necessarily what is happening in Ottawa or other provincial jurisdictions, my concern is primarily what is this government prepared to do even if it means complementing the package that is currently being proposed? Is the government giving any consideration to individuals that were infected by hepatitis C outside of that time frame?

If in fact the government is giving consideration to other things, I would be interested in knowing that. That is the second point that I would make to the Minister of Health. What other types of responsibilities does the Minister of Health believe that the government of Manitoba has with respect to the hepatitis C victims that fall outside of that 1986 and 1990 compensation package?

That is why when I look at the motion, and I made reference to Ottawa and their package, in reading the motion, one of the concerns that I had with respect to the motion was that the committee was going to recommend that the Legislature and the House of Commons hold a free vote. When we make reference to the House of Commons, we do not know when this motion is actually going to come to a vote. I think that it confuses the issue more than anything else. What I am interested in is what is going to happen in the province of Manitoba. I do not want the Province of Manitoba to be using Ottawa as a scapegoat, per se, on this issue, and that is why I am more interested in trying to narrow the focus onto the responsibility of this government, the responsibility in particular that the current Minister of Health feels that he has towards the hepatitis C victims that fall outside of that time frame.

In discussing it with the member for The Maples (Mr. Kowalski), we thought that maybe we could in fact move an amendment to the motion, Mr. Chairperson, so we have decided to go ahead and do just that. That is because, as I say, we do want it to be a positive discussion or debate from within this committee that will ultimately lead to an independent vote in the Manitoba Legislature. What they ultimately decide to do in Ottawa is something in which they are going to have to decide. In fact, it might all be done in Ottawa by the time we actually vote on this particular amendment or this particular motion.

So I wanted to move, and seconded by the member for The Maples,

THAT the words "and the House of Commons" be deleted from the motion.

Mr. Chairperson: Order, please. An amendment has been moved by the honourable member for Inkster (Mr. Lamoureux), and it goes as such: THAT the words "and the House of Commons" be deleted from the motion.

Is there debate of the amendment?

Mr. Gary Kowalski (The Maples): Yes, I would like to put a few words in regard to this matter. I guess the main principle here is—well, let us talk to the broader issue first. I see some analogy between this and the flood issue when there were comments made during the flood that people choose to live in a flood plain. Technically, that is true, but technically is not always the right way to go, and we should deal with compassion. I think there was some compassion shown. We did not go to the letter of the rule of what we were liable to, what we could have been sued to. There were people in need, and as Manitobans we came together and addressed that concern.

Here we have a situation where people contracted a disease, not just by per chance that someone would get cancer or someone would get some other very serious disease through no control of anybody, but, no, this was through the blood supply. Someone gave them blood that caused them to get a disease. Are they civilly liable? Is there a legislative responsibility? No more than there was to help the flood victims of Manitoba, so I would like to see this Manitoba Legislature show the same amount of compassion for these people that it showed the flood victims.

You might argue that you would set a precedent for other people who contracted other diseases. But, no, there was a reason, that they were given blood that was bad blood that caused a disease. So for that reason I would like to see this Legislature debate it and take a vote, a free vote. Why have we put forward the motion about the federal government? Well, as my colleague from Inkster said, we do not even know. Has that vote

already been taken in Ottawa? What time is it being taken? In one hour, two hours, three hours. We do not know. I think it belittles the actual concern we have and it makes us open to trying to use this issue to score public relation points as opposed to showing real compassion, to really dealing with the issue for what we are able to do, what we are responsible to as the legislators from Manitoba.

* (1650)

I have always made it a principle, and it was Michael O'Shaughnessy, the city councillor from my area, who told me early in my political career, when I was a school trustee, you do not tell me what to do with City Council and I will not tell you what to do on the school board. When I got elected as an MLA—we do try to keep our noses in the area. It is easy for me to tell City Council to spend more money there, or do that. I am not the one that has to raise taxes. I am not the one that has to do things. So if I want to go to Ottawa, I will run for election for M.P., and I will—[interjection] No, I am not making any announcement at this point. The point I was trying to make is that right now, if this motion wants to appear, I am sure it was meant to be a legitimate motion that had a legitimate concern for hepatitis C victims that could have an effect on what we could do. We should restrict it to what we as legislators from Manitoba can do. We could have a free vote here, and we could agree to be compassionate, as we were to the Red River flood victims, and that is why we are putting forward this amendment. That is why I would support the motion if amended, so that we could show compassion to those people who have contracted hepatitis C from the blood supply.

Mr. Praznik: I want to address some of the issues raised by the members for Inkster (Mr. Lamoureux) and for The Maples constituency. I appreciate the comments of both—and their amendment—about us being here in Manitoba dealing with Manitoba issues and providing our advice as Manitobans as to how this issue is to be handled. I think it is very important, and I know members of this committee have to be in other sections of the committee which are also meeting, so it is difficult to have everyone here at the same time, so there is a lot of this ground that may be repeated, but I think it is worth noting and answering the particular queries of these two members.

Let us put into context for a moment again, what in fact we are dealing with with the blood system. The blood system up until now—and we are aiming for this fall to have the new Canadian blood system in place which will be really a body created by the provinces—but up until this time, the blood system in Canada was operated by the Canadian Red Cross Society. Provincial governments, of which we have a responsibility as provincial legislators, were in essence the purchasers. We had a bit of an advisory committee. We shared with other provinces that spoke to the Red Cross on some issues that came up, but it was a very informal process. The responsibility for providing blood, for collecting it, processing it, testing it, treating it, distributing it and ultimately being responsible, having the responsibility for the product itself, rested with the Canadian Red Cross Society, not the provincial governments. The federal government, with its constitutional powers, had the responsibility as it does with pharmaceuticals, with food products, with fertilizers, other chemicals, to regulate this particular area, the provision of blood. So here we have the national government of Canada as regulator; the Canadian Red Cross Society as provider, manufacturer, distributor and the provinces in essence, as the payors or purchasers of the product.

Now somewhere along the line the Canadian blood system went astray, and we as taxpayers, national taxpayers have spent a great deal of money with Mr. Justice Krever in examining this issue, and a number of things become clear, but fundamentally the Canadian Red Cross Society was or became incapable of managing that blood system, that people within the Canadian Red Cross Society—and that is not to take away from literally the thousands of volunteers across our province, indeed across the country who donate blood, who work for the Red Cross, who raise money for them or volunteer in many of their functions, disaster relief, et cetera, that is to take nothing away from them—but in the blood system, the management of the Red Cross, according to Mr. Justice Krever, was so fundamentally out of line in managing its system that it did not manage it safely.

As a consequence, Canadians who used that blood, blood that in the case of Manitobans we purchased for them, were injured as a result of the way in which they operated the system, were injured and may not have

been had the Red Cross Society managed it well and if the regulator had regulated them such that they would have prevented them from in essence performing a malfeasance in the operation of their blood. I am not trying to throw in that term of legalese, but in essence we were saying that there were things that the Red Cross could have done, should have done that any reasonable person could be expected to do in delivering blood and blood products that they failed to do, and that the regulator, the Government of Canada failed to monitor that, set the standard and enforce it. So we know as a result many Canadians and many Manitobans received blood that infected them with HIV and blood that infected them with hepatitis C.

Now, how do those people for which there was a negligence be compensated, and I am going to deal with that first. Well, they look to the system. As all litigants—and I say that not to make this a legal argument, but the fact is there are lawsuits filed today in a number of provinces. I believe there are three class action suits filed today in certain provinces that name that provincial government or health system, the Government of Canada, and the Canadian Red Cross Society as defendants. We have had a number of cases that have been talked about being filed. I am not sure if they have been filed in Manitoba. We do not have a class action system here in Manitoba, so we have not had a class action suit, but they have taken the course that the law provides for, to sue for damages where they believe there has been a negligence, and Mr. Justice Krever makes it somewhat clear that for a period of time it would appear there was negligence in the system.

So we have those cases. We have a situation—when examining the system, I think it looks fairly clear that there was a period in which the Red Cross made decisions with respect to blood supply, particularly with respect to hepatitis C, where if they had taken a more reasonable course of action, it is arguable they would have prevented injury or illness. If people have been injured, they sue. So the governments across Canada assess, because they are named in these suits and provinces are named in other provinces where there is a class action—and we may be named in Manitoba—have to look at filing a defence of where we are going to be, and so we meet as ministers early this year to discuss this.

The federal government takes the lead role, and I share this not to be combative. It is a fact. They have taken the lead role. Mr. Justice Krever indicated that they had the lion's share of responsibility because they were the regulators and supervisors in essence of the system just as they are for pharmaceuticals, just as they are for the food supply, et cetera. They take that system, and they say to us that they believe that should these cases proceed to court, liability will be found, and that it is in everyone's best interest—and I am somewhat paraphrasing the message we received from the federal government because, again remember, provincial governments are sitting there saying why is this even our issue. We are the purchasers. We did not make the blood. We did not collect it. We did not test it. We did not distribute it. Red Cross did. The federal government regulates it, as they do pharmaceuticals and food products.

So why are we in this? Well, we are in it because we have been named in the cases. So we come to the table with the federal government to discuss our strategy, because we have been named as defendants. What becomes clear in that discussion is that the Government of Canada assessed its case, believed that they would be found negligent and the Red Cross would be found negligent should those suits proceed to court for a period of time, the 1986-1990 period, and that we should propose a settlement.

Mr. Chairperson: Order, please. When this committee sits again, the Minister of Health will have 22 minutes remaining in his debate to the amendment to the main motion.

The time being five o'clock, time for private members' hour. Committee rise.

EDUCATION AND TRAINING

Mr. Chairperson (Marcel Laurendeau): Would the committee please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Education and Training. Would the minister's staff please enter the Chamber at this time.

* (1510)

We are on Resolution 16.1.(e) Financial and Administrative Services (1) Salaries and Employee Benefits. When we were last sitting, I do believe the critic for the opposition had asked the minister a question, and we are now going to be going to the minister when the staff is ready.

Hon. Linda McIntosh (Minister of Education and Training): I see that we are short on time today, it being nearly 20 after three, but I am pleased we are finally started. I have a tabling that I can place in response to the query the member asked before. The question she had asked just as we were concluding the other day can be answered this way, and that is that we were talking about a government contract. Therefore, we do not have it in Department of Education and Training, and therefore cannot table, so that we do not have—it is a government contract.

As far as that Systemhouse goes, they follow the same securities, confidentiality, et cetera, as the others would in our department—as the rest of the department.

Ms. Jean Friesen (Wolseley): The question I had asked, I think, was for some assurance from the minister that the linking with other government departments and government databases was not going to result in the layering of information. I wonder if the minister could respond to that question. Could she explain to us how those safeguards are going to be in place?

Mrs. McIntosh: The answer to that, in short, is that they will not. So they just simply will not.

Ms. Friesen: I would like to be able to take the minister on faith, but I would like an explanation of how that is possible, how it is going to happen. Simply the minister saying it is going to happen is like saying, you know, there are fairies at the bottom of the garden.

Could the minister explain to me what safeguards are in place, what the policy is? Is there a written policy? Is it distributed to all the government? Is it distributed to just the members of this department? We are now entering into a different kind of contract dealing with Systemhouse and with the whole of Government Services, and I think this is a reasonable question to look for some further assurance on.

Mrs. McIntosh: Mr. Chairman, as I was about to say before I was interrupted, that it simply will not, because—and now I can complete my answer—the Information Technology Systems guide and related publications, we have security measures in place that are not going to be changed. The microcomputer and LAN security, the Information Technology Security Handbook, the Manitoba Systems Management Service guide which is negotiated with the out-source vendor, the Manitoba general manual of administration, they all must follow the same security provisions that are in the department and have been there. So, in that sense then, since they have to follow the existing rules and the existing rules have the security standards and confidentiality built in, that will remain constant. That, I hope, is a more complete answer for the member.

* (1520)

Ms. Friesen: There is one change, however, and that is that Systemhouse now will be providing the help desk, and in order to do that, to provide that help and to provide that assistance on local area networks, it is going to have as an outside agency considerable powers. The minister has given me existing security measures that are in place. Can she tell me how these are applied in the contract? Is there a section in the contract? Has the department inquired into that of how these will be applied to the external contracting agency?

Mrs. McIntosh: Mr. Chairman, yes, we have made that inquiry; and, yes, we have given assurance that there is significant security in the contract. Having said that, once everything is in place, Systemhouse will not have access to the data.

As I have said before, this is a government contract, and while we can provide these details to the member, the details of the contract itself are properly done in the Estimates of Government Services for the fine detail in the contract, but I can give her that assurance from the Department of Education's perspective on security.

Ms. Friesen: Mr. Chairman, I think I am understanding the minister to say that there are two phases to this; that once in place, Systemhouse will not have access to the database of Education and Training. Is the minister implying, I mean, either inadvertently or by

policy, that there is an earlier phase where the system is being constructed where Systemhouse will have access to the database? The minister seemed to draw a distinction there, and I just wanted to follow up to check that.

Mrs. McIntosh: Mr. Chairman, three points here: one, the member is talking about the fine detail of a provincial contract which we do not have; but, two, in terms of the confidentiality and security, as I indicated, we did make those inquiries. We were given the assurance of the security measures that were in place. In terms of are there two stages, really there is, I guess you could say, sort of a stage and a half because the information had to be transferred from one system to another, which is not really a stage I do not suppose, but it is not part of the final setup. During that period we know that the procedures put in place for the security of transportation were of the utmost confidential, both in terms of methodologies and personnel, and very strict contract guidelines in how the information was moved from one system to the other.

So I can give the member that assurance, and for the details on the specifics of the contract and the specific security details, she would probably be better to go to the Department of Government Services.

Ms. Friesen: I will follow this up in the Department of Government Services, but I wonder if I could—the department has already been involved with this, and I am looking for the experience of the department. So I have two questions coming from what the minister just said. She said that information was transferred from one system to another, and I wonder if the minister could, with her staff, explain to us which information was transferred and what was it transferred between, what were the two systems? The minister did use the past tense, so I just wanted to confirm whether, in fact, it has already happened or whether we are in the process of it happening.

* (1530)

The second part is that the minister said that has or will take place under strict contract guidelines. It seems to me if that is happening to departmental data, that the department would be aware of what those contract guidelines are. Not necessarily the whole

contract, I can understand that, but certainly areas where the department's data is being affected, is being transferred from one system to another, then the department must be aware of what those guidelines are, must be working with them. So I wonder if the department could table those guidelines.

Mrs. McIntosh: The transfer has not yet happened. It will be happening. It is currently being planned and, we already stated this yesterday, the transfer will not happen until the summer of 1998.

As part of that transfer, the new equipment is installed, staff are trained, new software is installed and made available, each work station is outfitted. Only the data that is stored on our local area networks, like documents, memos, correspondence, curriculum guides, brochures, et cetera, will be transferred.

So materials, data, such as student marks, teacher certification information, student loans, et cetera, are not transferred. We do not know details of contract provisions. We have been assured security will be provided for, and we will learn more between now and the date of transfer. But that may answer her question as to what types of materials are being transferred and which are not.

Just to conclude, we know enough about the provisions of the contract for the work that we are involved in. The next pieces of work are now being planned, and we will engage in information gathering to confirm our confidence in all of the confidentiality provisions as that occurs, Mr. Chairman.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

Item 16.1. Administration and Finance (e) Financial and Administrative Services (2) Other Expenditures \$397,900—pass.

16.1.(f) Management Information Services (1) Salaries and Employee Benefits—\$656,200.

* (1540)

Ms. Friesen: Mr. Chairman, I would like if, under this section, the minister could tell us for the record what

services in support of the implementation of Better Methods are going to be expected at the end of this year as a result of this line in the budget.

Mrs. McIntosh: Mr. Chairman, regarding the question the member just asked on Better Methods, two people in the branch manage the transition to Systemhouse, the director and one other staffperson.

Ms. Friesen: Mr. Chairman, the answer surprises me. There must be something more to Better Methods in the department than the management of a transfer to Systemhouse. Could the minister perhaps expand on that, what this department is doing in the Better Methods project of the government?

Mrs. McIntosh: Could the member indicate—I answered a question on a specific line that she said was the line she was referring to. Could she indicate then, because the answer I provided was the answer to that specific line, is she referring now to something else or does she want additional information beyond the straightforward answer to that line?

Ms. Friesen: Well, I was really expressing my surprise that that was all there was to it. The line does say Desktop Management Services in support of the implementation of Better Methods, but I had assumed that there was more to that transition than simply having two people work with staff. It seemed to me that Better Methods was something the government was promoting. We seem to get information on it in our pay packs regularly.

Is there another section of the department which is dealing with Better Methods in a broader way? Should I be asking under another line?

Mrs. McIntosh: Yes, I thank the member for rephrasing her question so we know what she is seeking, and I will provide you with that answer in just a moment.

Mr. Peter Dyck, Acting Chairperson, in the Chair

The department has established a Better Methods implementation team both for kindergarten and Senior 4 and training in continuing education. This has a co-lead. It is led by Jim Glen, the ADM of Administration

and Finance, and Bob Gorchynski, the Executive Director of Management Services Training and Continuing Education. It has representatives also from programs such as the School Program Division, the Finance and Admin, HRS, the Schools Finance Branch, et cetera. The mandate is to examine all the relevant issues affected or any implications in human resources, human resources training, roles, responsibilities, possible organizational change, et cetera.

Ms. Friesen: Mr. Chairman, could the minister tell me when the committee was formed and whether she anticipates that this will be a continuing committee or whether there will be a final report?

* (1550)

Mrs. McIntosh: That has just been formed, the implementation team, well, I guess maybe four weeks ago, about a month ago, and it is an ongoing working team. It is not a team that is designed to do a big public report. It is a working team and it will be implementing and it will be in existence at least, I am sure, until the April '99 deadline, but it is much like the report that the member tabled or somebody tabled in Question Period today. It is a working document, not designed to be a big public report, but something from which people can work, give guidance for their daily operations. The department is following the time lines for the rollout of Better Methods and this is right on schedule for implementation on April 1, '99, and there are people in training as we speak.

Ms. Friesen: One line in this department is: to co-ordinate departmental technology planning and policy development. I wonder if the minister could tell us what portion of the department is on local area networks and wide area networks?

Mrs. McIntosh: There are about 1,000 employees, and about 100 of those are in small locations that are stand alone; about 900 are local area network based with wide area connections.

Ms. Friesen: Does the minister anticipate that that will change under the Systemhouse contract?

Mrs. McIntosh: Of the approximately 100 stand alone small location employees, all of them will receive upgrading and some of them may then—well, some will undoubtedly get the local area network base as well.

Ms. Friesen: What proportion of the department is on e-mail?

Mrs. McIntosh: Over 95 percent of the department.

Ms. Friesen: Can the minister tell me how that will be enhanced by the Systemhouse contract?

Mr. Chairperson in the Chair

Mrs. McIntosh: Mr. Chairman, it may not increase the numbers that are receiving e-mail, although it could, but what it will do which is very important for better communications, better methods, better measures, better way of doing things, it will greatly ease the communication between departments, because right now there are not exactly the same standards between and amongst departments. So this will enable greater ease of communications between the Department of Education, say, and the Department of Health, for example, or another department. So this will facilitate that—greater ease and a more efficient cross-government communication, government-wide—to a set government standard that all will be party to and part of.

Ms. Friesen: I wonder if the minister could explain that a little further. I do not see this from the inside of government; I have seen e-mail from the inside of other institutions. Anybody with an e-mail address and payment and account can e-mail anywhere in the world. Why is there a problem going across government? What is it that will actually be changed and improved? I wonder if the minister could give us some more details.

* (1600)

Mrs. McIntosh: Yes, I think the member has, I am sure without intent, oversimplified the ease with which anybody, anywhere can e-mail anybody else anywhere. Maybe as she becomes more conversant with computers she will understand that you cannot e-mail just anybody unless you know their e-mail address and how to get their e-mail address.

If I ask the member, for example, to ring up my uncle in Kelowna, she would need his name, or if I just told her to ring up my uncle, she would need his address. It is a little like—perhaps this will help the member

understand how these things work—it is like having a telephone. Yes, with the telephone you can call anybody in the world anywhere if you know their phone number, if you have access to a telephone book, a telephone directory, or Information 411. Without those accesses, you will find it very difficult to call anybody in the world even though you have a phone and they have a phone. I think that may help the member understand that e-mail is not unlike a telephone.

We will have a common directory when this is done. We will be able to call people in other departments because we will know how to reach them. Maybe the member did not realize that before, but that is one example. She asked for an example, and that is one. I hope the analogy is helpful to her.

Ms. Friesen: What the minister is saying to me, I think, is that the government, at the moment, does not have a directory of e-mail addresses. Is that what the minister is telling me?

Mrs. McIntosh: Again, it is an oversimplification. There is information available across government; however, it is not consistent. For example, the deputy who sits before me is listed in one place as J. Carlyle, in other places J.D. Carlyle, and in another place by yet another method. So there is no consistent approach. This will give us that. The member asked for an example. I used the telephone book analogy just to indicate that her statement that if you have an e-mail capability on your machine, you can e-mail anybody anywhere, anywhere around the world automatically without anything else. I was just trying to indicate that it is not that simple, that even she would have to acknowledge that simply having a telephone does not automatically give you access to anybody in the world who has a telephone, unless you know their telephone numbers or have some method of accessing the telephone numbers, and you cannot get the telephone numbers unless you have got the name and the name is correctly listed.

You will often, Mr. Chairman, hear people say—I know I do in my case—people will say: I tried and tried to find your name in the phone book, but I could not find it, Mrs. McIntosh; I looked under M-a-c, I looked under M-a-c-k, I looked under M-a-c-k-i. My name is

spelled M-c, and a lot of people, unless they have the correct spelling and the correct directory access, will be looking in the wrong place for my name and phone number. That is all I was trying to do to explain to her because she seems to think, in fact, she said if you have an e-mail capability, you can automatically e-mail anybody, any time, anywhere in the world. I wanted to point out to her that that is an oversimplification. It is not wise to constantly oversimplify the way she does, because it leads people to wide general conclusions that are not totally accurate.

So I use that by way of an example and I come back to the fact that in government, we will, with this new method coming into place, have greater ease of communications. We have a lot of people on e-mail. This will facilitate them being able to more readily and easily contact each other, because there will be a directory that is consistent throughout in how people are named and where their addresses are placed. She had asked me for an example. I have given that as an example. I hope she understands that I am not trying to make the broad sweeping generalizations that she is then interpreting from my trying to correct her oversimplification.

I think if we are trying to get at the central point, and the member may be missing that whole point, is that Better Methods will enable all of government to do its job better because we will have common software, common equipment, the same standards and consistency across government, not just across individual departments. That will be, I am sure the member will agree, better for the government as a whole.

Ms. Friesen: Mr. Chair, I think the minister should understand that my concerns are for a \$2.5-million annual contract and the benefits that the government anticipates it will be bringing to this department. I wonder if the minister could table the existing directory for her department of e-mail addresses.

Mrs. McIntosh: We can provide that for the member; obviously, we do not have it here, but we can obtain it for her and bring it to the next session.

Ms. Friesen: I believe that this section of the department also has been involved in the Integrated

Case Management study with the Department of Family Services. I wonder if the minister could give us an update on that project. I see the staff is looking puzzled. I am looking at the annual report for last year—not last year, but the previous year, '96-97—and I wonder if the department could give us a sense of where that is.

* (1610)

Mrs. McIntosh: There are two staff, a programmer and an analyst allocated full time. The lead on the project is Service First; the lead in the department is Deputy Tom Carson. This area is probably best discussed under 16.5.(a) Management Services because, as I say, Tom is the lead on this, but the short response to the question has just been given.

As well, Mr. Chairman, in terms of the service, we have, for example, under core, delivery to land titles, personal property and so on; under Human Services, Integrated Case Management, One Tier Welfare. These are Service First Initiatives, and a number of these involve, as you can imagine, not just the deputy for Training and Continuing Education, but also with Family Services because the One Tier Welfare Initiative is more than simply one department, it crosses over departments. The Integrated Case Management is in the analysis stage. It is laying out details, requirements and so on. So I will maybe pause there. If the member has further details she would like, I can respond with her next question.

Ms. Friesen: Mr. Chairman, I will pursue it under 16.5.(a) if that is where the minister wants to discuss it.

Finally, I want to ask about the Student Financial Assistance information system, which a year ago was reported upon as having been upgraded in the annual report. I notice this year it is to be upgraded again. Could the minister explain what the additional upgrades are for and, again, what the connection to the Systemhouse contract is going to be and how the upgrading is going to be enhanced by the Systemhouse contract?

* (1620)

Mrs. McIntosh: The student aid information system, of course, it changes every year as student aid is a joint

federal-provincial program and examples, new rates, new rules, new qualifications, it is not directly affected by Systemhouse or the Systemhouse contract.

Ms. Friesen: One activity identification in Management Information Services is the provision of annual upgrades and improvements to departmental information technology infrastructure. Can the minister explain what that particular activity identification will become when the Systemhouse contract is in place? It seems to me that upgrades, improvements and infrastructure will be the purview of Systemhouse, so what will be the role of this section of the department?

Mrs. McIntosh: Systemhouse does not do it all. We provide mini computers. We provide databases, computer room equipment, for example, ELS database, student aid database, the library, distance delivery, best seller library, media booking, actual enrollment, professional schools personnel, student records, student aid, employment training, apprenticeship information systems, administration, student enrollment level 2, level 3, student home schooling, exam processing, high school marks, teacher BEF enrollment. Each of these we supply the support, the hardware, and the software.

Mr. Chairperson: Shall the item pass? Pass.

16.1.(f)(2) Other Expenditures \$241,300—pass.

We will now move on to Resolution 16.2.2. School Programs (a) Division Administration (1) Salaries and Employee Benefits \$266,500.

Ms. Friesen: Do we need new staff or—

Mr. Chairperson: You can probably get going. If she needs the other staff, they will be right here anyway.

The honourable minister to introduce her staff present.

Mrs. McIntosh: We have joining us at the table, in addition to Carolyn Loepky and John Carlyle, we have Norma Jean Taylor, who is the principal of the Manitoba School for the Deaf, and Kevin Klein, who is the interpreter.

* (1630)

Ms. Friesen: At the moment I am looking at 16.2.(a) the Division Administration, and I wonder if the minister could tell us what project teams she has in place.

Mrs. McIntosh: The member asked about leadership teams. The leadership team meets regularly to review all operations and programs in School Programs Division, and that is about once every two months. The management team meets every two weeks, and they identify School Programs Division work projects and they assign staff time and they are not one and the same, obviously, because they fulfill different roles. One needs to meet more regularly than the other.

Other project teams across the School Programs Division include work on such items as the IEP team, developing the guidelines to support divisions in developing individual education plans, the school plans team which support the implementation of school plans. We have others as well, but those are examples of some of the project teams and some of the work that they are doing, the curriculum project teams that develop all the new curricula is another set of teams that we rely upon and work closely with. We also have the school-linked project team that is interdepartmental, again helping us to ensure that departments across government are working in sync with each other co-ordinating their efforts and in concert with the Children and Youth Secretariat, ensuring that duplication and overlap are avoided and that new initiatives are brought in and well understood with those who liaise with the schools. So the school-linked project team is interdepartmental and the others that I have referenced are internal to the department.

Ms. Friesen: I wonder if that is the full list of project teams. I am looking at the Expected Results, and that is the divisional management team will establish project teams to address priority issues. I am wondering if that is the complete list or whether the minister would like to table something later. I understand that the curriculum project teams obviously includes a grouping of teams. Just leave it at that and see if I have the whole list here.

Mrs. McIntosh: We can certainly give her names of teams but, as she will appreciate, some are old, some are new, and some of the old, while they did relevant

work, have disbanded because the work is complete. For example, the guide for differentiated learning which is so popular in our schools, a wonderful document, and will be ongoing for some time because it is in constant request, but the team that developed that has completed its task and has been disbanded, notwithstanding the good work they have done will go on for many, many years. Then there is also a new team to write a document. A new team might be developed to write a document to assist schools' best practice developing programs for special needs children, for example, and those ones would just be beginning their work and so obviously would not be complete.

Ms. Friesen: I am not sure I heard the minister saying whether or not she would be tabling a list of the teams. I think the minister is nodding; I assume that is the case.

Mrs. McIntosh: Just for the record so that it is clear, the answer is yes.

Ms. Friesen: Another function of this section of the department is to provide for the continuing communication with stakeholders and the general public, and I wonder if the minister could tell me what she anticipates in the form of communication with the general public in the next year.

* (1640)

Mrs. McIntosh: Mr. Chairman, we have a series of ongoing consultations that take place with the public. A prime example is the work that is being done with the advisory councils for school leadership. We have some 300 advisory councils now approximately, and we have staff people here who regularly consult with them on whatever it is they wish to consult on. We also have skill-building sessions and seminars for parents. We communicate through channels such as we have had in the past with the Parents' Forum format, those kinds of initiatives.

The member is speaking specifically with communication with the public and not internal communication with educators or people who work for and around students, but we hear—in terms of my office, we get many phone calls and receive many letters and have countless meetings. I should one day count up the

number of meetings I have had with groups, but going back over three years, it would be a pretty large thing to count, but in any given day, Mr. Chairman, I start meeting at nine in the morning and usually go till six at night with hour-long meetings that are back to back, or I am out in the field with an hour-and-a-half to two-hour tours of schools. When the House is in session, of course, my schedule backs up because I have to be here in the Chamber. We set the meetings and like this week, for example, I have met with a couple of groups already. I met yesterday with the friendship centres on an issue that they wished to talk to me about. Those kinds of consultations take place regularly in my office, between me and the senior staff, and they are with members of the public.

I meet with school boards as well, which is quasi public because they are elected and they are governing bodies, but they are also elected to represent the public. As well I attend conferences, as minister, with teaching assistants, with the interpreter service that Kevin is with, for example. I meet with a wide variety of special interest groups and advocacy groups inside my office or at their special place, wherever it happens to be. I meet with groups of people as guest speaker at school divisional meetings.

For example, I have spoken twice to the Faculty of Education student bodies at the University of Winnipeg and the University of Manitoba, and that is normally followed by a question-and-answer period, or an informal visit in a boardroom with the senior people involved in the organization who provide ideas, ask questions. It is a consultative type process even though we do not call it that, we just call it an appointment, that so and so has an appointment with you this afternoon, Madam Minister, and 14 people will come in. We end up consulting with each other on things that we think could be done to best serve students in Manitoba. It is not a consultation in terms of advertising that now I am going to consult, but it serves the same purpose, and it is very helpful to all of us in the ministry.

The school program division also receives queries by phone and e-mail that are usually answered directly by staff. We have a whole variety of issues that are raised to the staff's attention, that way I think the telephone is

an incredible vehicle for consulting and dispensing and flowing information back and forth. I know we have three or four people on the phones in my office constantly, all day long, just taking calls and dispensing information, receiving advice and input and feedback on various government initiatives. They are all eventually streamed into me, although I could not possibly talk to everyone who phones, because the calls, they number in the hundreds not the tens, but those ideas are all given to me by the staff people who talk to them, bring in the information to me for my information.

Carolyn Loepky, the ADM that is at the table here with us today sits on the minister's Advisory Committee on Education Finance and on the minister's committee on implementing educational change. She participates in presentations at the request of organizations. My staff are frequently called to the field to do that type of interaction. All of these have representation from the general public.

In addition to that, parents sometimes call to the ADM's office if they have concerns with local schools or local school divisions, and then there is a follow-up that is required to solve problems. That often leads to consultations or mediations, or any number of communications, devices or processes that are used to solve problems in the field, and that again is a consultative process.

So I do not know if that answers the member's question, because there are so many other ways in which we communicate. We value our communication, and the help that we receive from them, that help, in turn, helps us to better solve problems in the field. Thank you, Mr. Chairman.

* (1650)

Ms. Friesen: Mr. Chairman, what I was asking was the minister's plans for communication with the general public this coming year. What the minister answered was, she gave me an ongoing description of the work of this section of the department and, then, I think added some material that dealt with activities and communication with the general public that came out of the minister's office.

So I wonder if I could go back to the issue of the plans for the meetings with the general public or communication with the general public in the coming year. Are they any different than the continuing, ongoing activities that the minister has laid out?

Mrs. McIntosh: Mr. Chairman, the member asks if we are planning to change the way in which we do our communications, and the short answer is no, because we believe they are very effective. Will we be doing more than just what I have outlined? The answer to that is yes.

We have opened a website, for example, which is great. We expect to see that really enhance the ability to communicate and consult with the public. We will continue with our parent or other forms of public forums. We will continue with the workshops that we provide to the public and to the field. We will continue with the meetings. We also have teleconferencing that we engage in where we will set it up ahead of time, the interactive television we have used for conferencing, the video conferencing where I have sent videos off to conferences where I could not appear as a guest speaker, I would tape the speech and send it off, and they play that at the time of the address and they send me back feedback—that type of thing.

The most effective consultations by far are those on the ongoing everyday continuing staff visits, broad-based communication with schools where staff will be asked to come out to schools. They will go out and come back with a wealth of information. I attend the MAST conference, for example. Consult with trustees in a special meeting that they call annually there for the minister to meet with board chairpeople for most of the morning where we consult with each other on issues. Similarly, I will meet with MASBO, which is the Manitoba Association of School Business Officials. I have twice attended their conference and have at this point—the last I tallied it was 150 schools that I have visited, and I know that staff constantly visits with schools as well. The deputy was out last night meeting with a school board. I was out on Friday meeting with a couple of advisory councils; similarly, the ADM is constantly in touch with people from the field.

All of that information comes back into the office as very important consultation with the public. Every communicate that we have is a consultative process that

adds to our knowledge and enables us to build and grow and meet the needs of the people that are out there. So, basically, we believe that those communications are working extremely well, very effectively. You will see the addition more greatly used in terms of the technologies—teleconferencing, interactive television and website, to be specific.

Ms. Friesen: Mr. Chair, I did not actually ask if the minister was changing her plans. I asked what the plans were. I wonder if the minister could tell us more specifically what her plans are for Parents' Forum this coming year.

Mrs. McIntosh: Mr. Chair, we have just finished one not that long ago. We have not established one for the next academic year, but we do have constant ongoing communications with the parent advisory council association of Manitoba. Indeed, we provide them with their office space and a grant, and we meet with them regularly to receive input from them on parent activities and parent feedback. As well, they sit on the implementation committee.

We do not normally plan the major forum until the fall. We do the planning for it. We could start planning now, but this year one of the reasons we have not started planning for our own provincial forum is that we are attending a national forum on education to be held in St. John's, Newfoundland in May. To that national forum on education, which is the third one we have held—it is held every second year—we are taking a delegation of 10 Manitoba citizens. These are people whom we very much wish to consult. In addition to those 10 citizens, we are also taking the chair of the Council on Post-Secondary Education from Manitoba. I think it is a two- or three-day conference. So instead of having a provincial forum this June, we are having a national forum.

It should be very interesting, because all ministers are taking—each minister from all provinces and the territories—a delegation of 10. We have chosen this year to take consumers of education. In previous fora, we have taken the deliverers of education as our delegation. At the last forum the feedback that the ministers received was that, while everybody appreciated having the deliverers of education there, they felt there needed to be more of a consumer

perspective. So we are taking all consumers, with the exception of Mr. Jerry MacNeil from the Manitoba Association of School Trustees, who is chosen as representative of school trustees who are not direct consumers themselves but are elected to represent consumers and rate payers.

So we have parents and students who we are taking. The students we are taking are the president of the University of Manitoba Students' Union, the president of Red River Community College. We are taking the parent of a special needs student. We are taking the parent of an independent school student. We are taking a representative from the parent council Advisory Council for School Leadership. As I said, we are taking a representative of trustees who we believe represent all consumers and rate payers.

Mr. Chairman, I am sure I have left somebody out here. I mentioned we are taking Mr. Dawson from the Council on Post-Secondary Education, as well as our 10 delegates, and the two deputies are going as well. This should be a most interesting forum because it is building on the first two that we had. We expect to have a lot of feedback from that that will benefit not just Manitoba in terms of a major consultation, but we will also have the benefit of hearing what consumers of education across the nation have to say, so that we can make comparisons and do evaluations on a Pan-Canadian perspective.

* (1700)

Mr. Chairperson: Order, please. The hour now being five o'clock, time for private members' hour. Committee rise. Call in the Speaker.

PRIVATE MEMBERS' BUSINESS

Mr. Deputy Speaker (Marcel Laurendeau): Order, please. Second reading, Public Bills, Bill 203. Are we proceeding? No, not at this time.

PROPOSED RESOLUTIONS

Res. 22—Bank Closures in the Inner-City and Rural Manitoba

Mr. George Hickes (Point Douglas): I move, seconded by the member for Swan River (Ms. Wowchuk),

“WHEREAS bank profits of the major Canadian Banks in 1997 are at record levels of well over a billion dollars a year each; and

“WHEREAS the four major banks have closed or merged 12 branches in the inner city of Winnipeg in the past year; and

“WHEREAS the major banks have also recently closed rural banks in Lynn Lake, Baldur, Miniota and Whitemouth; and

“WHEREAS these banks have closed not because they were losing money, but because the banks wanted even greater immediate profits; and

“WHEREAS while the inflation rate has averaged less than 2% a year, Interac and bank service charges have increased by 25-35% in the last three years; and

“WHEREAS the bank with the highest service fees had a profit increase of over 40% in 1997; and

“WHEREAS roughly three quarters of a million Canadians do not have bank accounts and are forced to use firms charging fees to cash cheques; and

“WHEREAS in the United States the Community Re-investment Act forces banks to provide loan funding for small business and community development resulting in \$497 million in loan commitments made in local housing projects and small business over a five year period in Chicago alone.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Federal Government to introduce a Community Re-Investment Act in Canada; and

“BE IT FURTHER RESOLVED that this Assembly urge the Federal Government to conduct an inquiry into bank profits and service fees.”

Motion presented.

Mr. Hickes: I am pleased to bring forward this resolution on behalf of many Manitobans that live in the inner city and rural Manitoba and northern Manitoba that will have a negative impact on what we

are seeing in the trend of major banks. We just heard recently about—more and more we are hearing of bank mergers, and it seems in the banking field, bigger is better, but when you look at the impact that the merging of banks will have, is that it will remove more banks from the inner city and rural and northern Manitoba and will decrease the services available to individuals.

Mr. Gerry McAlpine, Acting Speaker, in the Chair

I have a great concern and a lot of my constituents have a great concern because for years the elders and seniors in the Point Douglas area and around the inner city, where the banks first started up, were always asked—and when you see promotions by a bank, it is the whole issue of loyalty, and customers were always told you should be loyal to your bank.

Now I am asking where is the loyalty of the banks to their customers when I see banks that are being taken out of the inner city, removed and taken out of communities such as Lynn Lake, Baldur, Miniota, and Whitemouth. Those banks were in place for years and years and years, and now because of the big-is-better philosophy of the banks, they are removing these banking services away from their customers, and I do not think we all realize the real impact that it is having and the hardship it is having on the residents of those communities.

I only have to look at the example of the bank pulling out of Lynn Lake. Lynn Lake is 103 kilometres away from Leaf Rapids. The price of gasoline is over 60 cents per litre in those communities. Also, what you have is you have about a thousand people living in Lynn Lake who have always used those banking services and have been very loyal to their banks throughout the years. When you talk to the bank and ask them why are you pulling the banking services out, is it because the bank is not generating revenues, they will not confirm that because they know they are making some profit, but now the profit is turning into greed.

When you look at the situation in Lynn Lake, it is not one of the nicest stretches of roads anywhere in Manitoba, and an individual has to drive 103 kilometres, 60 cents a gallon, so on top of the service charges that the banks impose on all its customers—and

they are increasing daily. Now you pay for any little service that you do through the banks. The service fees are going up and up and up, and I feel that the services are decreasing. So when you look at that situation, it is not only the residents of Lynn Lake being penalized by escalating and more service charges by the banks but also the undue costs of having to drive back and forth from Lynn Lake to Leaf Rapids at 103 kilometres every trip.

So you only have to look at that, and then you also look at the profits of the banks. Now you look at banks that are making billions and billions of dollars of profit, where before they were happy and very comfortable where they were making in the millions. Now it has gotten so where it is not service to the customers anymore or even what I talked about earlier of the loyalty that the bank was always asking of their customers—be loyal to our bank. Well, now you would think that the banks would be loyal to their customers when they are reaping these billions and billions in profits, where maybe some of the banks that are operating in smaller communities, even if they are generating smaller revenues, the services should still be there for the loyal customers who have been there for years, because they are reaping more and more profits from bigger centres and bigger banks.

Where is the justification of that? I do not understand it because when you look at other retail outlets and stuff like that, there are some stores that make bigger profits than others, but a lot of times they will maintain a store in—the only store in a remote community, for instance, maybe would make a small profit, but the larger retail stores would make huge profits, so the company still made a good profit for their services, and they were still able to deliver the services for the individuals who needed it in those communities. But right now what we are seeing is it seems like if it does not make a billion dollars, get it out of there. The heck with the people; like, they can find services elsewhere.

* (1710)

For an example, if you look at our whole grain elevators that we had across Canada, what has happened there? We have lost a lot of those grain elevators. They employed local residents, and they

were able to ship the grain shorter distances. We have lost those, and now I think that we have to stand up as a legislative body and say enough is enough. That is why in this resolution I am asking the Assembly to urge the federal government to conduct an inquiry into bank profits and service fees because a lot of individuals are finding it harder and harder.

If you look at even my own constituency of Point Douglas, a lot of the elders and the seniors that I have spoken to have raised the attention to me about the banks moving out. It is harder and harder for the individuals to do their banking because some of the elderly and some of our seniors do not drive, and for a lot of them it is hard for them to go a further distance because some of them are using canes and walkers, yet we are seeing the services that these seniors and elders had been loyal to, their concerns just totally ignored and moved right out of their own communities.

If you look at the banks, how can they say that we have to pull these services out? I guess because you would assume it is because they are not making profits, but how can you justify that when you see the chairman of the Royal Bank, Bank of Montreal, they each received \$10 million for their efforts to bring this huge merger together? Also, the other negative impact that it will have is individuals that have lived in rural and northern communities, a lot of these small communities when you remove the banking services, you are not only removing the opportunity for individuals to do their banking, but you are also taking away employment. Opportunities sometimes in those communities are very far between.

Mr. Marcel Laurendeau, Deputy Speaker, in the Chair

So when you see a bank closing, say in a community of Lynn Lake or Baldur or Miniota or Whitemouth, you just look at how many jobs have been removed from those communities and the negative economic impact it will have in those small communities because everything has a ripple effect. If you removed, say, five jobs out of Winnipeg, it is a very small number, but remove five permanent positions out of a lot of those communities, and it has a big impact on those communities. Then when you look at the additional cost to go do your banking in another community where you are spending more on your gasoline and wear and

tear on your vehicles and stuff, you are literally grabbing money right from the economic development of those communities and shifting it where? Where are you shifting it, because none of it will be put back into those communities. It will be shipped to Montreal, Toronto, wherever the headquarters are.

We also have to look at the whole area of banking in Canada. In America, they have what they call a community reinvestment act. What that means is before a banking service could go into a country or into a community, they have to make sure that they guarantee dollars for housing developments, small businesses, and they have to guarantee those loans. For instance, Bank of Montreal wanted to buy the Harris Bank in Chicago. American regulators delayed approval until it met the obligations under the American Community Reinvestment Act to provide loan funding for small businesses, community development in a Chicago area.

Why do we not have some of that here in Canada? If it is a good idea, why do we not try and see how we could urge the federal government to adopt something that will benefit all our communities and benefit our small businesses and benefit the housing stocks, to make sure that we have loan commitments from other banks.

We see where all these mergers of banks is getting bigger and bigger, and what we will see, I am sure, in the future is we will see more and more foreign banks come into Canada. We will see foreign banks that will want to establish banking branches and services in Manitoba and other parts of Canada. So why do we not urge, and raise the awareness with, the federal government to see if it is possible where we could have some form of a guarantee that these banks would ensure that wherever they move into, if it is Winnipeg, they will guarantee loans for small businesses and for housing starts and stuff like that? Now, there is nothing wrong with trying to have new ideas and new approaches to our banking services.

When we talk about banks leaving inner city—as I said, I have talked to some of the seniors and some of the elders and they do not understand how a bank that has functioned for years and years and years could all of a sudden just walk out and leave them high and dry.

If that is going to be the case, when we urge the federal government and they refuse to do anything about it, then I think that we as a Legislative Assembly and as concerned Manitobans are going to have to start seriously looking at implementing and supporting and establishing credit unions in some of those small communities because individuals have to have a banking source in their own communities.

As you all know, the individuals that come from smaller, or anyone in this Chamber that has lived in smaller rural or northern communities, you know how the banks operate. They get to know you on a personal basis. They get to know your family. They know everything about you, and it is more of a personal thing. When you are going in to talk about a loan or talk to some employee of the bank or the bank manager, you are already on a name basis with those individuals, so they know that, if you need assistance to expand your farm, or even if you want to buy a car or furniture, they already know a lot about your history and your family's history. I think that is what we are going to be losing if we allow all these banks to abandon our inner cities and our rural communities and our northern communities without us as a Legislative Assembly standing up and urging the federal government to do something about it; and, if we cannot, let us ensure that we do all we can to ensure that credit unions are established in those communities.

You look at Steinbach Credit Union. It is one of the most thriving institutions in Manitoba. It is one of the most thriving, you know, and what happens with credit unions is a lot of the money will be reinvested back into the community because they know the individuals and they are more willing to give loans out to the residents of those communities. What is wrong with that? There is nothing with that. So I hope that the government will look at supporting this resolution because it is urging the federal government to take a serious look, urging the federal government, support this resolution, and then hope the minister will look at helping to establish credit unions in some of the communities that we know that we cannot get the banks back into. But let us do something for those residents and let us do something for our credit unions in Manitoba to be established in those communities in order to help the residents and, hopefully, to help small businesses prosper.

I hope the members will support this resolution because it is only urging the federal government. I know that if we support this resolution and if we make our voices heard in Ottawa, I hope that we could make a difference, but it shows that we all in this Chamber will stand up for small, rural, inner-city, and northern communities. So I urge all of you to support this resolution and think twice about this and see if it is applicable to Manitoba, which I feel very strongly it is.

With those few words, I hope that I can have your support for this for the sake of all Manitobans. Thank you, Mr. Deputy Speaker.

* (1720)

Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs): Mr. Deputy Speaker, I do not want to castigate the honourable member for Point Douglas (Mr. Hickes), because, in fact, I agree with many of the points that he did bring forward today.

One of the things that he was bringing forward and lamenting is change. Too often we hear in this Chamber that members opposite are the party that is looking backwards. In fact, there has been change occurring in our communities. It has been occurring in every facet of our lives, and it is also occurring in the banking industry. We look around our community and we see a lot of Roman, Greek buildings that had imposing facades. You walk in and the front hall is full of marble and gilt, brass. This is a picture of a bygone era, Mr. Deputy Speaker. This is the mentality that banks presented to the populace back in the '20s, back in the '30s, and that is over.

The services that are really relevant, the services that are appropriate today are being given through banking machines, through the Internet, through telephone banking. The honourable colleague opposite laments and rails about unseemly profits of the multinational corporations or the banking corporations. Too often we hear this as a rhetorical lament coming from the benches opposite. It is perhaps jealousy or a chip on the shoulder; I would not know. I would not comment on the personal motivations of the member opposite, but only on a generic, broad base. But, in fact, where I can make common cause with the member opposite is on the promotion of credit unions.

The member opposite states or mentioned that the banks have withdrawn from Baldur, which is a small centre in Manitoba, and the Cypress River Credit Union—

An Honourable Member: No, no, no, do not say too small.

Mr. Radcliffe: No, no, I am not saying too small. I am saying something smaller than Winnipeg, but, in fact, the Cypress River Credit Union has moved into Baldur. In Miniota we have seen the Hamiota Credit Union move in. In Whitemouth, we have the South Interlake Credit Union move in, and in Binscarth—I do not think the member for Point Douglas (Mr. Hickes) mentioned Binscarth, he overlooked Binscarth—[interjection] Ah, well, but the people from Binscarth probably do not want to be overlooked and, in fact, I am proud to stand up in this Chamber and tell honourable colleagues opposite and through them, the people of Manitoba, that the Vanguard Credit Union has moved into Binscarth.

Now, I have the distinctive pleasure to be the minister responsible for the credit unions and the credit unions have a very distinctive philosophy. I would take issue with my honourable colleague when he says that we should be promoting credit unions as government, because they are so generous and they give money away. I think these are not the right values. I do not think these are the right values, and, if you ask the credit union, the Credit Union Central, the credit union guarantee, I think that they would be reluctant to accede to those suggestions hazarded by the member opposite.

In fact, I have heard first-hand from our credit union structure here in Manitoba that they are business-minded individuals. They, too, have a bottom line. They look at a community and they see if there is support—[interjection] Ah, well, you said—I believe the words, and I do put my own interpretation on it, but he said that they were more generous to local people. That was the issue, and I think that, in fact, is the wrong emphasis. In fact, the banks when they were operating in small centres, in big centres, they looked upon business opportunities to see if they were a reasonable opportunity. They were profit based.

I would urge the member opposite to look to the fact that the credit unions have the same values, and they have the same standards. They have high standards.

They look to repayment of loans, they look to supporting the local community, and they look to the profit incentive.

Now, I think that what my honourable colleague opposite has confused is the mega profits which are posted by the banks nowadays, and I am no apologist for our banking system, although the Canadian nation does have one of the best banking systems in the world and we are the envy of the western world with our central banking system and the relationships with our individual banks.

Too often, I think, members on the opposite bank are quick to laud the perceived attributes of commercial enterprise south of the line, and they want to introduce the values and the standards and the issues that they see that are prevalent and bright and shiny in America. They think that they should work here, but Canada is a different nation, with different values and a different set of community standards. The credit union is something that has prospered in Manitoba, so there I would agree with my honourable colleague from Point Douglas.

The honourable colleague from Point Douglas did ask us to reflect on this resolution and think twice about it. I, too, would urge all members in this Assembly to think twice about this motion and this resolution because I think, at this point in time, it is precipitous and it is ill founded.

The reason I say that, Mr. Deputy Speaker, is, first of all, looking at some of the preamble that my honourable colleague has placed in this motion, and he says—I would look to one preamble in particular—WHEREAS banks have closed not because they were losing money, but because the banks wanted even greater immediate profits. I would suggest, with the greatest of respect, that that is shortsighted and based out of ignorance. The major profits that are coming from our banking system today have been funded out of the stock brokerage activities, out of all of the collateral activities which the federal banks have engaged in. I think that is also an appropriate point that would cause reflection in this Chamber, that the control and regulation of banking is and truly a federal issue.

The issue of retail banking has not become a major profit centre, contrary to what my honourable colleague

opposite is alluding, and I would invite him, I would challenge him to show me where retail banking has been the source of the huge profits that the mainline banks have been reporting in the last number of years, because I would take cause with him on that, I would challenge that.

The other reason why I would say that this motion and this resolution is precipitous at this point in time is that the federal government has a working committee at work right now under the Task Force on the Future of Canadian Financial Services. This is a task force which the Honourable Mr. Rock has alluded to when he has been challenged as well. This task force has been working for the past year, and it will be presenting to the federal government in September of 1998. This task force will be looking at all aspects of the federal banking system in Canada. They will be looking at the issue of employment. They will be looking at staffing. They will be looking at the issue of mergers, and they will be making recommendations to the Parliament of Canada. So I think that it is premature and perhaps even a little bit presumptuous for this Chamber and this Assembly, at this point in time, to become involved before we know what the facts are, what the facts are going to be and what the report is going to be.

Mr. Deputy Speaker, I would also bring to my honourable colleague's attention opposite that with the issue of Lynn Lake, I am advised that South Interlake Credit Union did go in and did perform a study on what sort of support they would receive from the citizens in Lynn Lake. The results of that study was that the citizens of Lynn Lake were not prepared, and I repeat this, they were not prepared to support the South Interlake Credit Union operating in Lynn Lake to the level and extent that the credit union required in order to flourish and function and prosper in Lynn Lake.

So I challenge the member opposite and through him the citizens, the good citizens of Lynn Lake, that if they want hands-on community banking service, they have to step forward and declare their support for the credit union system and for, more particularly, the South Interlake Credit Union, and, in fact, on this issue they may be prepared to readdress it, and I would invite them so to do.

Now, the other issue, the other side of the resolution which my honourable colleague has presented to this

House, is that we urge the federal government to introduce a community reinvestment act in Canada. Well, again, I would say that this is an American transplant and is something which they are looking on perhaps frivolously, perhaps without a lot of thought, and without a realization of what this government is doing for the community to channel funds back into our communities.

To illustrate this point, Mr. Deputy Speaker, I am pleased to tell this Chamber and my colleague opposite that the Small Business and Community Support Branch of Rural Development—and Rural Development does wonderful things for our community. In 1996, this committee was created to work in partnership with community leaders and small-business people to assist grassroots business through the provision of marketing and information services, and this is just one small step.

Another thing is that this government has put its money where its mouth is, and we have stepped to the plate and transferred 10 percent of the share of VLT revenues to our municipalities. I can see the member for Swan River (Ms. Wowchuk) opposite sort of grimace at this, and, in fact, perhaps she does not like to know where her money comes from in her community, but, in fact, you have got to be realistic. You have got to be honest and address these issues and know that, in fact, communities and municipalities are being supported through the profits from VLTs. Twenty-five percent of the VLT revenue goes to urban and rural economic development initiatives in our province. This is one of the most generous programs across Canada, and it is just another example of how this government, this provincial government, is taking the funds that are at hand and is putting them back into the community for real creative work, creative economic development.

The REDI program is another issue where \$1.8 million this year is the program allocation for development in our municipalities. I could go on and on, Mr. Deputy Speaker, but the Urban Economic Development Initiatives provide funding for the city of Winnipeg, and the allocation there was \$16.75 million in the recent budget.

New generation co-operatives—and I could wax eloquent on that because I am about to introduce a

piece of legislation in this House about new generation co-operatives, but it would be premature, of course, until I have tabled the legislation, but I will be more than happy to share with members opposite the attributes of the new generation co-operatives and invite them, in fact, to meet with my bureaucrats and research people to explain to them what we are proposing in the way of changes there. But this, too, will be another initiative by this government whereby we are putting money back into the communities, so therefore we do not need to be repressive. We do not need to be regulatory. We have been creative, Mr. Deputy Speaker, so we do not need to be repressive of our banks. We do not need to tell them that we must curtail their activity when, in fact, we have been far more creative.

So, in summary, Mr. Deputy Speaker, I would say I join cause in encouraging the credit unions as the member opposite, but this resolution is shortsighted, it is ill timed, and it does not consider the reality and the real focus of what the problem is to date. We are in a period of flex and change, and it is this government, the Filmon government, that has seized the opportunity to change with the times, to promote change to the advantage of Manitobans.

With these few words, Mr. Deputy Speaker, I thank you for the opportunity of putting them on the record.

Ms. Rosann Wowchuk (Swan River): Mr. Deputy Speaker, it is with interest that I listened to the member for River Heights (Mr. Radcliffe), who just talked about being in an influx of change and his government welcoming the change but, you know, change is not always good when the change results in a negative impact on the people of Manitoba.

I am surprised that the member who just spoke did not address some of the other issues in the resolution, that is, he focused on the bank profits and talked about perhaps our being jealous or having a chip on our shoulder about the banks having a great profit. Well, that in fact is quite a foolish comment, to think that we are somehow jealous of a bank making money. What we are concerned about is the impact of the changes that we are seeing in the bank industry having on Manitobans.

I want to share with the member also a comment that I heard about, that being a comment that was made in the Netherlands when Alexa McDonough, Leader of the New Democratic Party, was in the Netherlands meeting with people there. What she found was that in the Netherlands a bank president on average earns about four times the average wage of their employee. In the other countries, they do not accept this idea that banks can make whatever profit that they want and millions of dollars going to bank presidents. In fact, they were quite surprised that this did not lead to uprisings, that people would not be really upset about this idea that bankers should be making such a large profit in comparison to the employees in their bank.

But this member who just spoke is quite supportive of banks making very outrageous profits in the last couple of years. In fact, he did not address the issue that bank service charges to average Manitobans have increased from 25 to 35 percent over the last three years. The banks have the highest service fees, and the member talks about the tellers at the bank making all this money. Well, I think that the member should go visit a few banks and talk to a few of those bank tellers who in fact are working for very low wages in comparison to what the bank presidents are making.

He talks about change and the free enterprise, but I think he also has to stand up for Manitobans, who are the ones who are bearing the brunt of the changes in banking practices in this province.

I have to say that I do too want to give a tremendous amount of credit to the credit union system, who are working very well, and there will be opportunities for them in rural Manitoba to provide services. I hope that they will take up that opportunity and continue to provide services because, in many communities, there will not be bank services. In fact, in my constituency there are many areas that have no bank services and people have to drive 40, no, I would say 60-70 miles for bank services.

I have talked to over the years various banks to see if they would be interested, and I have also talked to credit unions to look into the possibility of at least looking at taking more services to the people, for example, in the area of Duck Bay and Camperville and Pine Creek, where there is a fairly large population, but

it is a low-income population, and it would be very nice if they could have some of the services there. That is not happening.

As banks close, it is a loss of service. Just as when we lose an elevator in a small community, business leaves that community, and it has a negative effect, the closure of a bank in a small community has a negative effect. When people are not banking in one area, they go to another town and business is lost. There is a big negative impact for people in urban centres, as my colleague the member for Point Douglas has pointed out, but certainly it is a greater impact on rural communities when they lose a service.

This government talks about being supportive of rural communities. Well, I think that they should stand up on this particular issue and try to encourage the banks to maintain some of their services. Granted, these banks may not be the biggest profit making for the banks, but in the whole scheme of things they can also provide service. Somewhere in there it cannot be all based on bottom line, that we have to be making huge amounts of profit, but there has to be providing service for people.

Again, when I listen to the member for River Heights (Mr. Radcliffe), his concept seems to be that it has all to be profit driven, that we are in a mode of change and no matter what price we have to pay, as long as those senior executives are making their million dollars, it does not matter what kind of services we are providing to people. When I look at what happens in other countries, governments are prepared to take a much bigger leadership role. What we are asking in this resolution is for the Legislative Assembly of Manitoba to urge the federal government to conduct an inquiry into bank profits and service fees.

* (1740)

That is a fair question to ask. Are service fees too high? Are people who use the banking system being charged too much for the service? That is not too difficult a thing to ask for an inquiry into, and I would hope that the members of the Conservative caucus would encourage that to happen.

The other issue—[interjection] The member says it is happening right now. Well, we will see the results. It would not hurt to pass the resolution to show your

support for inquiries. The other issue, Mr. Deputy Speaker, is the idea of a community reinvestment act in Canada. Again, it is a suggestion; it is an idea that works in another country. We are looking for whether we could have a way to have more small business loans.

The member talked about all the programs that are available for small business under this government. Well, I hope it is not a surprise to the member, but there are many people in rural Manitoba who want to start up small businesses who have not been able to access loans, who have not been able to get money. That is what we are suggesting here; it is a way where there might be loans available for small businesses and community development. There can be government programs, but there also can be loans through banks to help small businesses get started.

The losses of service to the community of Lynn Lake and others have put a tremendous amount of burden on those people in those communities. Now the member says that there is a credit union that is looking at providing services in Lynn Lake, and I hope that that will be successful because residents have to drive 100 kilometres to get banking service in an area where there are high fuel costs, very poor roads. The roads out of Lynn Lake are one of the marks of this government. They have not fulfilled their responsibility in maintaining roads in northern Manitoba. They are atrocious roads; they are in very poor condition. So we have people who have to drive 100 kilometres, pay high prices for their gas, and drive over terrible roads in order to get services.

So, Mr. Deputy Speaker, I think that this is a good resolution. It is one that has been thought out, and I think that there would be opportunities for this government to show support to Manitobans that they do care about what kind of banking services they have. They are concerned about the bank service charges that have increased from 25 percent to 35 percent, and I would hope that they would be concerned about the roughly three-quarters of a million Canadians who do not have bank accounts and are forced to use firms charging fees to cash cheques.

There are a lot of things in this resolution. The fact that the banks are making a tremendous profit is an area

of concern. The fact that banks are continuing to merge, and, as they merge, they reduce the amount of services that are provided and the opportunities to get banking services. If we continue on this path of mergers without any cautions put forward by the government or the government's slowing them down, who knows, we could end up with very few banks over the next period of time, and certainly that would not be in the best interest of Manitobans.

So I think, Mr. Deputy Speaker, that this is a good resolution, one that flags the concerns that people have with the banking system right now. It also flags the concern that as banks merge we lose jobs. In fact, when the Bank of Montreal and Royal Bank merge, there could be as many as 500 jobs lost. Now this government should be concerned. We do not know how many job losses that will be in Manitoba, but we know that we have had an out-migration of over 6,000 people out of this province in the last year. That is not good for Manitobans, and we have to encourage economic growth, encourage people to want to come back to Manitoba. I want to see people come back to rural Manitoba, but, every time we have a service reduced in rural Manitoba, that community becomes less attractive.

I share with you a comment made by some young students, and these young students, who will be graduating this year, told me that they are going out of the province to study, and then they do not plan to come back to Manitoba to live and work. Why do they not plan to come back to Manitoba to live and work? Because they think that there is no hope in Manitoba, in particular in rural communities.

Now we heard this when we were in southern Manitoba, in Virden. We heard it when we were in Swan River, and we heard it in other communities. Young people do not have very much hope, and they said: we want to come back to our rural communities, but there is not enough hope there. We do not think we can get jobs. Well, some of the jobs that they could get are in the health care field or in education, but there are also banking jobs that people could get. But, as services are reduced, the rural community and the northern communities and the inner city become less and less attractive to people.

So what we have to do is start building back the confidence in people that Manitoba is a good place to live and we do have the services and there are job opportunities. This is one of the things that the government could be talking about and saying that they are prepared to address issues like high bank service charges and high Interac fees that people have to pay. In a time when inflation rates are less than 2 percent a year, these high profits do cause people concern and do bring instability to communities. Loss of banks brings instability.

So, Mr. Deputy Speaker, I think that this is a good resolution. I wish that the government would be supporting it; obviously, they are not. But I want to say as well that I think that what is happening in this country with banking services will see our credit union movement grow. I commend the credit unions for having the support and commitment that they have to small communities. I only wish that this government had had some support and commitment to its residents to stand up on some of these issues.

Thank you, Mr. Deputy Speaker.

Mr. Ben Sveinson (La Verendrye): Mr. Deputy Speaker, I have listened to a number of the comments so far on this resolution. Having some understanding of it also, I would say that perhaps it is just a little premature or perhaps the discussion that will carry on today might not deal with this resolution in totality. Perhaps later on it might be, with everybody's agreement, that it be brought back some time in the future, perhaps after the federal task force finishes with the study that they are doing.

Many of the things that the member has mentioned, many people can relate to, and I take you back quite a number of years. Some 30 years ago my wife, Milly, and I lived in Winnipeg, and at that time we dealt, of course, with a bank in Winnipeg. Be it one or two years later, we moved to Ste. Anne, and be it that I was working in Winnipeg and I knew the people in the bank, it was kind of nice, so I continued to do my banking there. Now, during that time, I had a full-time job, but I also did things on the side. For example, I was a mechanic in another life, if you will, and I fixed vehicles, I fixed cars, and I sold them. I also bought

houses and fixed them, painted them, fixed many different things in them, and sold them also.

Mr. Deputy Speaker, I want you to know and anybody else that any of the vehicles that I did sell had indeed been put through a safety, although it was not known then as a safety, before it was put on the road. Also, I think anybody selling a home, I guess you consider it ethics, you consider it being honest, open with people, would not sell a house that was not fixed properly and ready for the people to occupy, so I did that too.

But the point that I am getting at here is the services offered at that bank. I could pick up the phone and I could call the bank manager and I could say: I need, let us just take a number, \$5,000, and the bank manager would say: go ahead, Ben, write the cheque, and I would. Now, that is known as a demand loan. Now, when I had time or I was going past the bank, I would pop in and I would sign this demand loan paper. Sometimes, though, I did not, and when it was paid off, which I did most of the time pay it off very quickly, they would just send me the paper in the mail and it was cleared off.

* (1750)

After the changing of a number of bank managers, I found one bank manger, when I phoned, he said: I am sorry, Mr. Sveinson, we do not do that anymore. You cannot do that.

Now, that kind of hurt my feelings just a little bit, and be it that I was living out in Ste. Anne area, Steinbach area too, I thought, well, perhaps it is time that I looked around out there for a bank or a banking institution that I could deal with there, that were a little bit nicer to me, because my feelings were a little bit hurt.

So, I took what money I did have in the bank to the Steinbach Credit Union. The Steinbach Credit Union, before I put my money in there, told me that indeed I could operate the same way as I was operating prior to the new bank manager telling me I could not phone him anymore and you had the money. The credit union told me, yes, Mr. Sveinson, you can. The reason why I changed from the bank to the credit union was the service offered to me.

Indeed, I was happy and I did test that credit union with a very large amount of money at one time. I was making a deal and I called and I said: Mr. Bank Manager, I need X amount of dollars, quite a large sum. He said: Mr. Sveinson, you just write that cheque. So indeed they backed up what they said, and I can do nothing but give them full credit because, over the years, they have given me and my family absolutely superb service, and that is going something in the neighbourhood of 28 years now.

The point again that I make is the services that were offered. People do move from banks to credit unions or from one bank to another bank because of sometimes personalities rather than the service actually is not being offered there.

There were a few comments that were made earlier, some being that those banks are profit driven. Well, Mr. Deputy Speaker, I have had my—as I have just explained—little ordeals with banks. But I would like anybody to show me a financial institution that is not profit driven. If they can find it, I will probably move whatever money I do have, the little bit I have, to that particular institution.

An Honourable Member: It is not? Do you not want it profit driven?

Mr. Sveinson: No, maybe I would not. I never gave that too much thought, but that is what this discussion is all about. I thank the member for St. Vital (Mrs. Render). She might have saved me some money there.

The profit-driven part of any institution—and I will just talk about Whitemouth for a minute. It was not too long ago that the bank in Whitemouth decided that they were going to move all of their accounts to Beausejour. Indeed the town and the people there, if you remember back awhile, they were hurt because it was moving to Beausejour. It did not take them long. They were there to see the bank manager and ask him why this was happening. Well, the bank manager had a couple of answers. One was that there were changes happening within the banking or the financial institutions everywhere in the world, but here also.

I mean, we have things—and I do not have to tell you. Many of you know more about these instant tellers,

Interac, net banking and so on than even I do. But the changes that are happening makes it possible for smaller communities to, indeed, be able to access banks that are 50 miles away with no problem whatsoever.

An Honourable Member: What about loans?

An Honourable Member: I think he has talked about loans already.

Mr. Sveinson: My, my. I seem to have gotten a rise out of somebody.

However, Mr. Deputy Speaker, the point that I am making here is this—again it comes back to services, services offered, and sometimes—and I believe in this case—the banks did move too quickly. I do not believe that they were losing money or that they were close to losing money. I do believe that they were using the services that I have just talked about, and they felt that that community could quite easily utilize the bank in Beausejour. However, I do not believe the people were ready to do that. I believe that maybe two years or five years down the road, there might have been a feeling where they might have done it at that time, however,

the feeling was once again they were hurt, so they started looking for another banking institution. That banking institution was, indeed, and it has been said here already, the South Interlake Credit Union.

Now when the South Interlake Credit Union was approached, they did in fact do a form of a study to see exactly—well, not exactly but close to how much money people would be putting into the credit union, to what extent the credit union would be used. They did a study within the community. The people in the community did not mind that. They understood that any of these institutions run on profit. Of course they do, but the nice news was, or is, that that credit union did, in fact, move to Whitemouth.

Mr. Deputy Speaker: Order, please. When this matter is again before the House, the honourable member for La Verendrye (Mr. Sveinson) will have four minutes remaining.

The hour now being 6 p.m., this House is now adjourned and stands adjourned until tomorrow, 1:30 p.m., Wednesday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 28, 1998

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