



Fifth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCIOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GILLESPIE, 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.
MALLOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCIUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley, Hon.	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin, Hon.	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
<i>l'acant</i>	St. Boniface	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 21, 1999

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again. I move, seconded by the honourable member for Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS

Forest Fire Conditions

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, I wish to report on fire activity over the weekend which has increased due to several lightning storms that passed through northern Manitoba. Departmental staff have responded to 58 new starts since late Thursday afternoon and were successful in controlling 54 of those fires. Nineteen additional helicopters have been mobilized into the areas of concern.

Yesterday several fires in and adjacent to northern communities were actioned. There were two fires at Split Lake, one near Pikwitonei, and one near Oxford House. These fires were quickly contained and do not presently threaten any structures. Fire investigators have been dispatched to ascertain the cause.

Four fires are classified out of control at this time: Duval Lake, west of Kississing Lake, 360-hectare fire, lines have been established and

there are 130 personnel that have been deployed; at High Rock Lake, 2,800 hectares were burned, 165 firefighters deployed; Notigi Lake, 1,500 hectares burned, 60 firefighters have been deployed; and Pikwitonei, 75-hectare fire, 55 firefighters on site and there has been little movement of this fire yesterday, having fire lines established.

Extreme burning conditions are predicted for the next two days, with a forecast for moisture in northern Manitoba by Tuesday that should assist in the suppression efforts. I think it is important that we remember that the potential fire conditions have become near extreme in some areas.

Lightning storms triggered several fires in the far north where we have no action observation zones. The activity and spread is being monitored, and suppression action is not anticipated.

We have recorded 315 fires to date, Madam Speaker, and have lost an estimated 74,200 hectares of forest land.

*(1335)

Mr. Stan Struthers (Dauphin): Madam Speaker, it is quite ironic that we need to stand and talk about forest fires this of all springs when half the province is flooding and the other half of the province is way too hot. I thank the minister for bringing us an update on the forest fire situation in northern Manitoba, and of course we wish all the best for the residents and the firefighters, the volunteers and people who will be fighting fires at Duval Lake, High Rock Lake, Notigi Lake and up at Pikwitonei.

Madam Speaker, I want to encourage people living throughout the province to exercise common sense and exercise a degree of caution, because we do know that the conditions are right right now for the establishment and the sparking of fires in our province. I would think that both sides of the House would encourage people to be

very careful in their activities. Now that summer has officially arrived, I know many people are hoping to get out and enjoy many of the activities that we do outside in the wilderness, and I would encourage people to be very cautious. We do not want to see what we see in some situations with evacuations and people's houses and cabins burning up and the loss of many hectares of forest in our province.

So I appreciate the update from the minister and wish all the best to the volunteers and the firefighters engaged in battling the forest fires in northern Manitoba. Thank you very much, Madam Speaker.

Flooding Compensation

Hon. Frank Pitura (Minister of Government Services): Madam Speaker, I have a statement for the House.

At this time I would like to make a brief statement on the programs and activities of my department in assistance to Manitobans in their recovery from flooding in western Manitoba this spring. As a proactive measure to assist Manitobans in the flood-affected western regions, the Manitoba Emergency Management Organization identified the need for a Disaster Financial Assistance program to assist in their recovery as a result of the flooding and has established flood recovery offices in Melita and Neepawa.

The recovery offices, which operate Monday through Saturday from 8 a.m. to 6 p.m., provide advice and information on disaster financial assistance to the people affected by the flooding. The offices also serve as information centres for services of other agencies such as the Salvation Army, Canadian Red Cross trauma, stress and financial counselling services, making possible one-stop shopping for those impacted by the flood. These recovery offices are similar to those established during the 1997 Red River Valley flood and are located in the Manitoba Agriculture offices at 139 Main Street, Melita, and at 41 Main Street in Neepawa. Inquiries can be made in person or by telephone or facsimile. Since its opening on Monday, May 31, the Melita office has received over 440 telephone inquiries and visits and has distributed over 300

DFA applications. The Neepawa office has been open since Monday, June 14. The Disaster Financial Assistance program provides financial assistance to private residential property, full-time farmers, full-time small businesses and nonprofit organizations when eligible costs incurred as a result of a disaster exceed an amount deemed to be reasonable.

The maximum assistance on private claims is 80 percent of eligible costs to a maximum of \$100,000 each for home, farm and business. Claimants awards cannot exceed the cost of repair or replacement. In addition to these initiatives, MEMO plays a co-ordinating role in the activities of all provincial departments and nongovernment agencies through frequent meetings and consultations, including representation from the municipalities impacted by this event.

Today I wish to thank the people of all the departments and agencies whose diligent efforts are anticipating and responding to the needs of our fellow Manitobans in these very stressful times. Thank you.

Mr. Stan Struthers (Dauphin): For some time, we have been discussing the pros and cons of programs designed to help farmers and businesses in the southwest part of our province, and not just the southwest part of the province but in areas such as Gilbert Plains, Grandview, McCreary, Neepawa, Gladstone and some parts of the southeast corner of Manitoba which have received an inordinate amount of rain, an inordinate amount of snowfall last winter and have experienced all kinds of problems in seeding, getting their crops in. Today, of course, we are hopeful that a package that would be fair to producers will be announced.

I want to thank the Minister of Government Services for updating us on the steps which his department are taking to help alleviate the problems, the very real day-to-day problems that occur for people living in these affected areas. I am told by people who are responsible for providing counselling in these areas that, as we can all understand, the stress level for families, farm families, businesses and people living in the affected areas is very high. One of the things that really contributes a lot to the increased level

of stress is the lack of details available to people. We know that there is a lot of stress involved in not getting your crop in on time and then wondering what the eventual impact on the local economy will be, but to add to that is the uncertainty of not knowing what the details are of a package that has been talked about a lot but not, as of yet, implemented for the betterment of these communities and these farm families.

I want to commend the minister for opening offices in Melita and in Neepawa to help in this predicament that we are in. My hope is that would speed up the conveyance of information that would be used in helping farm families and thus reduce the amount of stress that these families are under. Again, I want to stress that both farm operations and business operations in these areas are very much afflicted by the lack of information that is being given out.

Finally, I want to thank, along with the minister, the people in the departments who have worked to put together the programs that are available for farmers and business people in this area of Manitoba. Thank you very much, Madam Speaker.

* (1340)

TABLING OF REPORTS

Hon. Mervin Tweed (Minister of Industry, Trade and Tourism): On behalf of the honourable Minister of Agriculture (Mr. Enns), I am pleased to table Supplementary Information for Legislative Review for 1999-2000 Departmental Expenditures for Manitoba Agriculture.

Hon. Vic Toews (Minister of Justice and Attorney General): I would like to table the Supplementary Information for Legislative Review for 1999-2000 Departmental Expenditure Estimates, the Department of Justice.

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 with us today a delegation from Trinidad and Tobago. The delegation is undertaking a training program in management development

and environmental management at the Department of Environment and is under the direction of Dr. Daniel Chang, deputy medical officer of health, City of Port of Spain Corporation.

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

Also, seated in the public gallery we have this afternoon fifteen Grades 7 to 9 students from Darwin School under the direction of Mrs. Lori Arnel. This school is located in the constituency of the honourable Minister of Energy and Mines (Mr. Newman).

Also, twenty-eight Grade 4 students from Centennial School under the direction of Mrs. Karen Klassen. This school is located in the constituency of the honourable Minister of Highways and Transportation (Mr. Praznik).

And, sixty Grade 5 students from Winkler Elementary School under the direction of Mr. Eckhard Klaassen and Mr. Lawrence Siemens. This school is located in the constituency of the honourable member for Pembina. (Mr. Dyck).

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

ORAL QUESTION PERIOD

Flooding Compensation for Farmers

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, it has been reported over the weekend that the federal government will be making an announcement dealing with the flooded farmland in southwestern and central Manitoba and in southeastern Saskatchewan. Has the Premier been informed of the announcement? How much money will it be for a contingency plan for unseeded acreage, and can he report that to the House, please?

Hon. Gary Filmon (Premier): Madam Speaker, regrettably, I cannot give any detail on the announcement to the Leader of the Opposition. I thank him for the question. My office and that of the Minister of Agriculture (Mr. Enns) have been endeavouring to get factual information

from the office of the federal Minister of Agriculture, and we have not been privileged to receive that information.

We do have a copy of the news release which was just issued in Estevan a short while ago, which was faxed to us. It appears as though what has been proposed in Saskatchewan, which we assume may form the basis of an announcement in Manitoba, is that there will be a loosening of the triggers for NISA that will allow for farmers that have built up surpluses in NISA accounts to be able to access that money a little more easily. I would indicate that from a Manitoba perspective that will have some positive impact in that in the southwest corner of the province there is about a hundred million dollars sitting in NISA accounts to the farmer's benefit which cannot, under these circumstances, be released. It also, of course, is not likely that very much of it will be in the hands of new young farmers, and so that is a concern. They are also calling for an advance payment using, as we had proposed, the AIDA funds, making a calculation based on unseeded acres and then flowing approximately 60 percent of the payment by September, so as an advance payment on the expected allocation. So that is as much information as I can share. It is based somewhat on speculation, assuming that what he announced in Estevan may in fact also be announced in Brandon.

* (1345)

Mr. Doer: We did pull the announcement in Estevan off the Net, and I am surprised to hear that there has been no federal-provincial negotiations for farmers and producers in communities dealing with this matter.

Madam Speaker, I would like to also ask the Premier: what is the specific contingency plan from the Province of Manitoba? What will the province be leading with in specific terms to deal with the unseeded acreage? We have heard from Saskatchewan, at \$25 out of the crop insurance in Saskatchewan, a specific amount of money as a contingency plan for unseeded acres. We know that AIDA has not been farmer-friendly or producer-friendly. Very few people have accessed that program to date. Many farmers tell us that your costs for an accountant

are higher than the potential relief from last year's prices. What is the specific Manitoba program, and will this program, at the end of the day, be producer friendly to deal with the immediate crisis in Manitoba?

Mr. Filmon: Madam Speaker, I make two points about this. As we discussed it last week and as I discussed with the farmers when I was there to visit with them and met in the cabinet room with representatives of producer groups as well as the municipal leadership of the province, that the farmers, even if they planted a crop, would not get any revenue from this until September. So, for the member to shout that this is an immediate crisis that has to be dealt with today or tomorrow, what has to be done is to find a way of addressing their need for cash flow when they would normally get it by the sale of their crop, which would be, of course, late August or some time in September. That is what we have been urging Ottawa to deal with.

The proposal with respect to AIDA, and the member knows full well that we did not from the beginning believe that AIDA was a sound program to be able to realistically impact on the needs of our farm community, but it was his critic the member for Swan River (Ms. Wowchuk) who kept saying to us: why do you not sign on; why do you not sign on or go into it? Everybody else is doing it.

We were the last province to hold out in hopes that the federal government would see that the program has plenty of flaws. Now the member opposite is taking the position that we are, that with all the flaws, it has to be fixed, Madam Speaker. We have been saying that right from day one, and what this does, as I understand it, is to provide for a cash flow mechanism, an advance payment mechanism so that the farmers would not have to wait until they put in their income tax return next year. Under those circumstances, a 60 percent cash flow payment, in advance, based on an expected allocation with the income tax return, does make some sense and does give us what we are looking for, which is an advance payment. It is our understanding that the minister has indicated in Saskatchewan that he hopes to have that payment come in September, and that, too,

meets some of the recommendations that we have been making to him along the way.

With respect to his first point about why there is no negotiation, Madam Speaker, this government has been in touch with that minister. Our Minister of Agriculture (Mr. Enns), who is meeting with Minister Vanclief right now in Brandon, has certainly put forward many suggestions, both in writing and verbally, to the minister. But the minister has chosen to make the decisions on his own. Even though 40 percent of the money is provincial government money, he has chosen to make the decision unilaterally as opposed to through consultation and discussion. That is not something with which we are particularly happy.

* (1350)

Gang Hotline Anonymity

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, with a new question to the First Minister. On Tuesday, June 15, on the 17th of June, on 18th of June and again on the weekend, we have had more contradictory stories and statements and lines from this so-called Minister of Justice than we had from Taras Sokolyk about the vote-rigging inquiry. Contradiction after contradiction.

I would like to ask the Premier (Mr. Filmon): what is the status of the situation on the confidentiality of the gang hotline, given it was his promise back in 1994, and what action is he taking with his Minister of Justice that obviously has breached the promise the Premier made to the people of Manitoba?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I am advised that as a result of an internal review by one of my staff members, the province took over the clearing of the line of information and following up with any necessary action. The province took over this function on or about May 10, 1999. Prior to that date, the City of Winnipeg Police Service cleared the line of information and followed up with any necessary action.

In respect of the explanation as to why certain calls were capable of identification, it was explained to the media on Thursday afternoon. I provided the media with a copy of that explanation, and I am prepared to table that same explanation here again today.

Mr. Doer: Madam Speaker, the word-changing and buck-passing keeps continuing from this minister. This is a document from the Department of Justice mailed to 100,000 Manitobans by the former Minister of Justice and the present Premier (Mr. Filmon). This promise, basically, Take Back the Streets—no, that was this year's promise. On the Street Peace program, 100,000 brochures state, and I quote: Your call is confidential. No call is traced or displayed.

I would like to ask the Premier: is he holding his Minister of Justice accountable for breaching a promise to 100,000 people and breaching the integrity and confidentiality of the gang hotline? If he is going to be tough on gangs, take action on his Minister of Justice.

Mr. Toews: Madam Speaker, as far as I am aware, all calls for assistance or information since the province took this line over in terms of clearing the information on or about May 10, 1999, have been handled on an appropriately confidential level. I would say, however, with the exception of some calls made from a specific exchange, indeed the calls of the member for St. Johns (Mr. Mackintosh), there was in fact a capability of identifying those hang-up calls where there was simply a hang-up in that particular situation.

Madam Speaker, I am not aware of any other calls where there was a similar capability. As far as I am aware, all calls for assistance or information since the province took this over on or about May 10, 1999, have been handled on an appropriately confidential basis.

Mr. Doer: Madam Speaker, this promise was made in 1994. This is a promise made by the former Minister of Justice as part of a previous pre-election campaign. Sergeant John Eyer in a wire service story stated that anonymity is a cornerstone of Crime Stoppers program: Confidentiality is crucial. We go out of our way to make sure we don't know who you are. I

think you should do as you promise to do on confidentiality.

The minister is stating today that that did not happen. His contradictions last week mean that we do not believe him very much, and why should we? I would like to ask the Premier (Mr. Filmon): given other precedents in other provinces, will you be removing your Minister of Justice and find out why your promise of confidentiality to 100,000 people was breached and how we can restore the integrity of other lines to ensure that all of us as citizens can do what we can to prevent crime and be backed up by an honest government?

Mr. Toews: Madam Speaker, as indicated earlier, the disclosure of the calls made from the office of the member for St. Johns, whether those were calls made by people other than him, as he first stated last Tuesday or whether he made them himself as he confirmed last Thursday, should not have been referenced by me in the House. That is clear.

However, as far as I am aware, all calls for assistance or information since the province took this over on or about May 10, 1999, have been handled on an appropriately confidential basis.

*(1355)

Gang Hotline Anonymity

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice: after the minister was caught both tracing calls, at least to 9-4-5 numbers, and then, second, breaching confidentiality of the gang hotline contrary to the government's promise, 100,000 wallet-size cards, this was only the first of seven inconsistencies, and I am being generous with that term, from this minister. The minister gave two explanations then. He said, first of all, that the government was trying to monitor and prevent internal abuse; in other words, it was a planned tracing. Then, later, he said it was a technical glitch; it was a mistake.

My question to the minister is this: how are Manitobans ever to believe these people? What a tangled web they weave.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, when I was first questioned by the media outside of the House on Thursday, I indicated that I would be looking into the matter. Indeed, I held a press conference later on that afternoon after I had received what I considered to be the full and complete details of this matter, and I provided that on I believe it was the Thursday after I had given the explanation.

So I do not agree with the comments from the member for St. Johns, and I have tabled the explanation that my staff had provided.

Mr. Mackintosh: Madam Speaker, how is anyone supposed to believe this minister who says, first of all, that this whole problem was not his mistake, it was the City of Winnipeg? Then on Friday he comes back on open-line radio and says that his department was running this line. I would say no one is running this line, but how can the minister continue in this position with these inconsistencies?

Mr. Toews: Madam Speaker, I am advised that, as a result of an internal review by one of my staff members, the province took over the function of clearing the line of information and following up with any necessary action. The province took this function over on or about May 10, and prior to that date the Winnipeg Police Service cleared the line of information and followed up with any necessary action.

Mr. Mackintosh: Well, another whopper, Madam Speaker. How are Manitobans to trust these people when the minister says that they found out just a few days ago that calls were being traced, and then records on Friday indicate that the department knew going back at least to May 10 that this department directly was tracing calls, and those calls were languishing since December of 1998? Boy, that is tough on crime, is it not?

Mr. Toews: Madam Speaker, I understand that on May 10 the department went in to clear the lines of those calls. Prior to that date, the responsibility for doing that had been with the Winnipeg Police Service, and I understand that the police chief has offered some explanation in respect of that issue. They have indicated that

the line had been of limited use and that emergency calls were rerouted for assistance.

So the department, in fact, commenced discussions with the City of Winnipeg in order to determine what, in fact, needs to be done with that particular line. All I can indicate is that the province took over the function on May 10, 1999.

With respect to the calls made from the office of the member for St. Johns, as I have indicated, those calls should not have been referenced by me in the House.

* (1400)

Minister of Justice Resignation Request

Mr. Dave Chomiak (Kildonan): Madam Speaker, my question is to the First Minister (Mr. Filmon).

Despite the minister's protestations, what this government has done to the fight of organized crime and gang crime has set it back many, many years, despite what the minister tries to weasel out of in terms of his words in this House. The breaching of confidentiality, the contradictory statements have destroyed the credibility of this government, if they had any, on fighting gangs.

I want to ask the First Minister: given the serious situation his Justice minister has put himself in, would the Premier consider doing the honourable thing and asking his minister to step aside in order to restore integrity to the system and allow a review to take place to ensure that some credibility goes back into the administration of justice in the province of Manitoba?

Hon. Vic Toews (Minister of Justice and Attorney General): I do in fact know that the Estimates process is coming up and that I am in fact available to questioning by members opposite on this particular issue and other issues that relate to the functioning of the department.

Mr. Chomiak: How does the Premier (Mr. Filmon) allow his minister to try to wriggle out of it when the honourable thing would be for the

Premier to step in, considering that in 1995 his former minister talked about the province's efforts? The young people said they would prefer anonymity. The information to this House is it is taken off the youth gang line very regularly, as stated by the former minister.

The contradictory statements are legion. I am asking the Premier to step in and do something to restore integrity to the justice system of the province of Manitoba.

Mr. Toews: Until May 10, 1999, the function of clearing that line was in fact the responsibility of the Winnipeg Police Service. The Province of Manitoba did in fact fund that particular line. I understand then, as a result of an internal review by one of my staff members, the province took over the function of clearing that line of information and following up with any appropriate information. As far as I am aware, all calls for assistance or information since the province took this over on or about May 10, 1999, have been handled on an appropriately confidential basis.

Mr. Chomiak: My final supplementary to the Premier (Mr. Filmon). Despite the fact that, in cases for five months, calls have gone unanswered on the line, despite all of those issues, it is clear that the gang line's integrity is jeopardized, not the least by which—and I am quoting Jacques Lemieux, national co-ordinator of the Criminal Intelligence Service who said, quote: security breaches can have dire consequences for callers when it comes to gang activity.

My question to the Premier is: if you take criminal and gang activities seriously, how can you allow this to go on when the integrity of the entire gang effort is called into question and compromised by the actions of your minister and your department?

Mr. Toews: I do not intend to get into the entire aspect of the programs that our department has taken very successfully in respect of gang initiatives. I do, however, want to say that, since the province took over the clearing of the line on or about May 10, 1999, there have been a number of conversations among staff and with the Winnipeg Police Service regarding the continued operation of the line. I am advised

that staff will be coming to a conclusion on that issue and indeed making recommendations on this matter in due course.

Minister of Justice Resignation Request

Mr. Steve Ashton (Thompson): After 11 years, a lot of Manitobans just do not trust this government anymore, and if there is any indication, it is the complete lack of response today from the Premier (Mr. Filmon) to the numerous questions we have asked about the integrity of the justice system. Let no one underestimate the importance and significance of what this minister did. On Tuesday last week he chose to release confidential information in this House. He denied that on Thursday, but in statements to the media on Thursday and Friday, he has now confirmed that he did indeed release confidential information in the House. This has compromised the integrity of this particular line.

I want to ask the First Minister why he will not apply the same kind of code of conduct that even Mike Harris in Ontario applied when Mr. Runciman, a Tory cabinet minister, also breached confidential information. Why will this First Minister not remove the Minister of Justice pending investigation of misconduct?

Hon. Vic Toews (Minister of Justice and Attorney General): In respect of the disclosure of that information, I have indicated that I should not have referred to those particular calls being made, even the fact of them being made. I appreciate that.

I do indicate that—and this perhaps needs some clarification. The member for St. Johns (Mr. Mackintosh) indicated that he did not make any telephone call, and he stated that at page 2778 of Hansard. On Thursday, in fact, the member specifically said that those were his calls. I indicated at that time that was the first admission by anyone of making a call. The point is that the matter should not have been brought forward by me in the House.

Mr. Ashton: Madam Speaker, I want to ask the Premier (Mr. Filmon) again, who is supposedly still responsible for the operation of government in this province, not his Minister of Justice: why

will he not recognize how serious the breach made by this Justice minister is then, not only in terms of the credibility and integrity of this minister but a program where they sent 100,000 leaflets out in the province, guaranteeing anonymity? Why will the Premier not take action?

Mr. Toews: As far as I am aware, as I have indicated earlier, all calls for assistance or for information since the province took this over on or about May 10 of this year have been handled on an appropriately confidential basis. The reason why certain hang-up calls were able to be identified has been addressed by MTS, and that ability to identify hang-up calls no longer exists.

Mr. Ashton: A final supplementary. I want to again ask the Premier of this province how he expects anyone to believe anything he says now on crime. You know, all those ads about getting tough with gangs, but in 1994 he promised a confidential gang hotline and this minister breached that confidentiality in this House last Tuesday, this minister who should resign, Madam Speaker.

Mr. Toews: Madam Speaker, as I indicated earlier, with the exception of a number of calls that were made from the member for St. Johns' (Mr. Mackintosh) office, the province did not have the capability of identifying any anonymous calls made where there was simply a hang-up without leaving any further information. I am advised, and as far as I am aware, that the calls for assistance or information since the province took this over on about May 10, 1999, have been handled on an appropriately confidential basis. I would also again reiterate what the police chief just said recently, that this line has been of very limited use and emergency calls when they were in fact rerouted for assistance.

Gang Hotline Anonymity

Mr. Kevin Lamoureux (Inkster): Madam Speaker, on several occasions the Minister of Justice has made reference to "appropriately confidential." The question that we have for the Minister of Justice is: in his definition of "appropriately confidential," does that then mean

that anyone who is calling in to the gang line today has absolutely no fear of the government being able to track or get or find out who it is that is calling in to that particular line? Is that the case? And if that is not the case, can the minister or this government give that assurance that people today do have the ability to make that phone call and not be traced in any fashion whatsoever?

Hon. Vic Toews (Minister of Justice and Attorney General): I thank the member for that question. I am advised that MTS in fact has addressed that particular problem to ensure that confidentiality, the issue, of course, of phoning the phone line. If a person leaves their name and number and requests assistance, obviously that is going to be answered by someone and will be followed up by someone, so that is still then being handled in an appropriately confidential way.

* (1410)

Mr. Lamoureux: Was the minister unaware that the calls to the gang action line were confidential, and if so, can he explain why his office then had tracked these calls in the first place?

Mr. Toews: Well, Madam Speaker, when the particular staff member went in to clear those lines, the particular staff member simply did a clerical function, that is, recorded all the information that was there. In the case of some hang-up calls, and the only ones that I am aware of are the ones from the member for St. Johns (Mr. Mackintosh), there was able to be an identification by the automatic downloading of the prerecorded name that is put onto the voice mail system. So that was in fact as explained here. Now that clearly should not have occurred, and that has in fact been addressed by MTS.

Education System Standards Testing Breach

Mr. Kevin Lamoureux (Inkster): Madam Speaker, with a different question for the Minister of Education. I trust that the minister has now had the opportunity to review the report from the Seven Oaks School Division. My

question to the minister is: is he content with that particular report, and if so, will he table it? If not, will he now call for what we have been calling for, an independent investigation into the whole breach of the security for standards exams?

Hon. James McCrae (Minister of Education and Training): Madam Speaker, the report to which the honourable member refers was received in my office late on Friday afternoon. I have spent a good part of this morning reviewing that report, as has my deputy minister and legal counsel. It is safe to say, because it was previously acknowledged by Mr. Brian O'Leary, that the report confirms his wrongdoing in that he, Mr. O'Leary, breached the security protocol of the test, potentially compromising test security. That much I can comment on.

There are—[interjection] I can do that because Mr. O'Leary acknowledged it himself. We have yet to hear from the honourable member for Concordia (Mr. Doer) about this matter, the Leader of the New Democratic Party, who says that if his campaign manager were to do wrong he, that being the Leader of the Opposition, would resign. Now we await word from the Leader of the Opposition on that matter. Having said that he would resign if this type of thing happened, we await word from him. But there are matters that relate—

Madam Speaker: Order, please.

Point of Order

Mr. Lamoureux: Madam Speaker, on a point of order. I have been patiently listening to the minister. Beauchesne's is fairly clear, indicating that relevancy is somewhat important. There was a specific question.

An Honourable Member: 417.

Mr. Lamoureux: Beauchesne's 417, the member for Thompson (Mr. Ashton) tells me, to assist you. Unfortunately, I do not have it right in front of me. But the point is I do believe there is an obligation for the Minister of Education either to answer the specific question that was put: is the minister content with the report, or

are we going to see an independent investigation?

Madam Speaker: The honourable Minister of Education, on the same point of order.

Mr. McCrae: Madam Speaker, it had been my intention to be relevant to the question. I thought that I was dealing with the very specific points raised—points plural—in the question by the honourable member, points related to the report that we referred to, the fact that I am reviewing the matter with a view to answering further the questions raised by the honourable member, questions such as whether there ought to be something else happen or whether I will table it in the House.

Madam Speaker: Order, please. I believe the minister is responding to the question now and not speaking to the point of order.

On the point of order raised by the honourable member for Inkster, I would agree that the honourable minister did ramble away from the specific points of the question, and I would ask the minister to keep his remarks relevant to the question asked and to quickly complete his response.

* * *

Mr. McCrae: I accept that ruling, Madam Speaker.

There are other issues, related issues, ancillary issues surrounding this whole matter, issues related, for example, to the grievance arbitration in which one Mr. Treller is involved. I am getting some legal advice about that, because I think that it would be my wish to make public the report. But there are certain processes in place and in progress, the outcome of which ought not to be jeopardized in the same way that Mr. O'Leary jeopardized the test system in Manitoba.

Minister of Justice Resignation Request

Ms. Jean Friesen (Wolseley): The Minister of Justice of every province in this country must be the bearer of truth and the guardian of public

trust. This Minister of Justice no longer has the confidence of many members of this House or, I would suggest, the respect of many citizens. His betrayal of the confidence of the hotline and his many twists and turns as he avoids responsibility for his action have clearly lost him that trust.

I would like to ask the Premier (Mr. Filmon) to be accountable in the full parliamentary manner for a minister who has betrayed that trust and to conduct an investigation and to report back to this House while the minister stands aside.

Hon. Vic Toews (Minister of Justice and Attorney General): With the exception of some of the calls that were made on a specific exchange, and that is a government exchange and a voice mail system, the province did not have any capability of identifying any anonymous calls made where there was simply a hang-up without leaving any further information.

As I have indicated earlier, the disclosure of the calls made from the office of the member for St. Johns (Mr. Mackintosh), whether they were made by staff or whether they were made by himself as he first indicated and then later indicated, should not have been referenced by me in this House. However, I am aware and I have been advised that all other calls for assistance or information have been acted on in an appropriately confidential manner.

Ms. Friesen: I would like to ask the Minister of Justice why it is he continues to evade his parliamentary obligations by telling us it was the city's fault; it was the police's fault; it was his staff's fault. Why is it from this government there is blame everywhere, and we have a Minister of Justice and a Premier who are accountable to none? That is what it is about.

An Honourable Member: Afraid to call the election, afraid to face the truth.

Mr. Toews: The member for Thompson makes a good point. Ultimately, I am responsible to the electorate in the constituency of Rossmere, and I will—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Toews: And I do indicate, and I have stated it in answer to earlier questions today, I should not have referenced those phone calls that were made from the office of the member for St. Johns (Mr. Mackintosh). Ultimately, Madam Speaker, I am responsible to this House and to the electorate in the constituency of Rossmere.

* (1420)

Gang Hotline Anonymity

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice, who I hope never runs a witness protection program, I want to quote the sergeant who supervises Winnipeg Crime Stoppers who says: Anonymity is the cornerstone of Crime Stoppers worldwide, and we go to some lengths to protect that. The head of the Criminal Intelligence Service of Canada who said: security breaches can have dire consequences for callers when it comes to gang activity involving bikers. We know how bikers operate. If they find out who gave the information, their weapon of choice is intimidation.

My question to the minister is: does he not understand how he has undermined not just criminal intelligence on gang activity in Winnipeg but he has undermined every call line and the criminal intelligence of this government?

Hon. Vic Toews (Minister of Justice and Attorney General): As I have indicated earlier, as far as I am aware, all calls for assistance for information since the province took this over on about May 10, 1999, have been handled on an appropriately confidential basis. I understand that the ability to identify the hang-up calls that came from the member for St. Johns have been corrected as a result of the MTS making the necessary change to the system. So I am willing to take my share of the responsibility for even referencing the fact that there were—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Toews: As I was stating, Madam Speaker, the ability to identify a hang-up call has been

corrected as a result of MTS making the necessary change to the system.

Mr. Mackintosh: Well, aside from the seven whoppers and the breach of confidentiality, can the minister explain—if we are to believe these words of the former Minister of Justice about the gang hotline that it is, and I quote, extremely helpful, a very important tool, individuals find it very useful, and as I quote, another successful anticrime initiative, why is it that after the election and in the face of ballooning, skyrocketing and dangerous gang activity, this government walks away from it? Can he explain that negligence?

Mr. Toews: Well, Madam Speaker, in respect to the issue of gang violence, this department and this government has taken numerous steps to ensure and limit the activities of gangs. Indeed, from statistics that I referred to in this House earlier, 385 identified gang members are in fact incarcerated. In respect of the number of gang members, as the member knows, the number of confirmed gang members in the province from the Winnipeg Police Service is approximately 601.

Gang Hotline Anonymity

Mr. Steve Ashton (Thompson): Madam Speaker, I want to address my question again to the Premier (Mr. Filmon), because it is totally inappropriate for a minister in this case to be answering questions that relate directly to the integrity of this minister, whether he should in fact even remain as a minister of the Crown. I want to ask the Premier if the minister's oath means anything and in fact whether the First Minister has any concerns whatsoever about the fact that this Minister of Justice has compromised a significant part of his ability to perform in that role because he chose last Tuesday to come in this House and breach the confidentiality of the supposedly confidential hotline.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, as I have indicated earlier, I should not have referenced those particular calls. But, in fact, as I am aware, any calls, any genuine calls for assistance or information since the province took over the

line on May 10, 1999, have been handled on an appropriately confidential basis.

**Minister of Justice
Resignation Request**

Mr. Dave Chomiak (Kildonan): Madam Speaker, I will try to get the Premier to answer a question. The Premier has no problem appearing on TV on paid ads every night talking about justice and gangs, but he will not stand up in the House and try to defuse the situation, explain the situation his Minister of Justice finds himself in.

I would like to ask the Premier: does the Premier not recognize that all of the claims and promises since 1995, all of your heavy-priced paid TV ads, the very nature of all of the confidential lines in the province of Manitoba are in jeopardy because of the breach of confidentiality by your minister and the confusing stories and the seven or so contradictions? Will the Premier not do the right thing today, stand up and ask his minister to step aside while they investigate this issue for the benefit of all Manitobans?

Hon. Vic Toews (Minister of Justice and Attorney General): Indeed, I can indicate that it was as a result of an internal review by one of my staff members that the province took over the function of clearing the line. There were, I understand, some concerns about the operation of the line, and as a result, other conversations have taken place between staff members and the Winnipeg city police. I know that staff are looking at the operation of the line and will come to a conclusion and recommendations for me in respect of the operation of that line. As the police themselves have indicated, in recent years the line has been of limited use. Emergency calls, however, I might stress, were appropriately routed for assistance.

Madam Speaker: Time for Oral Questions has expired.

* (1430)

MEMBERS' STATEMENTS

Income Assistance Reforms

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, it gives me great pleasure to

rise in the House today to speak about my government's recent initiatives in the area of welfare reform. These are important initiatives that will benefit social assistance recipients and their children for years to come.

On Friday, we announced \$1.2 million in funding aimed at getting young Manitobans off welfare by helping them stay in school, taking parenting courses, receiving training and finding jobs. A Learnfare program will be aimed at minors aged 16 to 17 years of age. As of January 2000, certain conditions will have to be met for these people to receive income assistance. Able-bodied young adults without children will be required to attend school, be in training or be employed in order to receive their employment and income assistance. Should an individual in this category fail to comply with these terms, their benefits will be terminated.

Able-bodied young adults with children will be required to take parenting courses. If their child is over six months of age, they will be required to go to school to receive their benefits. Where no family supports exist, government will provide assistance to cover child and transportation. Young adults who do not comply with these conditions will see their benefits reduced, but any funds deducted will be held in a fund that a special support unit will administer to meet their child's needs.

These initiatives will help us to engage in meaningful early interventions and help prevent long-term welfare dependency. We want young Manitobans to realize the importance of education in the overall quality of their lives and the lives of their children. The best way for them to improve their standing in life is to obtain education and training so they can provide for themselves and their families. We also want to see that young Manitobans with children are learning how to be good parents. The effects of these initiatives will be felt for years to come. I commend my government for this significant and logical approach to a very real concern. Thank you, Madam Speaker.

Aboriginal Solidarity Day

Mr. Eric Robinson (Rupertsland): Madam Speaker, aboriginal people regard this day as a

day of meditation, prayer and reflection, a day in the aboriginal world as the first in the new year. Modern-day terminology, of course, regards this day as the summer solstice or the longest day of the year.

For centuries, First Nations people have prayed to the Great Spirit or the Creator and also what is referred to as the Four Worlds, these being, of course, the animal world, the plant world, the earth world and the human world, for all these four are interdependent on each other: our Mother Earth for what she provides for us each and every day; our Grandfather, the plant world, for the medicines to cure illnesses that sometimes plague our people; and as well our brothers and sisters of the animal world, the four-legged world, that provide us with sustenance; and our reliance on our fellow human beings to side with each other in a time of need.

Many of our people have lost their way in the big world, but yet many still remain true to their traditional teachings of the elders. It is for this reason that we celebrate with other aboriginal people throughout North America and indigenous peoples throughout the world a day of solidarity, so that such experiments like residential schools and assimilation attempts like the exportation of aboriginal children to foreign countries will no longer occur in our future.

So today on behalf of my colleagues, my Leader in the official opposition, I rise to salute the contributions made by aboriginal people in this country, this being Aboriginal Solidarity Day. Thank you.

Norris Lake Cairn

Mr. Edward Helwer (Gimli): Madam Speaker, I recently attended a special ceremony at Norris Lake Cemetery to unveil a cairn dedicated to the Swedish settlement in this area northwest of Teulon. The first Swedish settlers arrived at Norris Lake over 100 years ago and began to build their homes and communities. The cairn that was erected at Norris Lake recognizes a church and several schools built by these early settlers.

The Swedish Baptist Church was established at Norris Lake in 1907 and served the people of the area until 1967, when the building was relocated. The settlers were also involved in establishing the Norris School, the Westerham School, MacFarlane School, and also the Carlsborg School, which were completed between 1909 and 1916. As time went on, the schools were eventually closed and students from the area began attending classes in Teulon. The creation of the schools and the church were a very important part of building communities. By marking their history, we are also able to mark the progression of settlement in this area.

So I would just like to take this opportunity to again congratulate those involved in erecting this cairn. Through their efforts, future generations will have a better appreciation of the Swedish settlers of the Norris Lake area. Thank you, Madam Speaker.

Greenway School

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, today I rise to talk about one of our local schools, Greenway School, which was recently rebuilt. Built anew in 1996, we had the official openings. Unfortunately, that brand-new school site sits on a yard space that is probably half of what we would consider standard for schools that are being built today. Living in an established neighbourhood in the core of the city means that sometimes there have to be compromises.

Now we have an opportunity to rectify some of those unfairnesses by looking at expanding that site. It is an unusual circumstance that we have the demolition of an established building, but that is exactly what happened. Adjoining Greenway School, Canadian Linen has been demolished, and that yard site is now vacant and available for sale. I have urged the government to look into this situation, allow the 600 children who use that yard space a little bit more land and have more parity with the schools being built in St. Vital, in Linwood, in other parts of the province and in this city. The window is open for a very short time in neighbourhoods where land is in high demand, and the opportunity exists today.

I urge the government to take special measures so that we can compensate those 600 children who use that school daily. In fact, the school division has had to put additional costs and maintenance into that small yard site so that the grass will survive the use by the community. In addition, the school sits in an area that is short of green space. So I urge the government to do the right thing, move on this quickly and expand the yard site for Greenway School. Thank you.

NHL Stanley Cup

Mr. Denis Rocan (Gladstone): It gives me great pleasure to rise before the House this afternoon and offer my congratulations to Carman's Eddie Belfour, Winnipeg's Mike Keane and all of their team mates on the Dallas Stars for their victory Saturday night and capturing hockey's holy grail, the Stanley Cup. The six-game final series of the Stanley Cup did not come without a hard fight for the Buffalo Sabres and Manitoba's James Patrick. I congratulate the Sabres and Patrick on their success this season and for a tremendous effort in the final series.

Saturday night's game was the second-longest game in Stanley Cup final history, lasting more than 114 minutes. Manitoba's own Eddie "the Eagle" Belfour's performance throughout the playoffs and the final game was outstanding. "The Eagle" completely shut out the Sabres in game five and stopped 53 of 54 shots in game six. Having spent 11 years in the league, this is Belfour's first Stanley Cup and is well deserved and well earned. Mike Keane becomes the ninth player in the league to win three Stanley Cups with three different teams. Keane played all 23 games in the post season. His hard-hitting, rough-and-tumble style helped lead his team to victory.

Please join me in congratulating Manitoba's Eddie Belfour, Mike Keane and James Patrick for their tenacious efforts throughout the playoffs and the final series, and offer a special congratulation to Carman's Eddie "the Eagle" on his first Stanley Cup. Thank you very much.

ORDERS OF THE DAY

Committee Changes

Mr. Edward Helwer (Gimli): I move, seconded by the member for Sturgeon Creek (Mr.

McAlpine), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the member for River Heights (Mr. Radcliffe) for the member for Assiniboia (Mrs. McIntosh).

Motion agreed to.

House Business

Hon. Darren Praznik (Government House Leader): Madam Speaker, a number of bits of information on House business. First of all, I would ask if you could canvass the House to see if there is a willingness to waive private members' hour for today, of course being on the understanding that we will be using Thursday morning for Private Members' Business.

Madam Speaker: Is there unanimous consent of the House to waive private members' hour today with the understanding that we will have private members' hour Thursday morning? [agreed]

Mr. Praznik: Secondly, the opposition House leader and I are working out ministers and critics for a series of committee meetings involving a number of annual reports, and although we have finalized one or two of them, I look to the opposition House leader. I understand there are still one or two more of the committee hearings to be matching ministers and critics, and then we will be making an announcement for a series of Tuesday morning committee meetings. I hope to be able to do that tomorrow or the next day.

Thirdly, Madam Speaker, I would ask if you would find if there is consent of the House for the Estimates of Consumer and Corporate Affairs to be considered in the Chamber on completion of Executive Council today. Executive Council is scheduled for here. Should that be completed, is there unanimous agreement?

* (1440)

Madam Speaker: Is there unanimous consent of the House to allow the Estimates for Consumer and Corporate Affairs to be considered in the Chamber upon the conclusion of the Estimates of Executive Council? [agreed]

Mr. Praznik: Secondly, Madam Speaker, again the consent of the House for the Estimates of the Department of Highways and Transportation to be considered in Room 255 on completion of the Legislative Assembly Estimates.

Madam Speaker: Is there unanimous consent of the House for the Estimates of the Department of Highways and Transportation to be considered in Room 255 upon completion of the Estimates of the Legislative Assembly? [agreed]

Mr. Praznik: Madam Speaker, for the information of all members, consideration of the Estimates of Family Services will continue in Room 254.

I would then move, seconded by the honourable Minister of Finance (Mr. Gilleshammer), that Madam Speaker do now leave the Chair and that this House resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

COMMITTEE OF SUPPLY (Concurrent Sections)

FAMILY SERVICES

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 Family Services.

When the committee last sat, the honourable Minister of Family Services had commenced her opening statement. The honourable Minister of Family Services has 52 minutes remaining. The honourable minister, to continue her opening statement.

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Chairperson, I will just begin at the start of the last paragraph I was reading when we finished last time.

Since our government began reforming the welfare system in 1996, the caseload for clients participating in welfare reform has dropped by 9,900. This means that more than 18,300 people supported by welfare have left the rolls, the first

time in two decades where there has been a decline in the number of welfare recipients.

The new policy initiatives I have recently announced will help sustain and expand on the success of our previous reforms, the first being work before welfare. When able-bodied individuals apply for assistance, they will first be directed to job opportunities. Family Services will provide employment referrals and other supports to help people find work. They must then show proof of their job search efforts prior to being eligible for assistance. During this period, Family Services will provide assistance in emergency situations.

Next, work for welfare: Every person capable of working must make a contribution as a condition of receiving income assistance. All clients will be required to contribute up to 35 hours of community service each week, with contributions varying on capacity to work and availability of placements. Participating will be mandatory. Exemptions include single parents with children under six, the disabled, and the aged. Community organizations and municipalities will identify projects and then provide direction and supervision of those projects, such as cleaning up graffiti, sidewalk and street cleaning, participating on neighbourhood crime patrols and school patrols, or assisting lower-income seniors or disabled persons. Recipients will only be assigned to school and senior projects after background checks are conducted.

Community mobilization initiative: I am pleased to indicate that our Premier (Mr. Filmon) will personally be writing to community and business leaders to request a voluntary commitment from them and their staff to act as advisors and mentors to people on welfare. Such mentors could provide welfare clients with valuable advice on resume writing, interview preparation, and in making business contacts. In addition, the Premier will be asking for volunteers to work on community group projects with welfare recipients.

Incentives to work: To help people make the transition from welfare to work, Manitoba currently offers drug, dental, and optical benefits to single parents and disabled clients who leave welfare for employment. Coverage is currently

available for up to one year. To make sure people can keep on working under this initiative, benefits will be extended from 12 to 18 months.

Program Compliance: Our government is also committed to ensuring that assistance gets to those in need. Abuse of the system is not acceptable. Our past efforts to target abuse, such as our welfare fraud line, specialized investigators, preintake orientation sessions, and expanded information sharing agreements, have been successful. To build on that success, we are taking steps to do even more. We are going to intensify efforts by introducing a parental support maintenance enforcement unit, a housing investigator, enhanced enrollment investigations, and income and asset investigators.

I would again like to point out that these new initiatives will not apply to the disabled, single parents with children under six, and the aged.

While some of these initiatives will take effect immediately, the work for welfare and Program Compliance components will begin to be phased in this fall.

Over the years, we have implemented several early intervention and prevention initiatives that work toward ensuring our children get off to a good start in life.

EarlyStart focuses on prevention and is designed to provide three years of early intervention with children ages two to five to help ensure that they are ready to learn when they reach school age.

BabyFirst is a community-based, early childhood program for children from birth to three years of age. It emphasizes positive parenting, enhanced child-parent interaction, and improved child health and development. The Women and Infant Nutrition Program helps meet the nutritional needs of pregnant women and children under one year of age.

Another of my recent announcements builds on our past efforts. The provision of an additional \$500,000 each year to create more spaces for addictions treatment provides new hope for Manitobans, particularly parents.

Parenting is the most important responsibility in our society. Those parents with addictions face great challenges, and our government is committed to helping them help themselves, which ultimately helps their children. After all, for addicted parents on welfare, how they can support their children when they are also supporting an addiction? We want to ensure we are doing everything possible to get the support and treatment services to parents in need to change that.

Prior to the province taking over the City of Winnipeg's welfare system, the city required its clients without children who had a chemical dependency to attend a treatment program. The city would terminate benefits if the client did not attend. Upon implementation of one tier in April, the Department of Family Services adopted this policy, and we are taking steps to ensure that we are more aggressively encouraging addictive clients to get treatment.

While parents with addictions will also be included in this initiative, their benefits will not be terminated for noncompliance. Our first priority will be the safety and security of children. We will exhaust every effort to ensure connection to early intervention initiatives. In the case of continued refusal of treatment, Child and Family Services will be asked to put the necessary safeguards in place to ensure that children are not placed at risk.

* (1500)

It is estimated that funding will provide treatment to approximately a hundred parents each year. In most cases, treatment will be provided during the day while children are in school. For parents with young children, additional funding has been set aside for the child daycare program and overnight care. Depending on the needs of each client and the severity of the dependency, the treatment may include residential detoxification, day programming to address the addiction and ongoing support services to help clients improve their life skills, prepare to look for a job and find work.

Our government knows that it is difficult to be a teen parent. We also know that dropping out of school increases the risk that they will fall

into the trap of welfare dependency. Effective January of 2000, teen parents aged 16 and 17 years on welfare will be required to take parenting courses. Those with a child over six months will be required to attend school as well. Where there are no family supports, government will provide additional assistance for such things as child care and transportation.

If a young parent with a child over six months refuses to continue his or her schooling, welfare benefits will be reduced on a graduated scale. Sanctions include reducing payments by \$50 per month for the first three months and by \$100 per month after that. Any money deducted will be placed in a fund to be administered by a staffperson of a special support unit and will be used for items which will benefit the child and ensure that his or her needs are being met.

The special support unit will be established to work with young parents to both encourage continuation of their schooling as well as to ensure that their children are not being put at risk. Our government will be providing \$1.2 million toward providing such things as parenting programs, child care, transportation, training services and staff for the special support unit.

We want young Manitobans to gain an education and be better parents so they are able to care and provide for their children in the years ahead. This is not about forcing youth to go to school as much as it is about ensuring youth recognize the importance of an education, both to them and their children. After all, if a parent is not prepared to help themselves, how are they going to be able to help their children?

By reaching out to these young people and by putting supports in place to help them stay in school and gain an education, we believe we can help more Manitobans stay on the road to self-sufficiency, instead of falling into the trap of dependency. Young adults 16 and 17 years of age without children will be obligated to go back to school, be in training or do community service as a condition of receiving employment and income assistance.

Currently, all income assistance clients with work expectations are expected to look for work

or prepare for work. Under this new initiative, young adults under 18 on welfare must go to school, go through a more structured and intensive job preparation and job search effort, or do community service. If an individual refuses to comply, welfare benefits will be terminated. We are also continuing to invest resources to help people find and keep work, especially single parents. These initiatives complement our Making Welfare Work strategy, which has resulted in many more people working and lower income assistance caseloads.

In 1999-2000, our government will invest a total of \$6.5 million in making welfare work programs to help Manitobans make the transition from welfare to work, including such programs as Taking Charge!, Community Services Projects, Rural Jobs Project, and Opportunities for Employment.

We will continue to work in partnership with other jurisdictions to improve the situation of lower income families and children. As part of this co-operative work, the first phase of the National Child Benefit was successfully launched in the past year and has been recognized throughout the country as a good start in addressing child poverty.

This national initiative is the product of a co-ordinated effort involving the federal, provincial, and territorial governments. It has the commitment of governments of all political stripes to work together to develop and expand programs which prevent and reduce the depth of child poverty and promote attachment to the workforce. We will continue to encourage the federal government to remain an active partner in addressing child poverty by significantly enhancing its investment to the National Child Benefit in the future.

In 1999-2000, Manitoba will be increasing spending for children, youth, and their families by \$25 million, of which \$11 million will be in initiatives which qualify under the National Child Benefit. Anticipated recoveries under the National Child Benefit, which are available for reinvestment by Manitoba, are estimated to be \$7 million. Accordingly, the province is investing more than \$4 million from new provincial funding in 1999-2000. We are

investing these additional funds because of our commitment to addressing the needs of children on a long-term basis.

This year Manitoba's reinvestments are building on the approach introduced in 1998-99. We will again focus the largest portion on child care. We will add \$5.3 million to the child daycare program to fund additional subsidized spaces, increased grant funding, and provide more funds for extended-hour care. Our total budget for child daycare will be more than \$53 million.

You will remember that I mentioned earlier the WIN program. I am pleased to advise that we are expanding this program. Introduced in 1998, the WIN program provides lower income families with access to community-based programming that covers a wide range of topics, such as the nutritional requirements of prenatal and postpartum women, infants and children, newborn care, parenting, child development, cooking, and shopping.

Families on income assistance who attend these programs are eligible for a nutritional supplement of \$65 per month starting during the last trimester of pregnancy and continuing throughout the child's first year of life. In 1998-99, \$1.8 million was allocated to the program; \$960,000 in additional funding has been allocated for 1999-2000.

A number of initiatives introduced through the Children and Youth Secretariat will be expanded as a result of the reinvestment of funds under the National Child Benefit system. The additional funds contributed by the province include EarlyStart, BabyFirst, and adolescent pregnancy programs.

I am pleased to note that the C.D. Howe Institute, one of the top think tanks in the country, recently released a nationwide study that says of all the provinces, Manitoba is making the best use of its share of the National Child Benefit to help fight child poverty by providing low-income families with added benefits and services.

The C.D. Howe report commends Manitoba's 1998 and '99 NCB investment of

\$15.2 million into early childhood intervention initiatives, school readiness programs for preschoolers, nutrition counselling for families, and other preventative approaches. It argues that the other provinces should adopt variations of Manitoba's strategy by investing NCB funds in intervention programs to improve the prospects of children in disadvantaged circumstances.

As we all know, disabled people often experience higher daily living costs than nondisabled people. As well, they often face special barriers to employment and require ongoing support services that make it difficult for them to become financially self-sufficient. Our government recognizes and wants to address these special circumstances and challenges. We want to establish an income assistance approach that best meets the needs of Manitobans who have severe and permanent disabilities.

Currently, there are about 12,000 disabled Manitobans receiving EIA benefits. Many of these clients are eligible for additional benefits under the EIA program's Income Assistance for the Disabled component, which helps cover the extra costs associated with being disabled and living in the community. In 1999-2000, an additional \$1.4 million has been allocated to the Income Assistance for the Disabled program, increasing benefits from \$70 to \$80 per month.

*(1510)

However, we have been asking ourselves would disabled clients be better served by a separate income support program or does the existing program need to be modified? These are some of the questions we are looking to find answers to. A number of other provinces, British Columbia, Alberta and Ontario, have established separate income assistance programs for people with severe and permanent disabilities. Other jurisdictions like Manitoba have adopted special policies and provisions for the disabled within their existing income assistance programs. However, it might be time for a change.

To determine which route is best, our government will be consulting with all segments of the disabled community and their families

about the merits and possible design features of any new initiatives. A reference group will be established to work over the summer to develop and co-ordinate a consultation process to be implemented in the fall. It will have representation from Manitobans who have interest in programs and services for the disabled community. Over the next several weeks, community members will be appointed. The reference group will ensure that meaningful input is received from Manitobans with physical, mental, psychiatric, learning and other disabilities, and their families. Particular attention will be paid to the views of disabled people currently receiving Employment and Income Assistance benefits.

Based on the results of the consultation, our government will determine specific proposals which could include the introduction of new legislation. We are looking to make the program fairer and more comprehensive. As we move into the next century, we want to ensure that we have a program that meets the needs of Manitoba's disabled community.

As I am sure my honourable friend is aware, a single system of income assistance in Winnipeg was successfully implemented as of April 1, 1999. The new system will reduce the administrative overlap involved in two levels of government providing similar services. Services required to meet specific needs of clients will now be delivered from locations designed to meet those specific needs. During 1999-2000, we will begin to extend the technological improvements associated with the introduction of one tier to our rural regional Employment and Income Assistance offices.

The Community Living Division provides co-ordination, direction and support for adult community living in vocational rehabilitation programs, the Manitoba Developmental Centre, regional delivery of social services and residential care licensing of adult care facilities. We continue to place a high priority on programs and services for adults living with a mental disability. Community-based services have been expanded and funding support for residential and day services agencies has been enhanced.

For the past four years, \$22 million has been added to the Adult Services budget to assist those adults living with a mental disability who are in critical need of community living supports. This year we have added \$8.7 million for services and supports for adults living with a mental disability, an increase of 12 percent over the previous year. This increase will provide additional residential and respite services for over 130 individuals. In total, approximately 3,350 adults with a mental disability will receive supports to live in the community in a variety of settings including family homes, supported independent living and licensed residential care facilities. The funding increase will also allow for an expansion of the day services programming for over 90 individuals. Approximately 2,200 individuals will participate in day services programs.

Residential and day services agencies per diems will be increased by 5 percent in order to assist service providers in recruiting and retaining staff. We will continue to work closely with service providers to ensure that individuals with mental disabilities are supported in daily living activities and are provided with the opportunity to live independently and participate in community life to the greatest extent possible.

We will also work closely with community groups to develop pilot projects for seniors with mental disabilities and to test innovative approaches to family support, client-centred planning and self-directed care. In the area of assisting Manitobans with disabilities to obtain and maintain employment, Manitoba signed the Employability Assistance for People with Disabilities agreement which took effect on April 1, 1998. The EAPD agreement places greater emphasis on employment outcomes and measuring program effectiveness.

Representatives of the disability community participated in an extensive consultation process with Manitoba officials. Their views, along with those of national disability groups, were taken into account in the development of the multilateral framework for the EAPD agreement. Our vocational rehabilitation program and other staff will continue to engage community representatives in the implementation of the EAPD agreement. The Child and Family

Services Division provides central program management for child and family services programs. While the division as a whole will see an increase in its budget, the child, family and community development component will see an increase of \$8.8 million in its maintenance of children and external agency support area.

Keeping children safe and protected from abuse and neglect is a primary objective of the department. The recent amendments to The Child and Family Services Act will strengthen our ability to meet the needs of children who are at risk. This year, we will continue to be active in implementing this legislation as well as in contributing to efforts to intervene early in the lives of children and families to prevent longer-term difficulties. The new Adoption Act will enhance our ability to facilitate adoptions to provide permanent homes for children.

In 1999-2000 through the Winnipeg Development Agreement, the province is providing almost \$500,000 in operating support and \$346,000 for refurbishing living space for a parenting support project for at-risk adolescent mothers and their children. We recently announced that the Family Dispute Services branch has been renamed the Family Violence Prevention branch. The new name, implemented as of April 1, 1999, was done partially as a result of the Lavoie inquiry recommendations but also in keeping with the general direction to address issues of family violence on a much broader level.

For 1999-2000, we will increase support for services for families affected by domestic violence. Community consultations are currently underway to identify gaps in services and how these issues can be addressed through community-based initiatives. Supervised access service, which has been implemented in the communities of Brandon and Thompson, will be expanded to Winnipeg. This service allows custodial parents to arrange for their children's visits with the noncustodial parent without needing to have contact with that parent. A high-quality child care system is an important part of my government's commitment to working parents. We understand the need for a system that is flexible and responsive to the needs of families.

We are continuing to implement the recommendations of the child daycare regulatory review committee. Alternative child care arrangements will continue to be explored and created to meet the changing work needs of families. In 1999-2000, funding for the child daycare services has increased by \$5.3 million for infant and preschool care, including an addition 500 subsidized spaces. Since 1987-88, almost 5,000 additional spaces have been created for the benefit of children and their families.

As recommended by the regulatory review committee, the 1999-2000 budget provides resources to move towards a unit funding model for funded child care centres. This model ensures that funding takes into account the staffing levels required by regulation, as well as the need to improve salary levels for early childhood educators. Operating grants for full-time child care centres and infant preschool spaces will be increased by 15 and 10 percent respectively. Grant funding is being provided this year to approximately 1,600 currently licensed expansion and nursery school spaces.

The 1999-2000 increase includes \$1 million for the Children with Disabilities Program, to ensure that families with children with a disability are able to access child care support. A 2 percent increase in operating grants for all family daycare spaces is provided in this year's budget. In addition, the budget includes funding for all nonprofit nursery schools, including 2 percent to operating grants.

Our 1999-2000 budget also provides increased funding for the development of rural child care. New operating grant funding of \$500,000 will support the development of an additional 385 infant, nursery and preschool child care spaces outside the city of Winnipeg. In the Children's Special Services area, an additional \$645,000 will provide support for an increase of approximately 150 children and their families as well as funding for a Thompson site co-ordinator for the FAS telediagnostic model.

* (1520)

We created the Children and Youth Secretariat in 1994 to provide a vehicle through which policy and programs for children could be

co-ordinated and early intervention and prevention initiatives could be initiated. A number of important early intervention and prevention programs have been introduced as a result of the co-operation and co-ordination efforts of the Children and Youth Secretariat.

As mentioned earlier, in 1999-2000, we are expanding the EarlyStart program which provides focused early intervention for young children to increase school readiness and decrease the need for costly education, health and social services interventions in the future. We are also adding funds to the BabyFirst program to provide services to families living in conditions of risk. BabyFirst emphasizes positive parenting, enhanced parent-child interaction, improved child health and development and optimal use of community resources. As well, we are implementing initiatives to delay pregnancy in adolescents.

Finally, and in closing, I want to emphasize that in our allocation of expenditures for 1999-2000 we have made a concerted effort to achieve and maintain a balanced approach to renewing and preserving services for the most vulnerable members of our society. We have taken very seriously our responsibilities to Manitobans who require support and assistance in their time of need. We have also taken very seriously the needs of future generations of Manitobans, those children of families who require our assistance today in order to help ensure a positive future. In this effort, we have taken every opportunity to engage the community in meeting these challenges in the spirit of partnership and shared responsibility for meeting the needs of vulnerable families and individuals. As we move forward this year and in the years to come we will continue to work with existing and new community partners. We will continue to develop innovative initiatives to help people to find work and to become self sufficient and to enhance the outcomes for children and families at risk.

So I am looking forward to the dialogue and discussion around the departmental expenditures this year, and I certainly welcome comments from my honourable friend and his colleagues around some of the good things that are happening in Manitoba. I know we always have

dialogue, debate and discussion around some of the things my honourable friend may feel are not happening, but I certainly look forward to his comments, suggestions, recommendations and ideas on how we can continue to make our programs as effective as they can possibly be for those who need the support and the services from the Department of Family Services. Thanks, Mr. Chairperson.

Mr. Chairperson: I thank the honourable minister for those comments. Does the official opposition critic, the honourable member for Burrows have an opening statement?

Mr. Doug Martindale (Burrows): Some good things are happening in some parts of this minister's department, but this minister has a long way to go before she gets even a passing grade. In the past, this minister has had several nicknames. Last year I dubbed her the minister of pilot projects. This government likes to talk about partnerships, partnerships with business, partnerships in education, here a partnership, there a partnership, everywhere a partnership. There is one partnership this minister should be ashamed of and her government should be ashamed of; they are partners in poverty.

This government does not care that they have been the child poverty capital of Canada for several years and have been in the top three of the highest levels of child and family poverty for many years in a row. Welfare cases have grown. In the 1998 annual report, 74,000 people were recorded as being welfare recipients. In 1988, there were less than 62,000.

The one-tier project or amalgamation of city with provincial welfare was plagued with problems from the beginning. It began with an untendered IBM contract. Then there was the senior civil servant who violated conflict of interest guidelines by leaving government to work on a contract he helped design, then attended meetings with government officials less than a year later.

After the April 1 change when the Province of Manitoba took over the City of Winnipeg's caseload, some people did not get their cheques, some cheques were late. Winnipeg Harvest had the largest ever number of people walk in

requesting food. Some cases were not transferred from the city to the province. Direct deposit information was not transferred. People did not know which office to go to. People could not find the office on Rorie Street because there is no signage. People could not get through on the phone. I am told there were 15,000 calls that were not answered. This government likes to brag about being an efficient government. There is no efficiency when 15,000 calls go unanswered. One person tried 140 times to get through on the phone, gave up, went to the office in person, and got so frustrated he began taking his clothes off. Only then did he get an appointment. People were told they had to have an appointment. They could not walk in. It took three days to a week to get an appointment, if they could get through on the phone.

Under the supposedly new and more efficient amalgamated system, the case co-ordinators have caseloads of 170 or more. They have to do everything that was formerly done by support staff and spend 50 percent of their time serving the bureaucratic needs of the system and too little time with clients helping them get off welfare and into a job. This minister is intent on eliminating staff with social work degrees and deprofessionalizing the staff. Staff are now case co-ordinators so there is no time or role for counselling abused women or protection planning. I am told by people on the front lines the intake assessment tool and the new intake process work very poorly.

Staff transferred from the city to the province say the city's computer system was better, even though the province apparently spent \$8,710,000 on new computers. Explaining the new system to clients was last on the government's agenda as it took months, repeated letters and phone calls from St. Matthew's-Maryland Community Ministry staff and phone calls and letters from the MLA for Wolseley (Ms. Friesen) and I before Income Assistance staff were finally allowed to go to St. Matthew's-Maryland Community Ministry and face the people most affected by the amalgamation to explain the new system and answer questions.

If I were the minister, I would have gone myself, and certainly this minister, if she had the courage, could have gone in person and

answered all the questions. Why you and your staff are afraid to face people who are poor and powerless is beyond me. At the very least, if you are going to make changes in the system, you should be prepared to defend the changes and even explain them.

Last week's warmed-over Mike Harris announcements are a damning admission that this government has failed to move people from welfare to work. A similar situation exists in child care centres where dozens of centres are advertising for ECE IIs and ECE IIIs and cannot get them. Those who are still working in child care are inadequately paid, considering they have two years of post-secondary education. Dozens of centres have provisional licences because they do not have the required ratio of qualified staff to children. The result is that the quality of care has been compromised, and what was once the best child care system in North America under the NDP is deteriorating under this government's watch. Most of that time it has been under this minister's watch, since she has been the minister since 1993.

There is a huge gap between this government's rhetoric and its actions. In the 1995 election, the PC Party said, and I quote: Our children are the most fundamental social investment we make in our society.

But according to the National Council of Welfare, the child poverty rate in Manitoba in December of 1998 had grown to over 25 percent, the highest rate in Canada. Manitoba was condemned by national organizations and the United Nations for provincial government policies which have contributed to child poverty.

In the 1995 election campaign, the PC Party said: Our health, education and social services must be child focused if we are going to make a positive difference in the lives of our children as they develop into healthy, competent, responsible citizens who will participate in enhancing the quality of life in communities throughout Manitoba.

But according to the government's own Mason Report, quote: In Manitoba the Departments of Health, Education and Family Services are all reducing service. The

contraction of the human service envelope is exposing both natural and foster families to greater demand for child and family services.

In the 1995 election, the PC party said: The Filmon government will maintain its ongoing commitment to finding and implementing more effective ways to successfully keep families together rather than intervene by taking children into direct, formal care. But, according to Winnipeg Child and Family Services, between 1991 and 1998, the number of permanent wards brought into care rose by 42 percent at an increased cost of \$10.8 million in one agency alone. Today we have the highest rate of children in care in the country.

* (1530)

Mr. Peter Dyck, Acting Chairperson, in the Chair

In the 1995 election, the PC Party said: The safety and care of children is of paramount concern. In situations where the family is unable to provide such care, the children should be placed in a safe, supportive environment. But, according to the Department of Family Services, the Filmon government spent \$7.8 million in one year alone housing hundreds of children in hotels and shelters staffed by shift workers. By 1998, Winnipeg Child and Family Services stated that the use of hotel and shelters was at an all-time high.

Under Mr. Filmon's watch and this minister's watch, Manitoba had the highest rate of child poverty in Canada for several years, and for the most recent year for which statistics are available, Manitoba was virtually tied for second. Children make up over 40 percent of those using food banks in our province. Food banks went from an unknown phenomena to year-after-year record growth.

Cuts to prevention services such as speech and hearing have compromised children's readiness for school. Cuts to education have compromised our children's ability to be prepared for the jobs of the 21st Century. Cuts to recreation programs, such as the elimination of provincial funding to friendship centres, meant a cut in programs that have resulted in

youth turning to destructive alternatives such as street gangs. And the list goes on.

I would like to illustrate the list with some newspaper clippings. I will spare the minister the details. I will just read the headlines. For example, on January 17, 1998, this headline: "Manitoba leads in teen pregnancies." From the Winnipeg Sun of June 14, 1998: "New poor' turn to food banks." The first two paragraphs say: "People who use food banks are more educated, healthier and younger than most people think, a recent Montreal study shows—a trend which is mirrored in Manitoba. 'We find, when we do a snapshot of our users, about 25 per cent of the people are working or in transition,' said David Northcott, co-ordinator of Winnipeg Harvest."

From July 4, 1998, by Nicholas Hirst of the Free Press, a column entitled "Focus on inner-city kids." He points out that "last year there were 71,000 occasions that a child spent a night in short-term placements including hotels." He has some suggestions for solving these problems. I do not agree with two of them, but a third one says: "Work on the root problems of a poverty-stricken, disillusioned, depressed core area. Create 24-hour community centres out of schools and other community buildings. Have an inner-city housing program to rebuild and improve the stock that is there. Work with the community groups to do that and employ inner-city workers to do the building."

July 8, 1998, a Free Press headline says: "Child benefit no extra help to recipients. Single mother in 'total shock' after finding provincial welfare reduced by the same amount." July 28, 1998: "Crumbs for single moms." August 31, 1998: "City's poor are among poorest in land. Three of Manitoba's wealthiest areas in Winnipeg: Stats Can." The first paragraph says: "The least affluent neighbourhoods in Winnipeg are also among the poorest in Canada, according to a study released this month by Statistics Canada. Incomes in the Winnipeg postal codes which begin R3A and R3B rank fourth- and fifth-last in the country when it comes to median income reported on 1996 tax returns."

From The Globe and Mail, Friday, September 11, 1998: "Food-bank users immune

to economic good times. Handouts rationed as number of Canadians requiring emergency supplies jumps 5.4%." From the Free Press September 16, 1998: "The market isn't working." September 11, 1998: "More people are using food banks in province to make ends meet." From December 8, 1998: "Manitoba labelled child poverty capital." December 3, 1998: "Sad progress on child poverty," the Winnipeg Sun.

It was not just Winnipeg papers that noticed this. The editorial in the Thompson Citizen for December 4, 1998, says "Poverty capital of Canada unchanged," referring to Manitoba. December 14: "Feds fight child poverty, but province claws back." From December 3, 1998: "Poverty's small faces. 72,000 children were living in destitution in Manitoba in 1996. Poor families find it a never-ending struggle to make ends meet."

December 1998: "The other world intrudes," Frances Russell talking about "Two different worlds are becoming ever more visible in Manitoba and Canada," the two different worlds being one for the haves and one for the have-nots. December 4, 1998: "Poor fall further behind." December 5, 1998: "Canada gets failing grade on treatment of its poor. UN panel cites homelessness, rising use of food banks, welfare cuts." December 30, 1998: "Quick way to cut poverty" headline on a story regarding attempts by governments, including this one, to redefine poverty in order to make the stats look better.

From July 3, 1998: "Child workers' case-load a danger," referring to the high workload requirements of Child and Family Services staff. July 10, 1998: Child and Family Services "to split up siblings in bid to cut hotel stays. Separating children 'contrary to everything we've ever done.'" The first paragraph says "Winnipeg Child and Family Services officials want to keep kids out of hotels at all costs—even if it means separating them from their brothers and sisters." It really shows how desperate the situation is. From November 1, 1998: Child and Family Services "volunteers face an uncertain future."

Now that we are into the spending Estimates of Family Services, we will see where the

government is turning on the spending tap in a pre-election spending binge and where they are tightening the screws on the most vulnerable, also in a blatant attempt to get votes in a pre-election period, an election postponed because they knew they could not win.

The Acting Chairperson (Mr. Dyck): We thank the critic from the official opposition for those remarks.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table, and we ask that the minister then would introduce her staff that are present. So if they would please move forward.

The honourable minister, to introduce her staff, please.

Mrs. Mitchelson: Mr. Chairperson, I would like to introduce my deputy minister, Tannis Mindell; and assistant deputy minister for Administration and Finance, Kim Sharman.

The Acting Chairperson (Mr. Dyck): Thank you. We will now proceed to line 9.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits. That is on page 65.

Mr. Martindale: Mr. Chairperson, I would like to ask the minister for the list of grants to external agencies. I went through the Estimates book this year and made a list of them. I do not know why I did not ask for all of them in previous years. That was a mistake on my part.

I will give you the whole list, and if I can get these tomorrow that would be great, or as soon as possible: the Community Living and Vocational Rehab programs, Maintenance of Children and External Agencies, the Family Support Innovations Fund, the family violence prevention External Agencies, and Children's Special Services Financial Assistance and External Agencies.

Mrs. Mitchelson: I know that we have provided the list of grants to external agencies in past years, and I know there was a recommendation by my honourable friend, or a request, that we break it down into different divisions for him. Just to show how very accommodating we are, we do have that list here today, and it is broken down I believe in the way he has asked for it. So I am prepared to be certainly as co-operative as I possibly can in providing information to my honourable friend.

* (1540)

Mr. Martindale: I would like to thank the minister for following that suggestion and for having the list available so quickly.

I would like to ask the minister, I guess I am going to have some questions on the first section here. Since this includes Policy and Planning, I am wondering if there has been an evaluation of Taking Charge! and if the minister could make it available for me.

Mrs. Mitchelson: It is my understanding that that report is almost completed in its final stage. It has to then be reviewed by the project review committee which is both federal and provincial appointments. Certainly once that has been finalized, it will be released publicly, and I will ensure my honourable friend gets a copy as soon as it is able to be released.

Mr. Martindale: I thank the minister and look forward to getting the report. Can the minister tell me if there are plans to extend the Taking Charge! program, or are you awaiting the evaluation?

Mrs. Mitchelson: Although the federal government has finished its funding commitment to Taking Charge!—the five-year pilot project is finished—there certainly was significant value in some of the programming that took place at Taking Charge! with I think over 1,200 women and their children moved from assistance and into the workforce as a result of various different programming activities. We have continued our provincial funding in this year's budget, and we have added an additional \$400,000 through Education and Training to Taking Charge! The federal government has directly flowed I think it

is around \$900,000 to Taking Charge! for one additional year, so they have some commitment for this fiscal year, but they say that will be the end of their funding.

As a result of the reduction in funding, Taking Charge!, the board and staff have had to take a look at what programming they have done, what programming has been the most effective and has had the greatest impact and determine what they are going to fund into the future, what kinds of programming they are going to fund. There is a significant reduction that has caused them to take a look at what has worked well and what has not. As with any pilot project, we know that not all pieces are successful. It is important that an evaluation is done and that you build upon the strengths of any of the program components, and that is exactly what Taking Charge! is looking at right now.

I think what they are beginning to focus on in a more significant way is those single parents who have the greatest needs and significant support required. We know that that is not always the cheapest program, that sometimes they are the most costly programs, but when there are multiple needs and there is a lot of work to do, I think they feel that that is probably the area where they need to focus their attention and direction. That is what they are in the process of implementing as they move forward and look at the resources they have and where they can best be spent.

Mr. Martindale: I understand that Taking Charge! is funding some adult literacy programs, and I am wondering if those are going to continue or if they are going to be terminated, I guess.

Mrs. Mitchelson: I do not have a specific answer to that, but I can certainly undertake to get that information from Taking Charge! and provide it.

Mr. Martindale: Under Information Systems, it is my understanding that Information Systems have been contracted out to Systemhouse. Is that right?

Mrs. Mitchelson: Right across government, government-wide, we have gone to a desktop management system with Systemhouse that will provide standardized software and hardware right across the board. So it is a government-wide project.

Mr. Martindale: Can the minister tell me how many staff went from Family Services to Systemhouse?

Mrs. Mitchelson: Six staff from the Department of Family Services went to Systemhouse. Four of these were as a result of the desktop initiative.

Mr. Martindale: Can the minister tell me if the contract with Systemhouse is available to me or it is confidential?

Mrs. Mitchelson: I am told that because it is a government-wide initiative, the initiative reports to the Minister of Finance (Mr. Gilleshammer) through the Office of Information Technology. So the contract would be under the auspices of the Department of Finance, where that question would be most appropriately asked. We do not have individual contracts with Systemhouse. It is a government-wide contract.

* (1550)

Mr. Martindale: Is the contract broken down in any way so that you would know how much the services provided to your department are worth?

Mrs. Mitchelson: If we look at page 73 of the Supplementary Information, it will indicate what the Amortization of Capital Assets for information technology are for the Department of Family Services. For the Desktop Management Initiative, the capital for this year allocated from the Department of Finance to the Department of Family Services is \$2.569 million. That would be our portion of the whole initiative that would be assigned to Family Services from the central contract.

On page 35 of the Estimates, the amount that would be seen here would be our central support for Information Systems. Then you would find within different divisions or branches some additional costs for implementation of

technology. So there would be some allocated in here. This would be our central support piece. There is some in every division then.

Mr. Martindale: Going back to page 75, where it says Family Services \$8,710,000, does that refer to computers as well?

Mrs. Mitchelson: On page 75, this is the capital investment for information technology to develop the one-tier system with the City of Winnipeg.

Mr. Martindale: Could the minister tell me, on page 73, if the \$3,177,000 is also for computers?

Mrs. Mitchelson: The amount on page 73 would include the hardware for the one-tier system, and on page 74 would be the building of the system, the software for the one-tier project.

Mr. Martindale: Would it be accurate to say that if you add \$3.1 million and \$8.7 million, that is what the department is spending on computers?

* (1600)

Mrs. Mitchelson: For clarification, when you talk about spending on computers, are you talking hardware and software combined or are you talking about purchase of computers, or what are you talking?

Mr. Martindale: Both hardware and software.

Mrs. Mitchelson: I am not sure if I am clear on the question that was asked, but on page 73, it is the hardware, right? It is the computers. On page 75, it is the development of the program which is a one-time cost for the implementation of the one-tier initiative. Does that answer the question?

Mr. Martindale: Mr. Chairperson, I thought the question was fairly easy, and that is how much are you spending on computers this year, hardware and software? I thought if I added the number at the top of page 75 and the number at the top of page 73, I might get the total, but it does not seem to be that clear.

Mrs. Mitchelson: I think I have it. The total IT budget excluding capital is \$9.2 million, and then if you add the capital from page 73, the 2.569, that is the total expenditure of the Department of Family Services on IT this year.

You asked for the total costs with capital, and I guess you are looking for hardware and software and staff. That is the total number.

Mr. Martindale: If that is the number the minister is giving me, then I guess that is the number that they spent this year on computers. I would like to ask the minister, on page 35 under subappropriation 09-1G, Other Operating has increased from \$12,000 to \$144,000. I wonder if the minister can explain that particular line.

Mr. Chairperson in the Chair

Mrs. Mitchelson: Of the \$9.2 million that we indicated that was spent on Information Technology, the Other Operating, this is part of it. As we said, it was allocated throughout the department. The \$144,000 is in this line.

Mr. Martindale: If I could clarify, I think the minister was trying to tell me in a previous answer and this one that the costs of operating the computer systems are spread throughout your department, so on several pages there would be a similar operating line? Okay.

Going back to the computer system, presumably if it says amortization, it is amortized over a number of years. I wonder if the minister can tell me how many years the computer acquisition is amortized over.

Mrs. Mitchelson: We have a government capital policy, and that is amortization over 15 years. So this is part of the overall government policy.

Mr. Martindale: In a brochure that I got about the help desk, it says that it is available 24 hours a day. I am wondering how many civil servants are working after midnight. Is there a demand for a 24-hour-a-day help desk, and, if so, what is the demand?

Mrs. Mitchelson: It is run by Systemhouse. It is a help line and it would be available there for

those who are having difficulty with their computer system after hours, so anyone who works after-hours hours, whether it be, I suppose, in Corrections, Citizens' Inquiry, any type of after-hour service that might be provided through our regional services.

Any of those activities that are ongoing throughout government that would be the nontraditional working hours, the help desk is there and available and it is part of the contract with Systemhouse.

* (1610)

Mr. Martindale: Well, I am glad to know that 24-hour help is available for your hard-working civil servants. I know one of them phoned me at 6 a.m. which is one of the advantages of this modern technology, you know who called you and when, which, as we know, is causing the Minister of Justice great problems right now.

I do have a question about that. I understand that, you know, civil servants often work until five or six o'clock because I frequently talk to them between that time, but are you paying for a service that is not used very much? I mean, how many people are working after six o'clock every night.

Mrs. Mitchelson: Given that there is a government-wide contract, each department provides some support to the after-hours help line. I guess my honourable friend might be critical of that support being available, but I guess I would have to question whether he would think that during a forest fire or a flood situation where the citizens of Manitoba might need support from Natural Resources or Emergency Measures that we do not have any support available and if there are things on the system that need to be accessed by those that are working providing that kind of emergency services in our correctional facilities if there was a problem with the computer and those who are working shift work or evenings or nights within our correction system could not have access to a help line if they needed to get some information off the systems.

Or in Regional Services, I know that in some of the regions, I know some of the areas of

our province are served by child-mandated Child and Family Services agencies, but I know that our department provides that service throughout many of the regions of the province of Manitoba. Especially in the North, if there was a child in need of protection and we needed to access some kind of information after hours, I would sense that, I would hope that if his party was in government they would believe that the citizens of Manitoba should have that kind of support and service, and we should be able to access information to provide the most appropriate and timely support possible.

Mr. Gary Kowalski (The Maples): I am going to ask for my two colleagues to allow me to do this. I am trying to monitor three committees right now. I have some questions in the area of investigations in income security. I am wondering where that comes. I do not know if I will be able to be here when you get to that line, but I was not here at the start of this department's hearings.

Are you going line by line? What line would that line be in, income security in regard to the investigations? I will be asking questions in regard to the emphasis on proactive investigations and the number of investigators since the amalgamation of the two. Where would that be, and any idea when you would be getting to that?

Mr. Chairperson: I did not recognize the honourable member as a point of order, so I am not going to rule on that. I did understand that the honourable member for Burrows (Mr. Martindale) conceded to the honourable member for The Maples, so hopefully your question has been dealt with.

Mr. Martindale: I thank the minister for her answer. She mentioned things that I had not already thought of which probably justify having 24-hour help. In fact, I am one of the people that could use 24-hour help except that it is not available to me, but perhaps maybe after the next election it will be available to me.

I would like to ask the minister if the IBM contract for the one-tier system would be available to me. I have a copy of the business case but the contract, I presume, is somewhat

different. I am wondering if that is available for me.

Mrs. Mitchelson: The contract with IBM around the one-tier system is not a separate contract with IBM. There is a contract with IBM for Better Systems which is the one-tier project, plus some projects in Education and Training, Consumer and Corporate Affairs, Finance and the Department of Labour, so that is one contract with IBM, and that falls under the Minister of Finance (Mr. Gilleshammer) again. There would be information available on that contract. I guess, ask in Finance Estimates.

Mr. Martindale: I wonder if the minister could tell me how much the one-tier part of that contract is worth. What was it costing your department?

Mrs. Mitchelson: That is the number that is on page 75 in the Supplementary Estimates. It is \$8.7 million.

Mr. Chairperson: Item 9.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$521,500-pass; (2) Other Expenditures \$80,700-pass.

9.1.(c) Social Services Advisory Committee (1) Salaries and Employee Benefits \$207,800-pass; (2) Other Expenditures \$159,100-pass.

9.1.(d) Human Resource Services (1) Salaries and Employee Benefits \$831,800-pass; (2) Other Expenditures \$88,800-pass.

9.1.(e) Policy and Planning (1) Salaries and Employee Benefits \$816,100-pass; (2) Other Expenditures \$177,700-pass.

9.1.(f) Financial and Administrative Services (1) Salaries and Employee Benefits \$1,756,800-pass; (2) Other Expenditures \$493,400-pass.

9.1.(g) Information Systems (1) Salaries and Employee Benefits \$1,519,000-pass; (2) Other Expenditures \$818,900-pass.

9.2. Employment and Income Assistance (a) Client Services (1) Salaries and Employee Services \$21,246,000.

* (1620)

Mr. Kowalski: I have some questions in regard to the investigative unit in this department now. I am going to ask to be sort of educated into how the department is run and some background information, especially concerning the amalgamation of the City of Winnipeg income security with the provincial.

Just so I know either the positions or the persons, I would like to relate it to what my knowledge is, a person by the name of Don Feener. Now, I am not too sure what his role is, if he is an associate director of that. Could you tell me what his position is and who he reports to and what the chain of command is before the amalgamation, before the amalgamation of the two departments, where he was?

Mrs. Mitchelson: I am hoping I am answering the question. Don Feener is the director of Investigations reporting to the director of Compliance who is Lawrie Cherniack who has just arrived at the table here. I also did not introduce Gisela Rempel when she came to the table. She is our ADM of Employment and Income Assistance.

Mr. Kowalski: Was that the same situation before the amalgamation? Was it the same structure and the same personnel before you amalgamated the City of Winnipeg and the provincial income security?

Mrs. Mitchelson: The structure has been changed as a result of the amalgamation. In the past we had a head of Investigations. With the amalgamation, there was a position created, director of Compliance, which is a new structure.

Mr. Kowalski: Does that signal any change in emphasis or direction? Investigations can be proactive where you are searching out fraud, people who are not needing or not deserving of social assistance. You could do proactive investigations, whether it is working with other government departments, whether it is—at one time I believe you had an informant line; I do not know if you still have that, whereas Compliance to me sort of indicates less of a

proactive role and more of a role of just looking at the applications and ensuring that the information is right.

Has there been a change in emphasis? Is that idea of Compliance a change of direction?

Mrs. Mitchelson: It is not less proactive. I have to indicate there have been a lot of other functions, and there are a lot of other issues to deal with. Now, as a result we have an amalgamated system, and we have to ensure that people who might have in the past been on the City of Winnipeg caseload as single employable individuals are not cohabiting with someone that might have been—I mean, there are issues around trying to ensure that we are only paying one welfare cheque for one reason to an individual.

We also, with our announcements that were made last week, are going to be much more proactive in trying to ensure that we work with single parents to ensure that they are getting all of the maintenance that they should be getting from a partner. We are going to be, because I know that sometimes within the Justice system it is not one of the highest priorities, hiring paralegals within the Department of Family Services to work proactively with women to ensure that we are holding the other partner accountable for—

An Honourable Member: Not always women.

Mrs. Mitchelson: No, and that is why I said the other partner—accountable and ensuring that there is some onus and responsibility to ensure that you are supporting a child that you may have been somewhat responsible for. So we are going to proactively seek that kind of support and ensure that people are contributing financially to the support of their children.

Mr. Kowalski: I am looking now for numbers. Prior to the amalgamation, how many investigators were there in the provincial end of it and how many investigators were working with the City of Winnipeg investigating? My understanding is that possibly the City of Winnipeg did not have dedicated investigators as much as they relied on their case workers to report on it. What is happening now? Have we increased the number, decreased it? Has more of

an emphasis been put on the case workers to investigate fraudulent claims as opposed to a special unit?

Mrs. Mitchelson: In our past structure, before we took over the employable caseload from the City of Winnipeg and amalgamated, we had four investigators, two specialists and one director.

An Honourable Member: Four investigators plus the specialists?

* (1630)

Mrs. Mitchelson: Two specialists and one director. The City of Winnipeg, for all of the employable caseload, had one investigator.

Mr. Kowalski: The laying of charges, as far as actually for those who do apply for income security when they are not eligible and they either give incorrect information, lie about other income and that. Will this new amalgamated department still lay charges or will you just be ending assistance? Will there be as many charges laid under this new structure?

Mrs. Mitchelson: We will continue to lay charges when that is warranted.

Mr. Kowalski: Because I come from a background of investigations and I receive stuff from the Canadian Police Association, I am aware in other jurisdictions that are looking at identification. Some of it, I think for some libertarians it will scare the heck out of them. I am not as concerned. If I have done nothing wrong, I have nothing to hide, and I would not be scared. I feel that quite often possibly we would have more resources for people who need it if a few who were not fraudulently obtaining income security were not obtaining it.

Now, there have been conferences and that about looking at different ways of identifying people who are receiving benefits. This would stop people from going to Alberta, Calgary in one day, picking up income security there, going to Regina the next day, going to Mike Harris's Ontario the next day, and repeating it. Now, everything goes from retina scans, I guess, you know, people, they use different terminology, but basically it is fingerprinting, retina scans or

whatever method of identifying those people so there is not duplication. I believe Ontario is moving to a system like that. What is happening here in Manitoba?

Mrs. Mitchelson: As far as identification, certainly we are open to exploring options and opportunities. I know that Ontario is looking at fingerprinting. I cannot tell you for sure whether or not they have implemented anything. I am not sure whether they are even close to finalizing anything.

I do know where we have become more proactive in Manitoba is with information sharing agreements with other provinces. I know since I have been minister we have signed agreements with Ontario, British Columbia, Saskatchewan, Alberta. So what we have tried to do is ensure that there is a reciprocal exchange of tapes so that we can ensure that we do not have the same person on caseloads moving back and forth across provinces.

One area that we have had some difficulty is getting the federal government on board in exchange of information. That has been more difficult. We would like to see that happen. They have not as yet been supportive of that taking place.

I am not aware of any province that has put in place any specific identification model. I do know that Ontario has talked about it. They are looking into possibly fingerprinting. I think they talked about it at one point in time. I would have to try to get an update on where they are at with that, but I know that they have nothing in place or nothing imminent.

Mr. Kowalski: Maybe I have forgotten already, but you indicated that there were four investigators, two specialists, a director in the province, and one person in the city. So that is a total of eight people who are looking at welfare fraud. How many people are there now doing the same function?

Mrs. Mitchelson: That was before the amalgamation. Now we will have 10 investigators, one director, and one director of Program Compliance.

Mr. Kowalski: I am curious as far as what role the caseworkers are expected to fulfill as far as weeding out welfare fraud and what role the investigative unit. Does the investigative unit look at patterns and it is up to the individual caseworkers to refer cases, or is the investigative unit going and testing, examining cases to look at ones where there is a possibility? How do these active files come to be? Whose initiative are they?

Mrs. Mitchelson: Mr. Chairperson, the 10 investigators have been decentralized into the field, so they will be working hand in hand with the caseworkers at different locations and they will be moving from location to location. They are located primarily on Market street in the new office, but they will be going out to other offices, so they will be working with caseworkers. They will be doing sort of random investigations. They will be working with caseworkers as caseworkers identify issues that maybe need to be investigated. They also will receive referral from the fraud line that has been set up. They may need to go to caseworkers to get additional information, if there is an anonymous call, so they will be working together more as a team.

* (1640)

Mr. Peter Dyck, Acting Chairperson, in the Chair

Mr. Kowalski: You mentioned the fraud line, and because of recent events, I guess the first question in regard to the fraud line is: if it is a government number, is it still blanked out?

Mrs. Mitchelson: Mr. Chairperson, it is true that 9-4-5 numbers did show up on the fraud line previous to, well, even still today, I have to say, because MTS and Centrex are trying to figure out how to fix it, and I am told that it should be fixed by the end of the day.

Mr. Kowalski: You just have to go to a different exchange, 9-4-2, to solve this; easy matter and that is it.

I guess because of questions that have been going on in Question Period in regard to justice, if government numbers were displayed, was the minister briefed on any numbers?

Mrs. Mitchelson: Absolutely not. When the issue came up last week in Question Period, I went directly to staff and said: is this something that is happening on our line? They looked into it and got the information. I have never been briefed, and I say that with all honesty. It was not even an issue.

Can I indicate then that from time to time, the critic from the opposition does call one of my staff members at home or personally on specific issues, and they usually indicate to me that they have tried to answer his questions, but that is the only extent. I have no information on the fraud line.

Mr. Kowalski: Okay, we will go to another area. When the head of MPIC was before the Public Utilities committee, we talked about some investigations there. They have shown a strong cost-benefit analysis that for every investigator that they have put into their department, the number of claims that were either denied or fraudulent ones, that it has been tenfold the costs for that investigator. I have read some statistics, mostly from the United States, where they have increased the number of investigators, investigated, analyzed more cases, and the amount of money put into that effort was recuperated tenfold by doing this.

Has your department ever looked at the amount of claims that an investigator finds as fraudulent, the amount of money recovered and investigated, and used that as an analysis to determine how many investigators should we have in a province of this size?

Mrs. Mitchelson: Mr. Chairperson, I do have to indicate that the results from the setting up of the welfare fraud line and calls that come in—and they continue to come in. We have saved on an annualized basis now since the inception, I believe that was back in 1994, we can indicate that we save \$13 million as a result. Now, it has been about \$2.8 million per year and another 2.8 on top of that. We are looking at an annualized saving of about \$13 million, so we do know it has been cost-effective. Under the new structure and with the amalgamation, we will have gone from four investigators to 10 investigators. We will be putting paralegals in place to deal with single parents and try to get more maintenance,

so that will mean we will have to pay less in welfare. Under the new Compliance that was announced last week, we will have, at the intake process, some investigators attached to that, a couple of additional ones.

The whole issue here is to try to ensure that the dollars that are needed to support those that need it are used in that way and that no one should take advantage of hard-earned tax dollars. For every dollar we are paying out when someone is claiming when they are ineligible, that is one less dollar that we can spend on health or education or other programs within government. It is important that we try to ensure that the money is going to those who need it and that we are vigilant.

Mr. Kowalski: You have gone from four investigators to 10 investigators. You say that, as a result of the welfare fraud line, you are saving \$2.8 million annually. If there is a saving, if you had more investigators, would you save more of the public's money? Has an analysis been done? What is the right number? How did the figure of 10 come? If you had 20, would you save twice as much? If you had 30? What analyses have been done to determine the cost-benefit ratio?

Mrs. Mitchelson: I recall that, when we first set up the fraud line, there were statistics right across the country that said they were somewhere between 1 percent and 2 percent of fraudulent activity in welfare programs. I recall that anyway as being sort of a figure that people thought was a realistic figure, so there must have been some analysis at the time. That was back several years ago, back in 1994.

That is what the literature says anyway. I know our percentage is not 1 or 2 percent. I guess the question that you are asking is: have we done any analysis to see whether—and I will try and get the number for you. I guess, certainly it would be worth some sort of an analysis to say: if this is what we have saved the taxpayers as a result of this kind of activity and our target should be 1 percent to 2 percent, what more or how many more people would we need to enable us to ensure that we are catching more of the activity that should not be happening?

Mr. Chairperson in the Chair

Mr. Chairperson, we are running at a little over 1 percent right now. It might be worth certainly an analysis. Those would be the numbers based on before we amalgamated. You might say we almost have twice the caseload now, and we have the single employable caseload, which we did not have in the past. I know the city only had one investigator looking at that activity. So we have increased that to 10. It certainly is worth taking a look at to see whether we have the most appropriate—we do not want to be bureaucratically heavy and not achieving savings or going after people in a meanspirited way, but we do want to ensure that those that are receiving are people that should be receiving welfare.

* (1650)

Mr. Kowalski: Going back to the identification of persons and so many records are based on name and a date of birth. It might be corroborated with some birth certificate records, with marriage records and stuff, but not necessarily. The systems that they have instituted in some of the States with retina scans, fingerprinting, whatever, it identifies the actual body, that person to the cheque. I know people grimace at it, but it is to protect the public's money. Right now, never mind going about other provinces, information sharing with other provinces, within our own province, we can have people going to different areas of the province giving a different name, giving a different date of birth, and obtaining multiple cheques. I have not heard the minister say of any proactive study or analysis; I do not know if you send anyone away on courses to look at this as a way to making sure that we are not giving money to people who do not deserve it.

The sharing of information is not sufficient. I could walk into an office in Calgary and say: I am Joe Blow, born in '47, and walk into the next office in Regina and say: I am Jerry Blow, born in '48, and so on, until there is some kind of identification, some way of identifying the person in relating the cheque to the person. I do not hear the minister saying that there is any study, analysis or proactive look at this. I know the political sensitivity of it. I do not have any

problem with making sure that people who deserve income get it and those people who do not—that is why I am willing to look at more investigators looking at this type of thing. But is there anything proactive that the minister is doing in this area?

Mrs. Mitchelson: I guess my honourable friend makes a good suggestion. I have to indicate to him that in the past, until we amalgamated to a one-tier system in Winnipeg, we had responsibility for the disabled caseload and single parents. That was called the provincial caseload. I would venture to guess that, if you looked across the system, those who might be sort of travelling from province to province and place to place, you would find it would be the single employable, for the most part, and that was the City of Winnipeg's caseload. As I said, we had four investigators for the disabled and single parents; the City of Winnipeg had one investigator for the whole employable, single, able-bodied caseload. We now have amalgamated that system. We have just taken over.

Contrary to what my honourable friend in the New Democratic Party might say, we are finding that things are starting to work there. There are always some glitches when you amalgamate a system. Nobody went without shelter or money for food or cheques. Things were handled as quickly and efficiently as possible through the amalgamation, but it does give us the opportunity to take, now that we have responsibility for that employable caseload, a look at what we are doing and how we could better do things. I am not certainly opposed to taking a look at some sort of technology that would identify and make sure that we are appropriately paying support. It is something that no one across the country has done, and I would certainly take my honourable friend's suggestion seriously. It might be important for at least someone from the department to take a look at what is happening in other jurisdictions, probably to the south of us, because there is not much happening across Canada, to see what might be appropriate.

Mr. Kowalski: I will just wind up in this line here and then pass over to my colleague. I skimmed the paper, and it was from New York City. Of course, it is a very different reality, the

numbers and that. In that one, when they went to a way, and I cannot remember which one they used, retina scanning or that, where they had a phenomenal number of people who were getting multiple cheques with different names. Once they did that, and they were able to tie the cheque to the body, it very quickly decreased. The amount of money they invested in technology and investigators was saved tenfold by doing that. I do not know how applicable it would be in the province of Manitoba; maybe more likely some place like Toronto or Vancouver, but I do not know. Until you look at it, you will not know if the saving is there.

Another paper I read in regard to a magazine for investigators was this problem working within the social agency environment and being an investigator. This investigator who wrote this article talked about how their senior management all came from a social work background. They had their masters of social work and were trained to help people to train to do that and viewed investigators as their opposition. Even their own bosses, they were always fighting for more resources, more money.

I hope that does not happen in this department here. I do not know the director of Compliance. I do not know if that person has a background in social work and in the helping profession and that. I do not want to get into any personalities. I do not want to know; that is none of my business. My comment is that investigators can save a lot of money to the province, and that money could be used to help others.

So I hope that these investigations will see the analysis is done to see that there is enough resources in spite of the political sensitivity about welfare fraud and this. So with that, I will pass the mike over.

Mrs. Mitchelson: I was just wondering whether my honourable friend would share any articles or any information that he might have on this issue with us and make sure that we have—

An Honourable Member: Yes, sure.

Mrs. Mitchelson: Thanks.

Mr. Chairperson: Is it the will of the committee to take a five-minute break? [agreed]

The committee recessed at 4:59 p.m.

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After Recess

The committee resumed at 5:10 p.m.

* (1710)

Mr. Chairperson: Order, please. We will resume the Estimates of the Department of Family Services, and I was about to recognize the honourable member for Burrows.

Mr. Martindale: I have some questions about the Community Home Services Program. I have had some complaints from some of my constituents and other MLAs have as well. It kind of surprised me because I do not think I ever got complaints, or if I did, maybe very few, when the City of Winnipeg ran it, but we have received numerous complaints since April 1, when the province took it over. For example, a person I will call constituent No. 1 has only had her grass cut once all spring. She was told that there were only four men available for the entire north end. Another constituent told me there were normally 12 and they only had six, and that is why they could not cut grass as often as seniors would like.

Constituent No. 2 has only two hours allotted once a month. In fact, I was told, I think by staff, that service was changed to once a month, instead of biweekly, due to the transition from the city government to the province and due to a shortage of staff. Staff, I presume, meaning people working for Community Home Services, although it could be civil servants, I am not sure. I am sure the minister will enlighten me shortly. Constituent No. 2 said that the worker left before the job was done. I guess because the two hours were up. She had to wait a month before the grass was cut. The grass was 12 inches high. She would also like her windows washed.

Constituent No. 3, the grass was not cut until May 27. It was 12 inches long. My constituency

assistant spoke to staff at Community Home Services who said that they hope that by July service will be biweekly; that is every two weeks. On June 3, constituent No. 3 was told that she would have to wait two to three weeks. By the time the grass got cut, it was 18 inches long. The worker had to leave before it was finished. This is an 83-year-old woman. She went out and finished it herself, and her family were quite upset with her.

I am wondering if the minister can tell me why her department is having so many problems. I have been told actually that one of the problems is that there are 62 positions to fill and that the reason that staff could not fill these, in spite of the fact that they had just recently acquired 11,000 employable cases from the City of Winnipeg, is that the economy is booming and people are leaving Community Home Services to get jobs. It seems to me that out of a pool of 11,000 employable cases that there should not be too much trouble finding 62 people, if indeed that is the number of vacancies. Unless, the minister has figures which are different. So maybe the minister can tell me about some of the problems that you have, obviously, been having and what solutions you are working on.

Mrs. Mitchelson: Mr. Chairperson, I guess I would say that I am quite pleased to know that many of the single employable individuals that have participated in the Community Home Services project have moved on to full-time jobs. I think that that shows some success to the program, where people get some experience and do perform some sort of work and then progress and move on to something more meaningful, so I think that must speak to the success of the program.

Indeed, the same person that was running the program for the City of Winnipeg is running it now as it has moved over to the provincial program. Yes, it does take some time to identify our first and foremost priority. I am sure my honourable friend would agree that the first priority would be to transition the caseloads over and ensure that with reassignments to new caseworkers and new locations that we would want to ensure that people got their money in a

timely basis. I know that was one of his primary concerns.

I know in his opening comments he alluded to the fact that people did not get transferred and people did not get paid and people missed getting their cheques. I would think that he would agree that our first and foremost priority was try to ensure that there was not any disruption in the service and support available for people that really needed that support. We have tried our very best. That was why we set up a help line and a line that people could call if they were experiencing some difficulty. So we try to make the transition as good as possible.

He has indicated in his comments that he has been told that the program should be up and running by the beginning of July. That is only a couple of weeks away. If there was some disruption, I would anticipate that this would be the only time there would be disruption in the program because of the transition and because of our priority focus on trying to ensure that everyone had a new caseworker in the new system, knew where to go and had an opportunity to at least ensure that their benefits were continued. That was our No. 1 priority, and we will endeavour to try to ensure that the people that need the support and services from the Community Home Services project will receive that support. It does take some time.

I know when people move on to bigger and better things and permanent jobs, we do need to identify new people and we will do that. Our expectation is that by July 1 we will have the workers in place to perform that kind of activity.

Mr. Martindale: Can the minister assure me, then, that the 60 positions that are currently vacant in Community Home Services in terms of workers to do yard work for seniors will be filled by July 1 so that people will get biweekly service restored?

Mrs. Mitchelson: I think I need to correct the record and say that last year the City of Winnipeg had 100 positions filled. When the transition took place, there were 40 vacancies, so that meant there were 60 still working in the program. Of those 40 vacancies, 20 have been filled already, and there are another 20 to go.

There is a process that has to be undertaken when you are hiring someone to do work for individuals: criminal record checks which sometimes take a bit of time, and we are now implementing Child Abuse Registry checks too, which were not done in the past. Those are things that need to happen before we place people in those positions. We are expecting that those 20 positions should be filled and working very shortly.

Mr. Martindale: The numbers that the minister mentioned are quite a bit lower than the Estimates book, page 42, which says 340 clients. I am wondering if clients mean homeowners, or does it mean people in the program? If it means people in the program, I suppose it could be a total because some people would move in and out of the program.

Mrs. Mitchelson: There always have been 100 positions. What normally happens is people come into these positions, get some work experience, and then move on to permanent jobs or other opportunities, so we anticipate that there will, through the 100 positions, be about 340 people that get some work experience done through those 100 positions.

* (1720)

Mr. Martindale: Just a final question on this, would I be accurate if I phoned these three constituents and any other that my two part-time constituency assistants have been trying to help and assure them that by July they will be getting biweekly service in terms of grass cutting or whatever it is that is being done for seniors?

Mrs. Mitchelson: Just a comment from staff that says, weather permitting. On the serious side, I think that, if my honourable friend would like to share just a bit of detail and background, we will certainly look into the specific situations. I have every expectation that, if people are on the list to receive services, they will receive those services.

Mr. Martindale: I appreciate the minister's offer to look into the individual circumstances, but either myself or staff have contacted people in your department about the individuals already. I did visit them all on Saturday night and their

grass was short. They were not very happy, but at least their grass had been cut either by Community Home Services or by a neighbour or someone else. I will be phoning them since the minister assured me that, depending on the weather, I guess, depending on whether it is raining or cut, people can cut grass, they will have biweekly service by July. I am sure they will be happy to hear that because they have been very unhappy for the last three months.

I have one question about Taking Charge!; depending on the answer, it could be a series of questions. I contacted one of your senior staff on June 24, 1998. It is not really relevant who the staff person is. I do not want to get her into trouble, but it is just that that person is representing the minister and the answer that she gave me would be whatever the minister's policy is. I was told, when I inquired about the evaluation for Taking Charge!, that it would be sent to me after the board gets it. Now, since June 24, 1998, there must have been several board meetings, and I am wondering what the holdup is. The minister told me today, earlier, that I would get the evaluation after the board gets it, which is the same answer that I got almost exactly a year ago. I am wondering if the minister is stalling or what the reason is that the excuse given a year ago is the same as the excuse given today.

Mrs. Mitchelson: I think that if my honourable friend goes back and checks my comments today, I indicated it was the project review committee that would be receiving the report. It is not the board. The evaluation was done on behalf of both levels of government, and that is what comprises the project review committee. Prairie Research, I think, who was doing the evaluation, has talked to the board, has talked to both levels of government, but ultimately the report comes to the joint steering committee, that is the project review committee.

It has been in draft stages. There has been discussion with both Taking Charge! and the levels of government around this. The report has been presented to both levels of government. There is a meeting that still needs to take place between the project review committee, which is both levels of government, before it will be released publicly.

Mr. Martindale: Mr. Chairperson, I would like to thank the minister for that information, and I stand corrected. I am wondering if the minister can tell me if it is being held up by the federal government or by the province. Is there some reason why it has taken a year to go from Prairie Research to the board and both levels of government? How long has the project review committee been studying this report?

Mrs. Mitchelson: Mr. Chairperson, my understanding is that there is a working group that worked with Prairie Research in reviewing the documents that Prairie Research prepared, and that is a working group comprised of federal officials, provincial officials and officials from Taking Charge! There would be a process where pieces of the report would be submitted to that working group. They would have some input into ensuring that the information was factual and correct, and that is at the working level. Once that did take place and the working group was satisfied that at least the facts in the report, not the conclusions, but the facts and the information were accurate, it was finalized and sent to the project review committee for their finalization and signoff of the document in order for it to be made public.

Mr. Martindale: Mr. Chairperson, can the minister tell me approximately when the report might be released to me?

Mrs. Mitchelson: Mr. Chairperson, I think it will be very soon; I would venture to guess within the next month, maybe sooner.

Mr. Martindale: Mr. Chairperson, if I am lucky, we might still be in session and then I could ask questions in Question Period on it.

I would like to change to a different area.

Mrs. Mitchelson: Mr. Chairperson, you just remind me that I have not introduced Dan Haughey who is our director of Welfare Reform.

Mr. Martindale: This year, I believe in January, I was in the city of Thompson. I joined a member of Parliament, the member of Parliament for Vancouver East, Libby Davies, on her homelessness tour both in Winnipeg and Thompson. One of the very interesting and

disturbing places we went to visit was the new holding cells for the RCMP.

Homelessness is a big problem in Thompson, and currently—well, it would be my understanding that there is only one organization that is taking responsibility for that now, and that is the RCMP. There were two organizations, because there was an organization called Night Riders which was providing temporary shelter on a night-by-night basis to homeless people.

* (1730)

At the RCMP cells, we were given a guided tour. We were actually present when the RCMP were dispatched to pick up somebody on the street who otherwise might have frozen to death. They brought them into the cells and searched them. We were able to watch while they were booked in. There is a very large number of people who are housed in RCMP cells simply because, currently anyway, there is no other place for them. My guess is that this is a very expensive way of providing emergency shelter for people. We were told that there are always two officers who book people in. While we were there, there were two other people behind the desk, which has video cameras monitoring every cell.

Now, Night Riders was organized by people in Thompson to provide temporary shelter. It has been on and off again over a number of years. My understanding is that every time their funding runs out they close down.

In Winnipeg we have Main Street Project, which is really an alternative to police cells, although they also have a detox function. But Main Street Project takes the place of what I understand was formerly a police function.

Now, I am wondering, since the government pays for Main Street Project, and I guess that will be a question, if there is some sort of per diem from this minister's department that goes to Main Street Project. I am not sure. I do not find it on the grants to external agencies list. But I am wondering if the minister would consider something similar in Thompson, either Night Riders or something else, which would really be very similar in function to Main Street Project.

My guess is that it would be much, much cheaper than the RCMP providing that service.

It seems to me that there are some jurisdictional issues. It would require a fair amount of co-operation, because if indeed all of that function was transferred from the RCMP to Night Riders or some other organization, you might not need so many RCMP officers, although I am sure there would be other communities that would be quite happy to pick them up.

I am sure the minister is familiar with this issue. I am wondering if she can tell me if her department would consider funding Night Riders or some other organization.

Mrs. Mitchelson: I appreciate my honourable friend's comments. I do know that I am aware of the Night Riders program and I know that it has been closed, I think since March sometime, due to lack of funding. The issue for me is, I mean, we discussed and looked at it. You know, our social assistance program is a program of last resort. We do pay per diems in an emergency situation, but we do not support people who are ineligible for financial support from the province of Manitoba through our Income Assistance program. I think many of the people who end up in facilities in Thompson may choose to come to Thompson and spend the night there, but they are not our clients or our responsibility. So it is a very dangerous precedent, I think, to get into supporting or funding through a program of last resort some of the individuals who chose to be in Thompson on the evenings that they were there.

I do want to say that the Department of Family Services does not fund the Main Street Project. That is a program that is funded through the Department of Health. The issue is one that I do not think our welfare program can solve. So what I have done is asked the three departments to come together, Health, Justice, and Family Services. We have taken the lead on inviting the other departments to come together around the issues in Thompson and see what might be the most appropriate way of supporting individuals in the Thompson area.

That work has begun because, as I said, sometimes it is not—I think we have to be very

careful that we do not set precedents with our welfare system, which is a program of last resort, but if there is a genuine need, and I believe there is a need for some sort of co-ordinated approach up here, we want to be able to get the most cost-effective solution to the issues that we are dealing with. So that process is underway. I will await the results of that discussion and dialogue to see what the recommendation might be on some sort of a program or project in the Thompson area.

Mr. Martindale: I am happy to hear that this minister is involved in consultations with three government departments. I am sure that the people I have talked to in Thompson would be happy to hear that, as well, if they are not aware of that.

Is the minister saying that people who are homeless in Thompson are ineligible because they are mostly from reserves and are therefore a federal responsibility?

Mrs. Mitchelson: Here again, if they are from reserve and are a federal responsibility welfare-wise, they are getting their welfare cheque or payment from the band through the federal government, and then to be paying again when they temporarily move off reserve, that would, in essence, be sort of double-dipping in the welfare program, so that is an issue that needs to be looked at in the whole overall context of how we provide support.

That is why I am saying that our welfare program may not be the most appropriate program because I do not think we want to set a precedent in saying that we will, you know, the federal government will pay at one end and we will pay again a second time, so it should not be welfare per diems or the welfare program that is supporting these individuals. What should the appropriate support be, where should it come from, and we all need to be figuring out what is the most appropriate form of support for individuals that find themselves in these circumstances.

Mr. Martindale: Mr. Chairperson, it would be my understanding that RCMP costs are shared jointly by the federal and provincial governments, so it seems to me that the most germane

issue is how to provide this service on the most cost-effective basis because right now it is being provided on the most expensive basis, RCMP holding cells. Can the minister tell me if either the RCMP or the federal government are involved in negotiations with the three departments in the province?

Mrs. Mitchelson: Mr. Chairperson, through the Department of Justice in the Province of Manitoba there would be that consultative process.

Mr. Martindale: Can the minister tell me if it is correct to say that both 55 Plus benefits and CRISP benefits have not been increased to reflect the cost of living since, I think, 1989? Is that true?

* (1740)

Mrs. Mitchelson: Mr. Chairperson, yes, that is true.

Mr. Martindale: Can the minister tell me why the number of people receiving benefits, namely, seniors and families with children, is declining every year? I know that there was a big decline when there was a change of policy, and we discussed that in previous years' Estimates. But I am wondering if the minister can enlighten me as to why the numbers continue to go down.

Mrs. Mitchelson: We have not cut or denied anyone the service. It is by application and as people apply and are eligible, they receive the support through the CRISP or the 55 Plus program.

Mr. Martindale: Can the minister tell me if she has statistics on what percent of eligible families receive CRISP benefits, and what percentage of eligible seniors receive 55 Plus benefits?

Mrs. Mitchelson: We could not provide that because we in the Department of Family Services do not keep statistics on income levels for working families or seniors and their financial circumstances. That would not be information that we would gather or have readily available.

Mr. Martindale: Would the minister be willing to request that information from the Minister Finance?

Mr. Jack Penner, Acting Chairperson, in the Chair

Mrs. Mitchelson: I do not believe that our Department of Finance provincially would have that kind of data or information. I believe it would be something that the federal government might have through Revenue Canada, but I am not sure it is something that our province would have. I will certainly ask the Department of Finance for that to see whether they have that kind of information or not. We do not traditionally have a lot of success in asking the federal government for information and obtaining it, so my honourable friend might want to try to write to the federal government and see whether he might have more success. I can ask that question of our Finance department here, but our sense is that they probably do not have that kind of data and information.

Mr. Martindale: The minister will be aware that the Manitoba Society of Seniors met, I believe, with the government caucus as well as our caucus, and they presented us with a position paper sometime in 1998. One of their recommendations on page 6, No. 3, says: MSOS recommends that appropriate measures be taken to ensure that the decision as to when CPP retirement or disability benefits commence is a genuine choice for the individual and that people are not forced to take their benefits early when this is not to their advantage.

Now, my understanding would be that this recommendation comes because the provincial government made a decision several years ago to upload this expense to the federal government and force—[interjection] Well, I am sure the minister would be looking for creative ways to do this in more situations, but in this case it penalized seniors because at age 60, they are forced to apply for CPP if they are on social assistance. That means that their benefits are about one-third less to age 65 and one-third less after age 65 for the rest of their lifetime. So this certainly penalizes seniors, especially those who have fairly low benefits to start with.

The recommendation from MSOS is that seniors be given the choice as to whether they apply at 60 or not, which my understanding would be that that was the case in the past, and

then they could decide which would be more beneficial, to wait to age 65 or to take at age 60, whichever they felt they were better off doing. I am wondering if the minister is aware of this recommendation and what she thinks of it.

Mrs. Mitchelson: As welfare, again, is a program of last resort, we require individuals to access all other available resources before welfare support. This is a practice that happens in most jurisdictions right across the country. It is not an exception to the rule in Manitoba. I can certainly provide the information on what jurisdictions—I do not have it right here today, but it is one of those issues that is general practice across the country. As I said, because the nature of the program is a program of last resort, we expect that all other avenues of resource income are used first.

The Acting Chairperson (Mr. Penner): Item 9.2. Employment and Income Assistance (a) Client Services (1) Salaries and Employee Benefits \$21,246,000—pass; (2) Other Expenditures \$7,324,600—pass.

9.2.(b) Income Assistance Programs (1) Employment and Income Assistance \$268,188,100—pass; (2) Health Services \$29,138,900—pass; (3) Municipal Assistance \$5,675,700—pass; (4) Income Assistance for the Disabled \$11,708,800—pass.

9.2.(c) Making Welfare Work \$2,770,000—pass.

9.2.(d) Income Supplement Programs (1) Salaries and Employee Benefits \$596,800—pass; (2) Other Expenditures \$333,300—pass; (3) Financial Assistance \$8,335,100—pass.

* (1750)

Mr. Martindale: Mr. Chairperson, the minister may not have all her staff here for Community Living. However, we have only got a few minutes. I am sure the minister can spend 10 minutes answering my first question, and I know that she has the deputy minister and the assistant deputy minister here. So my first question is quite general in Community Living.

The Acting Chairperson (Mr. Penner): Resolution 9.2: RESOLVED that there be

granted to Her Majesty a sum not exceeding \$355,317,300 for Family Services, Employment and Income Assistance, for the fiscal year ending the 31st day of March, 2000.

Item 9.3. Community Living (a) Regional Operations (1) Salaries and Employee Benefits \$15,360,600. Shall the item pass?

Mr. Martindale: Mr. Chairperson, there has been a large increase in this part of the budget, so this is a very general question. I wonder if the minister can tell me, since the budget has gone up from approximately \$119 million to \$131 million, where in Community Living the new monies will be expended.

Mrs. Mitchelson: There is a total of an \$8.7-million increase and 8.1 of that into Supported Living Services to provide residential and respite services to 132 individuals and day services to 93 individuals. In the residential services, there is an increase of \$5.8 million, and that is to assist 85 adults with a mental disability to live in the community in licensed residential care facilities, either with natural or foster families or independently, and a 5 percent increase in funding levels to residential care agencies. That is in the residential services. Then in the day services, there is an extra \$2 million to expand day service programming to more individuals and to increase funding to the day services agencies by 5 percent.

In respite, \$123,000 for respite services for an additional 51 families, family members with a mental disability, and \$200,000 for crisis services. That is the annualization of the four-bed crisis stabilization unit that we announced last year, and also to provide crisis intervention in the community. St. Amant Centre gets \$332,000 for their five-year strategic plan and vocational rehab to provide a 1 percent increase in the per diem funding to evaluation and training centres. So that is basically where the money will be going.

Mr. Martindale: I have received a lot of correspondence and the minister has. In fact, a lot of the correspondence that I received are carbon copies of letters that were sent either to the Premier (Mr. Filmon) or to the Minister of Family Services from boards and staff of

agencies, most of them, I believe, providing residential services to persons living with a mental disability.

Mr. Chairperson in the Chair

It is my understanding from this correspondence and from previous correspondence and even from raising this issue in Estimates in previous years that the organizations, on the one hand, were asking for a 15 percent overall increase, and the minister's response was to spread it over three years. So it looks like in this budget there is a 5 percent increase for staff salaries. Is that correct?

Mrs. Mitchelson: Mr. Chairperson, that is not absolutely correct. When we started before this year's budget and last year's budget, we met with the residential services people and they specifically asked for a 15 percent increase over three years, so we were able to provide 5 percent last year to operating grants and another 5 percent this year.

We have not, of course, made the commitment for next year, but we understand the issues that are being faced out there in recruiting and retaining staff again to try to ensure that we can provide the support and services to people living in the community. So we did respond; we have responded two years in a row to the residential services piece.

I think last year in our budget we provided 2 percent for day programming, and we have increased that to 5 percent in this year's budget. So what we are trying to do is provide the resources and the operating grant for facilities to begin to address the issue of salaries of workers, and we will continue to look at the issues surrounding the care and support of those with mental disabilities.

Mr. Martindale: In the correspondence that I have received and that I have read, the agencies are telling this minister and telling me that they are having great difficulty, first of all, attracting staff and hiring staff, that when they do they have to spend money training them, that starting wages are very low, in the area of \$6.25, \$6.50 an hour, and that when these people can get a better-paying job, they frequently leave. So then

they have to start the process all over again of advertising and hiring and training them and that this has an effect on the quality of care. I know the minister is familiar with an identical issue in child daycare as well.

The agencies are telling us that they are concerned not only because they feel that the people that they are hiring are inadequately remunerated, but it has a big effect on the quality of care because they would really like to provide continuity of staff and they would like to be able to attract well-qualified staff and retain well-qualified staff.

Now, they are not the only organizations that are having this problem. I talked to the director of a program that has a residence for adolescents and youth. He told me they hire anyone who comes in off the street with a Grade 12 education and no criminal record. Now that is not the kind of people that they would like to be hiring. Ideally they would like to be hiring people that have taken the two-year program at Red River College, the youth care worker program, but there are not enough graduates from that program and there are not people who have a lot of experience working with youth that are willing to work in a residence at very low pay.

So I guess I would like to ask the minister if she thinks that this 5 percent a year over three years is really adequate to address the concerns that have been raised given that we are talking about a very small increase in wages after years of wages being frozen and rolled back. For example, if we are talking about people making \$6.50 an hour, we are talking about a wage increase of about 35 cents, which is not very much when you are looking at only a 5 percent increase. So I wonder if the minister can tell me if she thinks that the concerns of these agencies that are writing to her and writing to the Premier (Mr. Filmon) and writing to me are being adequately addressed.

Mrs. Mitchelson: I think it is going to take more than a minute for me to get into some significant discussion around these issues, because I think they are very important issues and I think it requires a significant amount of time to discuss the ever-increasing pressures in

our system around supports for the mentally disabled. I hate to get started because I know once I get on a roll, it is going to take me a considerable time.

Mr. Chairperson: Is there a will of the committee to call it 6 p.m.? [agreed]

The hour now being 6 p.m., committee rise.

LEGISLATIVE ASSEMBLY

Mr. Chairperson (Ben Sveinson): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Legislative Assembly. Does the honourable government House leader have an opening statement?

Hon. Darren Praznik (Government House Leader): Mr. Chair, I think the first order of business should be to replace this microphone, since it fell apart. No, I do not have an opening statement.

Mr. Chairperson: Thank you. Does the official opposition critic, the honourable member for Flin Flon, have an opening statement?

Mr. Gerard Jennissen (Flin Flon): Just for clarification, are we dealing with the Department of Highways Estimates? [interjection] We are not.

An Honourable Member: Legislative Assembly.

* (1450)

Mr. Jennissen: Okay. Can we have about a two-minute break, so I can check who is dealing with that?

Mr. Chairperson: Order, please. You would like a two-minute break to get the critic in here.

Mr. Jennissen: That is correct.

Mr. Chairperson: We will take a two-minute break. Thank you.

The committee recessed at 2:51 p.m.

After Recess

The committee resumed at 2.54 p.m.

Mr. Praznik: Mr. Chair, since I am here in my capacity as House leader, these matters are obviously those of the Speaker and the operation of the House, and my critic is in the same position. I would ask if our staff could now join us at this particular time.

Mr. Chairperson: The staff can now join us.

Mr. Praznik: Mr. Chair, if I may also ask the indulgence of the committee to smooth the operation of the flow, rather than have the staff whisper in my ear to answer the questions of the critic, if the committee is prepared to agree, why do we not let Mr. Bryans answer the questions directly? If the critic is in agreement, I have no problem with having staff answer the questions directly.

Mr. Chairperson: Is it the will of the committee that Mr. Bryans be allowed to answer the questions directly? [agreed]

Ms. Jean Friesen (Wolseley): Mr. Chairman, given that that delegation has taken place overall at the beginning, but there are a number of areas here which I think people would want to have a ministerial response or at least a responsible one. I am thinking particularly of the Ombudsman, the Chief Electoral Officer and the Provincial Auditor.

Mr. Chairperson: Then how we have handled this in the past is that the minister will direct the questions as he wishes to Mr. Bryans.

Mr. Praznik: Mr. Chair, just to clarify for the member for Wolseley, even some of those particular amounts on allotment I have no problem answering to the best of my ability, but they are agreements that are made by the Legislative Assembly Management Committee, so that this is really a different set of Estimates from the norm, so we will endeavour to make sure all things are put on the record that are required, but perhaps Fred would like to introduce himself and his staff.

Mr. Fred Bryans (Executive Director, Legislative Assembly): Yes, I am Fred Bryans; I am the executive director of the Legislative Assembly. This is Susan Scott. She is the director of members' services.

Mr. Chairperson: We should then go to item 1.1. Indemnities (Statutory) (a) Members \$3,479,000 and (b) Additional Indemnities \$108,000. These amounts are statutory.

Ms. Friesen: Mr. Chairman, I understand a number of these are statutory amounts, and that we will be passing one vote at the end, but I think we may have other members who will be interested in asking questions in this area. Given that there is one vote at the end, is it possible that we can range over this department in asking questions?

Mr. Chairperson: There are resolutions for each one of those departments.

Ms. Friesen: We will pass the first one.

Mr. Chairperson: Okay. We have item 1.1. Indemnities (a) and (b) of \$3,587,000.

Resolution 1.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,778,300 for Legislative Assembly for the fiscal year ending the 31st day of March, 2000.

Item 1.2. Retirement Provisions (Statutory) (a) Pensions and Refunds \$1,429,500; (b) Registered Retirement Savings Plan \$288,100.

Item 1.3. Members' Expenses (Statutory) (a) Constituency Expenses \$2,226,200; (b) Temporary Residence and Living Expenses \$340,300; (c) Commuting Expenses \$39,400; (d) Travel Expenses \$519,600; (e) Special Supplies and Operating Payments \$120,100; (f) Printing and Franking \$290,800; (g) Committee Expenses \$5,000.

* (1500)

Are there questions on the statutory amounts?

Item 1.4. Election Financing (Statutory) (a) Election Act Expenses \$3,000,000; (b) Election

Finance Act Expenses \$3,000,000. A total of \$6,000,000. Are there any questions on that statutory amount? None? None as seen.

1.1.5. Other Assembly Expenditures (a) Office of the Leader of the Official Opposition (1) Leader of the Official Opposition's Salary \$27,000—pass; (2) Other Salaries and Employee Benefits \$134,500—pass; (3) Other Expenditures \$32,500—pass.

1.1.5.(b) Salaries and Employee Benefits \$3,235,500—pass.

1.1.5.(c) Other Expenditures \$1,348,800—pass.

Resolution 1.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,778,300 for Legislative Assembly, Other Assembly Expenditures, for the fiscal year ending the 31st day of March, 2000.

1.2.6. Office of the Provincial Auditor (a) Salaries and Employee Benefits \$2,795,600—pass; (b) Other Expenditures \$917,100—pass.

Resolution 1.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,712,700 for the Legislative Assembly, Office of the Provincial Auditor, for the fiscal year ending the 31st day of March, 2000.

1.3.7. Office of the Ombudsman (a) Salaries and Employee Benefits \$1,309,600—pass; (b) Other Expenditures \$481,600—pass.

Resolution 1.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,791,200 for the Legislative Assembly, Office of the Ombudsman, for the fiscal year ending the 31st day of March, 2000.

1.4.8. Office of the Chief Electoral Officer (a) Salaries and Employee Benefits \$478,000—pass; (b) Other Expenditures \$166,700—pass.

Resolution 1.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$644,700 for the Legislative Assembly, Office of the Chief Electoral Officer, for the fiscal year ending the 31st day of March, 2000.

1.5.9. Office of the Children's Advocate (a) Salaries and Employee Benefits \$243,000—pass; (b) Other Expenditures \$82,200—pass.

Resolution 1.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$325,200 for the Legislative Assembly, Office of the Children's Advocate, for the fiscal year ending the 31st day of March, 2000.

1.6.10. Amortization of Capital Assets \$153,200—pass.

Resolution 1.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$153,200 for the Legislative Assembly, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2000.

That completes the Legislative Assembly. We will now proceed on to the Estimates of Highways and Transportation.

HIGHWAYS AND TRANSPORTATION

Mr. Chairperson (Ben Sveinson): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Highways and Transportation. Does the honourable minister responsible have an opening statement?

Hon. Darren Praznik (Minister of Highways and Transportation): Yes, I do. I know, Mr. Chair, you would be disappointed as the new minister if I—the critic may want to relax, order coffee.

First of all, it is an honour and a privilege for me to be here for my first year in Estimates as Minister of Highways and Transportation for our province. I must admit it is a very different portfolio from the one in which I sat at this table last year, that being Health. But I must say that it is very enjoyable to be at something different. I have always enjoyed working with infrastructure and economic issues on the transportation side, so I am quite enjoying this new portfolio.

For the 1999-2000 fiscal year, expenditure estimates total \$238.7 million, which represents

an increase of just over \$5.9 million over the previous fiscal year. Our highway construction budget, at \$110.5 million, is an increase of \$.4 million over 1998-99. I wish, of course, it were larger, as Minister of Highways. As we will discuss a little later on in my statement, I think the members recognize a need to see a federal commitment in this area, given this very significant amount of revenue that national government raises off of our transportation system.

Our maintenance program of some \$59.6 million represents an increase of \$1.5 million over '98-99. There have been no reductions to the 2,189.96 full-time equivalent staff of this department. The Manitoba government has approved new highway construction projects worth \$104 million in addition to the \$107 million in ongoing projects previously approved, for a total investment of \$211 million over the next two years.

These projects will improve the safety and efficiency of our provincial road and highway network while providing approximately 3,590 jobs in the heavy construction sector. The details of these projects we will get to later on in my presentation.

Last year's accomplishments for the department include, of course, the \$110-million construction program, which included \$10 million from the capital innovation initiative fund. We completed paving on 193.7 kilometres of provincial roads and highways. We started paving an additional 56.7 kilometres. We upgraded 102.6 kilometres of gravel roads. We upgraded or rebuilt six major and 14 minor structures. We sealcoated 670 kilometres of surfaced road and applied extra gravel and calcium chloride to 590 kilometres of gravel road to stabilize their surfaces.

* (1510)

A \$58-million maintenance program included \$40 million for surface repairs, roadside care, bridge maintenance, and maintaining traffic control devices, all very important; \$18 million was spent for winter snow and ice control; and an additional \$3.5 million was allocated to repair severe surface breaks caused by the 1998 spring thaw.

The dilemma for us in infrastructure is the major challenge facing the transportation industry today and into the next century. That, of course, is the deterioration of the nation's transportation infrastructure, particularly our highway network. Even despite our expenditure level, I am probably one of the first to admit that our highway system looks tired.

Manitoba's highway and transportation service is a network of 18,500 kilometres of highways and roads and 2,407 bridges and structures. From 1988 to 1997, the provincial highway network experienced an 11 percent increase in traffic use, partly due to rail line rationalization, repeal of the Western Grain Transportation Act and, I think, to a great benefit to our province, increased tourism. Over the same period, Manitoba experienced the fastest growth rate of transborder truck movements among all 10 provinces, an increase of over 9 percent a year. Truck weights have increased from about 20 tons in 1965 to 62.5 tonnes today. Many of our roads were designed for lower volumes and weights and must be upgraded to service new requirements.

Mr. Chair, 23 percent of our hard-surfaced roads are currently deficient; 71 percent of gravel roads require upgrading to meet existing safety and loading standards; and 17 percent of our bridges and other structures have surpassed their normal life expectancy.

Over the past six years, Manitoba expenditures on highways and road-related activities have approximately equalled provincial revenue collected in road-use fuel taxes. From the '92-93 fiscal year to the '97-98 fiscal year, Manitoba collected an average of \$190.2 million in road-use taxes and spent an average of \$191.2 million on highways and road-related programs. These expenditures include, for the interests of accuracy, grants to the City of Winnipeg from Urban Affairs, the infrastructure works program and expenditures by other departments on road infrastructure such as Manitoba Natural Resources for roads in provincial parks. Manitoba has maintained its construction budget at around the \$100-million, now \$110-million mark, while other provinces cut road spending quite severely during this period. Almost 70 percent of our construction

budget is spent on maintaining the existing system. The remaining 30 percent is for upgrading the system, which includes engineering costs, land-acquisition costs, road widening and strengthening costs to enable roads to carry loads to the TAC standards.

Almost all funding for Manitoba's highways comes from the government of Manitoba. In the context of government priorities and fiscal control challenges and the demands placed upon us by members of the opposition almost daily in the Legislature, we are spending what is available to us as efficiently as possible. There are contending forces for available extra expenditure. As I have indicated, each day, hardly an exception, the opposition, members of the public call for more spending in health. Education and basic social services also receive demand for more dollars. In the great public debate, infrastructure rarely seems to be high on the public's and the opposition's agenda.

These are contending forces, and in difficult times, as we have been in the last decade, regrettably infrastructure has not been viewed necessarily by the public as a high priority as health and other areas. The department is currently exploring alternative highway financing options, investigating how other jurisdictions are addressing the problem, and participating on a federal-provincial-territorial committee examining the feasibility of various partnerships to build roads. But I want to say very clearly to my critic that toll roads do not form in any way part of the policy of this government for financing our road system.

The federal government, Mr. Chair, is a jurisdiction that has to accept now some of its responsibility in the area of transportation. Federal government policy decisions, the elimination of the Western Grain Transportation subsidy, the elimination of subsidies to branchline railroads and a variety of other things have resulted in an increased traffic flow on our roads. At the same time, the federal government collects, on average in Manitoba from '92-93 to '97-98, \$132.7 million annually from fuel taxes in our province. This year that should be somewhere in the neighbourhood of \$147 million in fuel taxes. During the same period, '92-93 to '97-98, the federal contribution to Manitoba's

road system averaged only \$5.8 million annually or 4.4 percent of revenue collected from Manitoba motorists.

In the '98-99 fiscal year, the federal government collected, as I have indicated, somewhere between \$145-147 million in Manitoba in fuel taxes and invested absolutely nothing in the Manitoba highway system.

The U.S. federal government today is investing \$217 billion beginning now and over the next six years in its already superior highway system, enhancing its productivity advantage, drawing Canadian highway users to their system in cross-continental travel and diverting their travel-related economic activity from Canada.

The federal government must make a reasonable and responsible contribution to a national highway program through the road fuel taxes it currently collects or vacate the tax field to enable the provinces to solve the problem themselves. The government, as I have indicated, of Manitoba opposes any increase in gasoline taxes, toll roads or other user-pay initiatives to pay for a national highway program. Manitoba strongly advocates that the national highway system be funded from the existing level of highway-use related revenue.

Mr. Chair, it is important to look at the sustainability of our highway system. In doing so, to appreciate that unless our transportation infrastructure has access to a sustainable ongoing source of revenue, it will continue to decline on a regular basis. As minister, I have become a very strong advocate for the dedication of fuel taxes to maintaining that highway system.

I want to say to my critic, the need to dedicate becomes very important. I know we as a government are certainly now looking at this in a very, very serious way. I have certainly been advocating, and the Minister of Finance (Mr. Gilleshammer) and I have had discussions about it, but the need to dedicate those taxes to provide the discipline for supporting that highway infrastructure is critical.

As I have said before, in Manitoba today, the cost of maintaining our road system versus what we collect off of it, when we sort of do the

calculation because there are some parts that are not borne directly by the Department of Highways, obviously the cost of policing roads is one of them. We look at the revenues we derive off that system; we are virtually awash. Manitoba already now is dedicating the revenues we derive, not directly but indirectly, dedicating those to supporting that system and to call upon the national government to do the same with their 140, this year 47 million, that they will collect, I think, certainly offers us a vehicle to ensure a financial sustainability to our highway system, and obviously the municipalities have to be part of that.

* (1520)

Mr. Chair, if the federal government is not interested, we ask they vacate their system. We do say that there is a role for the national government to play in the development of our national highway system in ensuring that we are building the east-west arteries of trade and commerce and of travel that Canadians want to make sure dollars out of these now federal revenues are dedicated to that role. There is also a role for the national government to ensure that our southern Canada border links are properly built and developed to support our growing commerce in the North American marketplace, and that our southern Canada to northern Canada transportation links are developed to take advantage of the great opportunities still to come out of Canada's northland and be developed there. There is a role for the national government. If they refuse to do nothing, they should at least get out of the way and abandon the tax room. Our preference would be that they be at the table and involved just as municipalities need to be for their share of our national or our provincial transportation system and the roles that they play.

So this is becoming certainly a role for us. I would report to the committee as well that the discussion of a national highways program by the national government is certainly welcome, but if it is to be one-time payment, yes, we will take the money and we will use it, but it will not solve the problems facing us unless we have a sustainable ongoing source of funding to ensure we were doing regular work on maintaining and developing our transportation network.

My fear with the national highways program as a one-time program over one or two years is that the national government would then say: we have done our share, we solved the problem—and walk away. Just as they had a health budget a couple of years ago: there, we solved the problem. Just as they have had an education budget: there, we solved the problem. We can hear them saying: we will have a transportation budget, there, we solved the problem. In the end of the day, they have only helped for those years, and they walk away still leaving significant issues in health and education and in transportation to the provincial partners in this federation.

Mr. Chair, I ask my colleague, and I know he has asked me questions in the House, I ask him and his party to be supportive of this initiative as we move forward. There are a number of other areas that this department is certainly involved in. Northern airports, the need again, because many of those communities that are serviced by them are First Nations communities where there is a fiduciary federal responsibility. It is important for us to develop partnerships. Our airports capital budget has been increased by \$1 million to help address some of the capital improvement projects identified by the provincial airports working group. Certainly, safety is a very important issue to us within the resources that are available, and we again will need to have those federal partners at the table.

In the very important trucking industry, we have reviews underway regarding whether Manitoba should discontinue the issuance of operating authorities or combine them into a single document along with a safety certificate. We are looking at a number of changes to The Highway Traffic Act with respect to vehicle weights not being dependent on the classification of the transportation service or business, things that would make more common sense based on actual damage or role those vehicles play on the roadway as opposed to their particular classification or use. We certainly want to continue to ensure that with larger vehicles on our roads that safety is an important aspect, that the roads remain safe for all motorists, and that the large carriers are able to certainly be handled safely on our roadways.

One very important issue, I think, to the province in terms of the trucking industry is regulatory harmonization. When we look today at our nation, we have different regulatory regimes across the land, which I think does nothing to further the national trade and trucking industry. As a province that hosts a significant portion of the national trucking industry, it is certainly in our interest to ensure that Manitoba trucks and truckers can move freely in a harmonized regulatory system across the width and breadth of this nation. I would hope that, as the Minister of Highways, we can reach agreements on an all-Canadian basis that will eventually see vehicles subject, of course, to some unique geographic and climatic conditions in various parts of the country, be able to be licensed and regulated by the same scheme across this country, so that trucks can roll without having to worry about different licensing regimes and find paperwork and regulatory barriers in their way from carrying the commerce of our nation.

If we do not move quickly on this as provinces, Mr. Chair, and territories, we will be overtaken I am sure by the same desire to see harmonization on a North American basis which will certainly be required as we see the North American trade group of countries grow and develop their commerce. The lesson to us as Canadians is to get our own act together quickly in the regulatory field, because we certainly will be called upon I think in the not too distant future to see harmonization on a North American basis. As a province that is host to a very significant portion of the northern North American highway trucking industry, being able to see our trucking companies and our truckers travel again the width and breadth of this continent under a common regulatory scheme is, I think, critical to ensuring that our trucking industry grows and prospers in carrying the goods of other North Americans around North America and bringing their paycheques and taxes home to Manitoba. So it is very critical for us to see this happen.

On the grain transportation side, this department is certainly involved in the report of Mr. Justice Estey on the review of the grain transportation system. As in all things, this is a very complex matter. We applaud the effort to

bring a review of the grain transportation system which virtually every farm organization has said is inadequate, and now that the subsidy on grain transportation has been removed, the farmers of our province are paying for. I think they are demanding efficiencies in that system.

I say this to the member that the No. 1 prerequisite for Manitoba's involvement in this process is that the savings resulting from the efficiencies are returned to the producer, that if the Estey process does not result in savings to the producer, then it will probably die the death of so many other reports. But ultimately, much is dependent upon it. We are very pleased to see, and as western provinces including the New Democratic governments in Saskatchewan and British Columbia, along with our colleagues in Alberta, we all called for, met with the federal minister, the appointment of a facilitator to put flesh on the bones of the Estey report.

I know that my critic's party has taken the position of opposing Estey outright. We disagreed with that. We think we should go the next stage to put details around the concepts and not condemn the concepts until we see what they would look like. I note that the Legislature defeated by a very significant margin the resolution which would have called for our total withdrawal from any involvement in this process.

But we are there, like our fellow western provinces, being part of it now as the concepts are fleshed out, meat is put on the bone. At the end of the day, when that process is reported, we will then see what this will look like. We can then, I think, cast a more educated and reasoned judgment on Estey, rather than the kind of quick preliminary judgment that my critic and his colleagues passed and urged the government of Manitoba to also do last week.

So there is a great deal of work to be done in this area, and I look forward to working with my colleagues, the ministers from the Saskatchewan, British Columbia and Alberta, in the weeks ahead as this process rolls on.

We are also pleased in the railway area to see the creation of a number of short lines in Manitoba. Obviously the Hudson's Bay railroad,

that I know affects the member for Flin Flon's (Mr. Jennissen) constituency, the Sherridon subdivision, is proving to be quite successful from all reports that I have seen recently. Regrettably, or perhaps not regrettably, it is a federal jurisdiction railway because of the small part of track that runs through Saskatchewan. Although we passed some years ago short-line legislation in Manitoba, we have not had call to actually put that into effect. We now do.

* (1530)

The Manitoba central railroad has already been created in the province running lines to Pine Falls, I know, in my country, and one I believe to Carman. We have also seen an announcement in short-lining a subdivision through Souris, Hartney districts. I also note the Prairie Dog Central has been established as another short line. So we will have a number of short-line operators.

As a consequence, we have put into effect under the short-line railroad act the necessary regulations to govern and inspect for the safety issues and other matters around those short lines. We of course are working very closely with our federal counterparts not to have to reinvent the wheel or establish inspection branches. We are able to contract with them to do a portion of that work and adopt their standards, which makes only good sense.

Mr. Chair, another area I guess that I would like to touch upon in my remarks is the whole development, of course, of the Mid-Continent Trade Corridor in trade. In 1997, Manitoba's overall exports to the United States increased by over 19 percent over the previous year to \$5.35 billion. This was the third-strongest growth rate among the provinces and significantly higher than the national gain of only 9.6 percent. As we see the North American market develop, as we see the revolutions take place in agriculture with the loss of the Crow rate, where we see so much more of our grain now being fed into livestock and other products being produced, the Maple Leaf plant in Brandon, we are seeing a whole score of new products, the Isobord plant using an agricultural by-product to produce countertops. All of these advances are finding large markets across North America.

Developing, as I have indicated before, our trade network, our road system, our rail system, our air system to be able to appropriately move goods is critical to our productivity in the future as a province. We look forward to the continued growth in our economy, as we have seen, and it is our challenge in Transportation to ensure that we are working with the transportation industry to develop our trade corridors and routes. Certainly the mid-continent trade corridor is of great importance to me and to this government, and I look forward to working very closely with our partners towards the advancing of this project.

I look forward to the day when a good or product can travel from Churchill through Winnipeg to Mexico City or from Mexico City through Winnipeg to Churchill and anywhere else in the world from that port. We certainly have many exciting challenges ahead of us but many, many opportunities. We also work very closely in the Nunavut initiative, one of interest to the member in the North, as we welcome our new territorial partner in Canada's Confederation. As the only southern province with a land boundary with that new territory, we are hopeful that the development of their economy and resupply some day—it may not happen in the immediate future but some day we will see, as we develop our north-south links, a land link to that territory with, of course, Churchill being the jumping off point. That is very exciting, and we certainly want to be working with Nunavut on their transportation issues and needs and hope that Manitoba will some day be a beneficiary of that kind of development.

Mr. Chair, as the member knows, some of our initiatives for this year are off-road vehicle legislation which was introduced in the House, which I understand the member will be speaking to some time in the not too distant future, where we extend the drunk-driving, impaired-driving provisions to off-road vehicles. I think for both of us who have constituencies with many off-road vehicles, we appreciate the importance of the expansion of this legislation.

The reflective marking on commercial trailers, we are also working in this area. It is already a requirement for trailers travelling into the United States, again part of that harmoni-

zation and certainly improvement of safety. I know that there are consultations we are working on on bus safety, which is very important particularly for school buses.

In the area of climate change, we are certainly involved in the whole process sponsored by the federal government to see Canada fulfill its requirements under the Kyoto Accord. We are in fact chairing the national freight subtable of the transportation table and working to ensure that national solutions are consistent with our capabilities to fulfill them and ensuring that Manitoba companies are positioned to capture new economic opportunities resulting from changes arising from meeting Canada's environmental commitments.

We certainly believe that that process, if done reasonably, can advance and improve our climate and at the same time, if we are again innovative, not result in economic displacement.

One concern that I have in this area is the concept floated by the national government of increasing the fuel tax by some 10 cents a litre as a punitive measure against automobile consumption. I have expressed to federal representatives and to others in the transportation industry that that may not in fact be something that is acceptable to Canadians nor be effective. For members like my critic the member for Flin Flon (Mr. Jennissen), for people like me representing Lac du Bonnet where so many of our people have so few choices in transportation, this would truly be a punitive measure that would be very unlikely to have the desired effect. So these concerns have been expressed and will continue to be, and I would hope that the member for Flin Flon would join us in ensuring that other more innovative means are found of meeting our requirements.

I attended this morning, or at noon hour, a conference in the railway and environment sector, and this matter was certainly being discussed. I had the opportunity to make some comments on it, and what I found, again, very interesting was that for many there, the argument about certainly rail being more efficient and environmentally friendly, many truths to that, but they had to be reminded that the history of the railroad of service, of meeting customer need

in days gone by—and the member for Flin Flon whose constituents have lived very closely with the old Canadian National Railroad knows that client service, competitiveness, meeting need, was not necessarily synonymous with the railway business in Canada. One of the messages I delivered very clearly there today, it was I thought very clearly, was that you should not be using punitive gas taxes to force people onto a system that is not being competitive or client friendly. I also recognize that there has been some many changes by the railways in the last few years to improve their service, improve their efficiency, become more cost competitive and, I think, really take the trucking industry back on in moving freight in cost-efficient and client-oriented manner.

On that particular note, I know the member for Inkster (Mr. Lamoureux) will likely be speaking in these Estimates at some point. The further developments of intermodal opportunities, particularly those that allow a choice between railroad services, are very critical, again, to ensuring competitiveness in the railroad and in the transportation industry. I know we will be speaking about the Patterson grain elevator project and the road service, that being one project that provides access to a delivery point for two railroads thereby ensuring that a competitive situation exists which ultimately, I would hope, provide some significant benefit to the producers who provide the grain going through that particular elevator. So these become very important issues ensuring that we have good intermodal development to continue to be a major player in transportation.

If we look at our province now, so much of the freight from western Canada flows through Winnipeg going south as a turning point from the West to the South. That is something we hope to see developed so that as many of those jobs and opportunities with that kind of transportation system grow in our province. It is not just jobs in the railways and those providing it. It is the jobs that are created because we are on a major international North American transportation network that make us a very competitive place to build a factory, build an industry, because it is very easy to get the goods to market. Although we have very, very competitive electrical rates and a very motivated

and well-educated labour force and many other advantages here, they are for naught, in many cases, if our transportation economics are not there to move those goods to the huge market to the South. So this much work has to be done in this area.

I know I have spoken a fair bit of time here, but I wanted to give the member a flavour of how I am approaching this department and the issues as I see them as the new Minister of Highways and Transportation. Thank you, Mr. Chair, for the indulgence of the time of the members of the committee.

Mr. Chairperson: We thank the Minister of Highways and Transportation for those comments. Does the official opposition critic, the honourable member for Flin Flon, have an opening statement?

* (1540)

Mr. Gerard Jennissen (Flin Flon): Yes, I do, Mr. Chair. First of all, I would like to take the opportunity to welcome the minister to his new portfolio, his relatively new portfolio, and also thank the outgoing minister, who I take it will be retiring from politics, because I know he was certainly a hard-working minister. At the same time I also once again would like to welcome the minister's staff because I know them to be dedicated and very hard-working people.

I was happy to hear from the minister that he realizes, and I was sure that he would, that we in Manitoba, the Keystone Province, are in a unique position geographically and otherwise to be a major player in transportation in Canada, and I am fairly happy he pointed that out one more time. I am also happy to note that there has been a slight increase in the overall funding for Highways and Transportation, not enormous admittedly, but at least a moderate increase and also no layoffs. I think that is rather important. The minister talked about contending forces that are out there and some of these appear to be contradictory forces, and we have to work out what I guess what they call in Latin a *modus vivendi*, a way to live, a middle way, because the wish list on the one hand and what we can do on the other hand with limited finances seems to

sometimes put us in a rather contradictory position.

I am very happy to hear him say that toll roads will not form part of this government's thrust, because I know that is not popular in many parts of this country. I am fully aware as the minister pointed out that infrastructure does have low sex appeal. It is not something that voters get cranked on, but on the other hand, voters get very angry when the road is bumpy or not surfaced properly and so on. Like I say, the infrastructure in general may have low sex appeal, but it is very basic and very necessary.

Given that these Estimates do cover the period leading us into the new millennium, I think it would be normal to focus on the future, but of course we need to take stock of where we are positioned right now as well. Therefore I think it is appropriate to look at not only the year 2000 and beyond, but also to review the past 11 years under this administration and ask if things could have been done differently or better, and I am sure they could have been, but then the wisdom of hindsight is always 20-20.

I do know that there have been no sudden or dramatic changes in the Highways department from the 1980s, but if I may be biased somewhat in the North there is the general perception, and I certainly share it, that there seems to be a shift in focus from the 1980s and that the shift in focus is in the sense that we are not expanding our roads and airports like we used to, the network, and you could argue, well, we have saturated the province. That is not true. Like, expansion of the system is simply not even on the table at this point, and I know there are financial reasons for it, but it is still something that somewhere in long-range planning has to occur and we have to talk about.

That leads me to the next portion when I talk about expansion. That is airports and northern airports because we are dealing with airports that, I think, were built in most cases at least, I am guessing, 20-some years ago, and they have not kept pace with technology or the new aircraft. So in a sense we are saying we are using almost early 20th Century airports for 21st Century planes. I think a lot of work needs to be done, and I know it will cost a lot of money.

Highways and Transportation is a very broad and butter department. Most Manitobans deal with it mainly as the result of the action or inaction sometimes of this department nearly every single day of their lives. You cannot escape it because you are driving down roads or highways and you cannot escape making comments on the quality of Manitoba roads and sometimes comparing those roads and highways with those of other jurisdictions, be it those of Alberta or Saskatchewan or the United States or even Europe. I think it is appropriate that we do some of those comparisons here as well, in this Chamber, which in many ways is the most public of reviews of the department. In this particular place it is the most public of reviews. Talk about comparing and contrasting our roads, rail or air systems with those of other jurisdictions, I guess one thing we do run into, people say, well, you are comparing apples and oranges, this is not Europe, this is not the United States. It is quite true. I do understand that there are different population densities, political systems, taxation systems, geographic size, and so on. I also realize when I visit Europe particularly, a nation like the Netherlands, which has a much richer, much more condensed transportation system, we can be envious of those systems. But you know, we do not have, what is it, 16 million people cramped in a geographic size about one-thirteenth the size of Manitoba. So their efficiencies are partially due to the fact they are extremely small nations.

Regardless of that, the rhetoric is still very often about the marketplace, and there is only one global marketplace in which we must compete. The networking that we must do with other jurisdictions at the same time that we are competing with them, and I notice particularly, the minister has made reference of that, the great increase in north-south flow of goods and commodities. I am very happy to note the minister putting emphasis on the fact that when we are looking at larger structures such as trade corridors, he referenced I believe the Mid-continent Trade Corridor, or as we referred to it in the past, the Central North American Trade Corridor. I am happy to point out I have attended a number of meetings dealing with people who are trying to push that corridor. Then, if we are talking about that corridor, we should be pointing out that the logical, not even the

terminus, but the logical place it more or less ends would be Churchill, but then Churchill does not really end because there is Nunavut and Keewatin and resupplying those areas. So we are indeed talking about a north-south flow of goods from the Nunavut through Churchill all the way to Mexico City and beyond.

I think we have to look at those larger pictures, those greater implications, even as we are dealing with very finite dollars and talking about grading Highway 391, very specific things, but, at the same time, we cannot forget the overall and much larger pictures. Certainly as I look around, I see some major trends. The minister has discussed them to some degree, major trends that were particularly noticeable in the last decade or so, the north-south flow of goods and commodities, as I have said before, the greater emphasis on air travel, especially in northern and remote communities. A number of decades ago, air travel was virtually nonexistent in northern Manitoba. Then a few decades ago, we did put in airports, but I think they were put in, perhaps if I can use the word, to a pioneering standard. I think they were basically there, or largely there, for medivac reasons, and to some degree resupply reasons. Most of the heavy supplies, I think, would go by winter road, but that has changed. That nature of airport usage has changed. People now use those airports for many, many other reasons, and the traffic is increasing. The airplanes are getting better, volume increasing, and yet the airports have stayed largely the same. That situation obviously will lead to problems; in fact, we have had problems including some tragic ones.

As well, I believe, there has been a trend, and the minister has made reference of that, to great rail and truck rationalization processes that are at work here. We have lost, I think, for some trucking companies, our status as being the headquarters here in Winnipeg. I notice Reimer is no longer headquartered here. Nonetheless, we are still a very significant player in the market.

As well and the minister has pointed this out, the Estey report attempts to address the grain transportation system needs and a more positive change in direction for producers. I do not believe the minister is accurate in suggesting

that we are totally opposed to Estey. I think it is too early to say we are opposed to Estey, opposed to parts of Estey or at least looking at it critically, because we are worried that the producers may get hurt and perhaps unjustifiably because of the historical record. A suspicion of the large railroads that to some of those efficiencies, some of those rationalizations, those money savings will not be passed on to the producer. So we are, I think, justifiably somewhat gun-shy of saying, holus-bolus, it is a great report, we support it 100 percent.

It is correct to say that we do know there are some very strong positives in the Estey report, and we will look at it carefully. But we would hate to say that we support it 100 percent at this stage without further studying it very carefully.

* (1550)

As well, obviously, the nature of northern railroads has changed. The minister pointed out OmniTRAX's purchase of the CN's Bay Line and the Sherridon line I think has been very positive for northern Manitoba. I am extremely pleased to see the Hudson Bay railroad investing effort and energy and putting forth innovative solutions to make short-line railroading work in northern Manitoba. I just happen to notice an awful lot of work being done on the line. I walk that line on occasion. I notice there are new ties being put in. There is a lot more gravel. The engines are being spruced up in different colours so when they go by the track they fit the northern landscape and so on and so on. There is a feeling of new impetus and a new push north and south.

I am very happy to note that we are looking at using not only the Sherridon line but specifically the Hudson Bay line for products we have not talked about much before. Certainly, I was very happy to see some backhaul from Spain coming last summer, copper ore all the way from Spain being backhauled through Churchill to Hudson Bay Mining and Smelting in Flin Flon. Those are the kinds of things that we need to make that railroad successful so that they are not hauling just grain one way and nothing back the other way. I think there is a tremendous potential there, apart from tourist potential, and the tourist potential is enormous.

But again in the past we had trouble with CN, and we continue to have trouble with Via Rail in meeting our needs. Whether they are passenger cars—I could talk for half a day about the problems, for example, the people in Pukatawagan have with Via Rail, about the lack of cars or the cars are way too old. There are not enough cars. People have to travel in baggage cars and so on. So there are all kinds of horror stories as well.

But the potential is there for those northern lines, and I hope they will always be there, those northern lines. That was somewhat in doubt in the middle of 1996 when, on July 1, the Canadian government basically walked away from those lines and said, well, we are willing to sell them for scrap. I remember, and I am sure the minister can recall, Paul Tellier's attitude about those northern lines when we met with him here in Winnipeg. I felt that Mr. Tellier was much more concerned, and perhaps he should be, with his shareholders in New York than he was with a Canadian vision, that is, that whole region being at risk. His argument was, well, we want to make a buck and, more or less, we do not care how we make that buck as long as we make it. You guys in northern Manitoba can shift for yourselves. That was the impression I got. I was not very happy with it. It certainly was quite a philosophical difference from Sir John A. Macdonald and trying to tie this nation together with steel threads.

The vision of the federal government being involved in transportation seems to have taken a very low standing, and I guess we could argue whether it is a progressive or retrograde step but certainly opting out of railroads, ports, airports and so on, Nav Canada, it is a concern we have. What role should a federal government play in keeping transportation links across this country, in north, south, in good shape? What input should they have, and how much effort and energy should they devote to it? They are basically saying let us leave it to the marketplace, and there are some reasons for that. That will tend to put large regions of this country at risk unless we as a provincial government, in the case of northern Manitoba, can find ways around that and make sure the potential of northern Manitoba is realized.

The minister mentioned Nunavut. We are hoping that when we talk about Nunavut, not just the resupply of Nunavut and the former Keewatin district, that we also keep in mind that when we are talking roads, perhaps in the near future, into Nunavut, we are studying that, and I would like to ask the minister some questions on that, as well as power lines, that we have an open mind on it because there are some competing regions of the province. I am thinking obviously the Churchill direction up to Nunavut, but there is also the other direction championed by places like Leaf Rapids, Lynn Lake, Brochet, Lac Brochet, Tadoule Lake and so on. Their argument is that a road link, for example, to Nunavut would go much better over the higher ground of that territory. In fact, the Town of Lynn Lake has strongly endorsed that this government push that direction. Of course, we notice there is also the competing direction which would go through Churchill. I cannot come down one way or the other, which would be better. I think that has to be studied, and I think it is still in the study phase, but I just want to alert the minister that there is more than one route possible. Certainly Lynn Lake would really prefer to see that other route, and their argument also makes a lot of sense.

Having said that, there are a number of issues that have to be worked out with the Dene people regardless which route future roads or power lines might take.

To change tenor somewhat, Mr. Minister, for most Manitobans highways and transportation basically means roads. That is the case in most of Manitoba, but perhaps not so in the northern part of Manitoba, part of which I have the privilege to represent. But in general, people want decent, safe, reliable, all-weather roads. That is the case everywhere, but as I point out mainly in northern Manitoba where they do not have those roads in some cases.

As someone who has lived and worked in northern Manitoba for 30 years, I have a very keen interest in seeing that our roads are properly maintained and safe. To give you an example, I recently had the opportunity of visiting the community of Sherridon-Cold Lake, and I use that just as an example of visiting one of the many communities out there. The road to

Sherridon-Cold Lake is roughly 80 kilometres from Highway No. 10. It was a pioneering road, a logging road, a Repap-Tolko road, but is now being used by the community of Sherridon-Cold Lake when the road was extended.

When I travelled that road the other week, it was very wet and slippery, and I was certainly glad that I had a four-wheel drive with me. Despite that, I almost slipped off the road several times. It was a very rough road. It was not graded very well. It is hazardous. People from Sherridon tell me they have counted. Now I have no reason to doubt this, but I have some reason to wonder why anybody would go to the trouble—but they have counted 234 relatively sharp bends on that road. Not all of them are sharp bends, but some of them are blind curves and are very, very dangerous.

The road is unbrushed largely. It is narrow, it is winding, as I have said before, and there have been numerous accidents on it. Now we can argue that with limited finances we can only upkeep existing road systems, and I am sure some people are aggravated by the fact we have tried to increase the road network by including places like Sherridon. I think eventually we have to do that to all our communities, not just Sherridon but those communities without all-weather road access. But to take the Sherridon road, there have been numerous accidents. There is Cyril Perry, former mayor of the community, badly hurt in an accident. Ed Head and his family; Ed Head was the former president of the MMF, badly hurt, crippled, paralyzed in an accident. Other people were hurt. One of his relatives, a woman, lost her baby. Art Reimer, Christmas of '97, lost his life on this road.

Now this is a road that is not hugely travelled. Yes, it is there for tourism. It is there for hauling logs, but when you consider the number of people on the road, there have been a tremendous number of injuries and fatalities, deaths. So that is an example of one road that we have to deal with.

We know that fixing that road, and that is just one road, would help Sherridon-Cold Lake with their tourist potential because this is a tourist area. This is an area that has had some

hard times. It was a mining community from '31 to '51, '52. The town was moved north on sleds to Lynn Lake, most of the town, two churches, I believe, and about 100 houses lifted off the foundations and sledded north by Lynn tractors, hence the name Lynn Lake. But this town has never died. This town has refused to die, and people are hard at work trying to make it work. I am happy to say that the Minister of Northern Affairs (Mr. Newman) is trying to put a fair bit of effort, energy and money into helping that community, but it is just one of many communities.

All I would like to say is that that road is essential to that community. It is a lifeline. This perhaps is a point that we have to make, not just as a critic of Highways but to southerners in general, that in the North very often we do not have a lot of options when it comes to roads. If, in a Manitoba community, in most Manitoba communities in the south, you are ill, for example, and have to go to a larger community and one road should happen to be washed out, let us say, you could still travel four or five other ways out of that town, but you cannot do that when you live in Sherridon. There is only one way out and one way in, the same way with Leaf Rapids and Lynn Lake and Snow Lake and many, many other communities. We have to, I think, consider that because we do not have those same options. To us it is not just a road, it is also a lifeline in many cases.

I would like to also talk about another road, Mr. Minister, and that is the road to Pukatawagan, which does not, as yet, exist. It is definitely needed. We have talked about this before. Pukatawagan is a community of 2,000 people. It is serviced by rail sporadically, does have an airport, which I hope is in the process of being lengthened, but it is very expensive to fly in and out. Just to give the minister an example, a number of years ago I talked with the nurses in Pukatawagan, and they said that in that one year 300-and-some medivac planes entered Pukatawagan. If you take a look at the cost of the medivac, I think it would be much simpler to make that road connection from the Tolko-Repap roads and connect Pukatawagan. So that is a pitch I am making for that road.

Of course, I could talk about 391, Lynn Lake and Leaf Rapids. That road has always

been a difficult one. I could, as well, talk about northern roads. Prior to the '95 election there was a promise that contingent on Repap expansion there would be \$90 million dedicated to fixing northern roads. That of course never materialized after the election.

* (1600)

So I would like to have the minister consider the fact that it is not just a question of maintaining what we have, but I think we should also be expanding. Lord knows, it is not going to be easy with the monies available.

The minister talked about airports, the northern airports. We all remember the 1997 crash at Little Grand Rapids, a tragic crash. All of us are aware that much more work needs to be done on northern airports. We have had problems with medivac planes. Not so long ago there was a medivac plane problem in South Indian Lake. I am given to understand it was just a technical problem. But I do know that when I was in Lac Brochet not too long ago, the airstrip had a whole number of problems.

Due to wet and soft conditions of the airstrip, Calm Air was forced to temporarily suspend service to the community. One small plane was stuck for three days on the Lac Brochet airstrip apron, which is partially muskeg. Apparently that airport is to be lengthened, but I am not sure how that is going to happen, because one end is right at the lake abruptly, and the other end is, as far as I know, deep muskeg. I know that Chief John Dantouze and his council are working hard to lobby for improvement of that airstrip, and that is just one airstrip. There are a lot of others that the minister knows need to be upgraded.

We feel that northern Manitobans have to be given better service. They do not want to be treated like second-class citizens. It is not just a matter of medivac access like only emergencies. I think we have to have a broader vision and a larger vision about making it possible that all citizens of the province have either road access or reliable air access to the larger centres of this province. That means, I guess, creating more roads. I do not know where the funding will come from, but we cannot ignore it. We need a

larger plan, a larger vision. It is not good enough to say, well, let us look at it next year. I think at some point we are going to have to say this is phase 1, this is phase 2, this is phase 3. Hopefully the feds will get involved. They would have to get involved, at any rate, as the minister pointed out.

I note that my time is somewhat limited, so in conclusion I would like to say I would like to get started with the Estimates process. I would like, first of all, if the minister would agree, and I think he intimated as much last Thursday, go with some general questions, more philosophical questions, perhaps, in which there may be genuinely differing points of view. Certainly I have some concerns. I note full well that the minister and the previous minister have said that we need \$1.5 billion to upgrade our road system, yet we only have \$100 million to \$110 million for capital projects every year. That is obviously a dilemma. The minister has referenced the fact that the trend is to larger trucks and more traffic and that a lot of the rail lines are being abandoned or at least there is a process of rail line abandonment which is not really the direction we want to go, I would guess, if we want to save money on road maintenance, and certainly not the way to go if we are talking about the Kyoto Protocol and the lessening of greenhouse emissions.

The minister has suggested much more involvement by this province and the federal government especially on a national highway system and national highway strategy, that the feds have to put a lot more money into roads, and there is no doubt about that. I think it has been shameful that they have been allowed to walk away from what I think is their historical responsibilities. I do not know of any other industrialized nation, certainly not in Europe or even south of the border where they are putting in \$200 billion over the next few years, where a central government has abdicated its responsibilities for transportation, not just roads but also its lack of concern for airports and trying to dump those on various communities and cities, sometimes with success, sometimes without success. Yes, we need, I think, some strategies. We have to work together with the federal government, and I guess basically get them to the table and agree that they have to

change their ways. Certainly that is not a surprise. We could spend a lot of time together fodbashing, but I think we need some practical direct one-step-after-the-next approach to getting the feds to listen.

Lastly, before I stop, Mr. Minister, in light of the Provincial Auditor's report in the spring of 1998 in his Value-for-Money audit, I hope the minister and his staff will give me an update as to the degree of implementation of the key recommendations. Those recommendations in a nutshell on page 50 of the report are, and this might be a good place to start off for the minister, and I will just repeat them. I am shortening the actual recommendations. Three of them, the first one was adopting a lease lifetime cost methodology in determining rehabilitation and maintenance strategies, priorities, and budgets; secondly, documenting relative emphasis of various planning inputs which underlie rationale for construction rehabilitation project priorities. I am particularly interested in the relative weight of socio-economic factors in project prioritizations. In other words, what constitutes needs? Is it the number of cars travelling on a highway, or is it an isolated region where improved transportation is a life-and-death issue? Is it a safety factor versus an absolute need factor? And the post-implementation reviews to check out to see if anticipated benefits were actually realized, in other words, you said you were going to do that, well, did it actually happen?

Now maybe those are three very difficult places to start, I do not know if the minister feels they are or not, but if they are not, this might be a good place for us to start in general. Thank you, Mr. Chair.

Mr. Chairperson: We thank the critic of the official opposition for those remarks. Under the Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff present.

Mr. Praznik: Mr. Chair, if I could introduce my staff. First of all, Mr. John Hosang, who is

the assistant deputy minister for Engineering and Technical Services, and the assistant deputy minister of Transportation Safety and Regulatory Services; Mr. Don Norquay, who is the assistant deputy minister for Policy, Planning and Development; Ms. Marlene Zyluk, who is the registrar of motor vehicles and assistant deputy minister for Driver and Vehicle Licencing; Mr. Paul Rochon, who is the assistant deputy minister for Administration; and of course, Mr. Barry Tinkler, known to most MLAs, particularly rural MLAs, the assistant deputy minister in charge of Construction and Maintenance, the big spender in my department.

Mr. Chairperson: We thank the minister. Before we proceed any further, is it the will of the committee to centre in or to ask general questions and pass the lines at the end of the questions? Agreed? [agreed]

We will now proceed to 15.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits on page 91 of the Estimates book. Shall the item pass?

Mr. Jennissen: Mr. Chair, I am hoping this is agreeable to the minister, to deal with the general overviews first. Maybe, with some of the more philosophical debates, get them underway, and tomorrow, hopefully, more specific. I know some of my colleagues have asked if they could be given some time to ask questions on specific roads or specific projects and so on, but today, I think, fairly general questions, overall questions. We may get to it line by line, I am not sure; if we do, we do. Is that agreeable in general to the minister?

*(1610)

Mr. Praznik: Mr. Chair, I am just wondering how much time the official opposition has allotted. I appreciate as well that the members of the Liberal caucus may have questions, particularly in one area, but I have no problem with freewheeling debate and that other members may want to come in with specific questions. I would just like to have some knowledge of what questions and when so that we can be sure we have the right staff here.

Mr. Jennissen: In terms of general framework of time, it was 10 hours, and I am guessing that today and tomorrow it would be the bulk of the material. Possibly Wednesday might be needed as well. I cannot say for sure for the simple reason that, when some of my colleagues wax eloquent about rural roads, they tend to go on for a long time. If I knew that they were not going to do that, I could give you a much crisper answer.

Mr. Praznik: Mr. Chair, that is fair.

Mr. Jennissen: Is it acceptable to the minister to deal with the Auditor's report from last year and the three key recommendations and give us an update so that I get a feeling of, yes, we have met those recommendations or are in the process of meeting those?

Mr. Praznik: Yes, first of all, my department advises me that a couple of the things they have done are that the Trans-Cad computer software program has been acquired, which will improve transportation analysis, modelling and highway feature mapping capabilities; and that our asset management system has been acquired to identify highway maintenance and rehabilitation needs and the appropriate timing of remedial action to provide for the least lifetime costing. Those are a couple of things that have been done. As well, the department has engaged Lovett Consultants at a cost of about \$25,000 to develop a transparent and defensible framework for the analysis and weighing of all planning information inputs, highway needs assessment, benefit cost analysis, and socioeconomic factors to improve in our construction planning. I want to just comment on that for a moment when I am finished with this.

With respect to long-term planning a process is also being looked at to develop a long-term highway infrastructure strategy involving extensive stakeholder public consultation, and looking at working with local governments in that particular process, it is my intention to see that get underway this fall. Right now we are doing many of the preliminary documents that will form the basis of that.

I do want to make just some general comments about this. When you have an infra-

structure system and it requires, for argument's sake, some \$200 million a year to maintain and enhance and you are spending \$110 million on it, I do not care what system you have in place for prioritization, you are going to be under siege all the time. So, until we are able to address that fundamental issue of sustainable sufficient funding for a highway system, we are going to continue to see our system erode on an annual basis.

The member has made a very I think insightful comment. He has been critic here for a number of years and he has watched the debates in the House. Highway and highway infrastructure are not sexy to the general public. They are certainly not sexy to the Free Press and the Winnipeg Sun and the CBC and most media outlets, and they are long-term issues. The deterioration of roads is something that rarely happens overnight. Yes, we will have something fall apart, and there will be a big story about it. But generally speaking, it is something that goes on day in and day out, little bit by little bit by little bit, and it does not garner the kind of public attention. It does not make its way into the public debates. It does not make its way into the kind of demands on governance that the member for Flin Flon (Mr. Jennissen) and his colleagues and myself and my colleagues have to deal with every day in balancing the needs and the wants of the community.

I am not to say that we as politicians just react totally to media all the time, but certainly the public's agenda, and where we believe investments have to be made for the long-term wealth of the province, we have to be able to convince the public in a meaningful way. It also involves choices and it also involves, I believe, the national government, as I have discussed in my remarks.

From my perspective, the No. 1 challenge for me in my tenure in this department is to get us into a position with advancing a dedicated highway gas tax in essence being dedicated to Highways and Transportation and a federal involvement in this so that we have the discipline of dedicated taxation.

My view is that is what is at the end of the day needed for the long-term health of our

highway system. I did not say this work is not important, but as long as we continue to not have access to the whole pot of gasoline tax money, as long as we continue to see hundreds of other issues capture the public's imagination, it will be difficult for whatever politician to be able to make the argument to the public about the need for the kind of sustainable support for maintaining our entire system.

The member specifically referenced socioeconomic factors. Those are very good questions. I am looking forward to seeing the work done of our consultant. I certainly, as minister, will not implement it just because it was done by a consultant. It has to make common sense to me, and I have to feel comfortable defending it. Ultimately many of these things will boil down to subjective decision making. You know one of the difficulties I have with this process is that one can apply many different systems of analysis, but many of these decisions, particularly when one considers the socioeconomic factors, there is a great deal of subjectivity to them. The member and I know that.

Even if one puts a weighting system to it, somebody still has to subjectively apply that weighting. How do you weigh these things out? It becomes a subjective test. Ultimately I am a great believer in the British parliamentary system. We as elected members are elected to this place by our constituents and will be held accountable to our constituents for the decisions that we make, good and bad.

Of course we have a responsibility to ensure we get the best value we can for money, et cetera, but, ultimately, I view these kind of tools not as the be-all. No computer program should produce our highways construction list for the year. What they do, what it should do is provide us with some standardized measures so we can assess status of road condition, need for maintenance and repair, and provide us tools so that we can make better choices or at least choices that we are able to justify, I think, with some standardized tools of measurement. But ultimately they are tools for decision making.

The reason I say that to the member, and I would hope the member would concur with what

I am saying here, because we all know—I had been Northern Affairs minister for several years and he is a northern MLA— that there are a number of communities, both in the North and in the south, where there is an importance to that road, if one looked at that community and you looked at the economic benefits, compared to many other places in the province that may never have a road, let alone be justified on maintenance work. Ultimately, you have to make some decisions on the basis of judgment.

For example, just to put it in perspective, take the community of Snow Lake. I was there when the mine announced—I do not know if the member was the member for that community at that time or if it had been Mr. Storie. When the last mine closed and everyone said that Snow Lake is dead, well, any kind of computer analysis or objective analysis—when they tell you that is a community that has lost its *raison d'être*, that is not a place you want to spend any more money. Yet the member and I know that the best place to look for a new mine is within the site, from the top of the head frame of the old one.

You cannot put that into an objective analysis in a computer model, but the need to keep an investment in infrastructure, to keep the exploration going and something going there in terms of the infrastructure, it is a gamble but a calculated one. There will always be that requirement for that kind of judgment to be made by ultimately the people who are elected on behalf of their constituencies, so these are tools that are important ones. We are taking this very seriously, but I just want to put it in perspective that it is important to still recognize that there is a role for the judgment of those people who are elected by the voters to respond to their needs and to weigh and balance. We all have to do that in our own constituencies from time to time. Sometimes it is easy; sometimes it is not.

* (1620)

I just know that the piece of this puzzle that I look forward to is the consultation that I intend to be involved with personally as we do it across the province in the fall, in developing some longer range planning with municipalities,

chambers of commerce, communities, in looking at how we rationally approach our road system.

To give the member a little bit of, again, flavour of where I am coming from, in many of our agriculture areas, just as an example, the growth of the potato industry has resulted in a need for storage capacity. How that storage capacity is developed can have a big difference on our road system. Developing it in a co-operative fashion in towns with RTAC ratings so that the finished product and the heaviest loads can be moved out is far more efficient from a road perspective and an industrial development perspective than seeing sometimes storage built on every farm over a wider road network where necessarily your trucks that are hauling are going to be heavier weights on roads that are not built for them. Communities have to kind of engage in that balance of structuring their own municipal road system with ours to maximize the usage of heavy weight roads as opposed to seeing them develop everywhere.

We have in my area agricultural development that took place on farm sites that have grown and done tremendously well, and I cannot fault the people who have done this. They have done a perfect job, a wonderful job, growing their businesses, but they have put a huge road traffic onto municipal roads leading to their farm, and we have to get some balance in that. That might be in municipalities making agricultural business land close to town on an RTAC system available at a very reasonable cost to people needing and wanting to develop those businesses. Those are the kinds of discussions that we have in planning our road system, ultimately where these tools that the auditors recommended are going to be needed. But, ultimately, those of us who have to be answerable to the public—no computer program I have ever seen is yet answerable to the public—that is the role we have to play. These are tools for us, and I will be more than pleased to keep the member appraised of this process as it continues and to share with him my thinking and the kinds of tools that are being developed.

Mr. Chairperson: Before we proceed any further, I would just like to point out for all members of the committee that, with these mikes that we have in front of us now, it is no longer

necessary to have them up right in front of you. You can have your papers—

An Honourable Member: Oh, I am sorry.

Mr. Chairperson: No, no, it was not to point it out any particular member. I am just saying you do not have to. You can have your papers in front of you and just speak quite normally. These are the mikes from the Assembly, so they have lots of power. Our Hansard operator will adjust them accordingly.

The honourable member for Flin Flon, to proceed with his question.

Mr. Jennissen: Thank you, Mr. Chair, for pointing that out because normally I get a lecture about not being close enough to the mike, so I have been hugging this thing. I will not do that again. I thank the minister for his answer.

Yes, the decisions made, I presume, are very often subjective. Where I am coming from is there is a difference, though, between making decisions for economic growth in the south and decisions that would bring isolated pockets of people like Pukatawagan into the main stream of the province. I do not know if that weighs largely in the scale of whoever does the weighing because Pukatawagan is not a powerhouse economically, although the people are trying their darndest to develop forestry and wild rice and other products. From another point of view, though it is not coming from the same pot, we are spending a lot of money flying people out, sick people even who could take regular road transportation. If you follow that and say there were 300 people in 1996 who were medivacked out of Puk, the average cost, I am guessing, is between \$5,000 and \$10,000. Now that is an enormous amount of money. If you put those dollars into even attempting to start a road system from wherever the Tolko-Repap road leaves off, it is not an impossible task. Where we are at right now it is never, never, never. Yet at some point the larger communities, I think, have to be connected. I understand a place like Granville Lake, very small, probably never will be, but a place with 2,000 people, I do not think we can ignore it forever.

Mr. Praznik: The member has hit upon one of the issues that I think is the greatest challenge for government. It is the old bureaucratic answer why we cannot do something because it is not in my department. Yet it is within the purview of government, of our government, and I say that collectively as Canadians. The money for the medivacs, quite simply, does not come out of the Department of Highways. So for us to find within our budget money to build this road, there are no savings to the Department of Highways building it. Consequently, in any rating system that an auditor would impose upon us, some computer program in which you would throw in these numbers, that particular road would show up as probably a very, very low priority. The member and I, our hair would be even grayer than it is today before anyone would even consider it.

Within government, obviously to the taxpayer there is the potential collective savings. One of the things we have to struggle with, and again even within government, even though I was a Health minister, I cannot remember particularly who would be funding how much and what percentage of the northern transportation, how those things work. They are First Nations people. Federal government had a budget for that which they abruptly ended and left a couple of million on the provincial taxpayer last year; I recall that issue. So you even have two governments who are paying for medivac service; ultimately, somebody has to take the bull by the horns and pull all the players together and be able to do a review.

Mr. David Faurshou, Acting Chairperson, in the Chair

Perhaps there is a role for the member for Flin Flon (Mr. Jennissen) to do. I would certainly, in working with him, be prepared to have our department, if he were to convene a meeting of the players together, I would certainly want my department to be part of it, because maybe within that mix is the ability to do something that over time saves the taxpayer some money, or at least breaks even, and provides a better road access to the community.

The case in point when the member was speaking, what jumped out at me, was the whole

north central hydro line development. There was no reason for Hydro to build a hydro line in there, because what they would have to charge for the power made it impossible to sell electricity. The federal government, who spent a fortune paying for the diesel generation, was spending a fortune. We were supplying Northern Affairs communities. What worked there was everybody got together and said, hey, if we applied what we are spending now to building a line over a period of time will pay for the line and we will have a big savings. It took a huge amount of effort to bring two governments together, federal and provincial, and make that happen. It sounds to me that is what needs to happen in this particular case. I thank the member for bringing it to our attention. I will tell you, as the local MLA, if he is prepared to initiate some discussions between the parties to kind of get the ball rolling as the local member, I would be very pleased to ensure our department is there at that and would join him in requesting the Department of Health to be there as well.

Mr. Jennissen: I thank the minister for that. Only a day or two ago I talked with Hanson Dumas and Chief Shirley Castel from Pukatawagan and their concerns of course having been allayed, they still would like to see some action. By that we do not mean the impossible dream overnight. We mean at least some recognition that a road could be built, how do we go about it, what would be step one. As the minister pointed out, we have to take a large view of this. It may not be a direct saving to the Department of Highways, but it would be a saving for taxpayers. I am thinking in particular in terms of Health. Regular road connections, trucks coming in there with supplies and food more regularly, cheaper food, better health, they are facing all kinds of problems, some of the smaller communities and reserves. I think a lot of that could be alleviated if there was a direct weather road access. There could be all kinds of economic spin-offs and benefits that are not easily visible and certainly would not show up in any one department. That is why I think we have to look at the larger picture.

While we are on that, I would also like to move that same kind of thinking to that whole region of Leaf Rapids, Lynn Lake and points further North. I think there could be a

temptation and I do not know if there is in the minister's mind or not, I hope not, but there could be a temptation saying since Ruttan mine in Leaf Rapids will cease functioning in the year 2003, since we have not found any new ore deposits in the immediate region, and since Lynn Lake and the gold mine at Lynn Lake is nearing the end of its life, as well, that entire region is at risk. It would be easy then to rationalize why put more money into 391. I think that would be the wrong direction to go, because we have to develop tourist potential in that region. We have to look for diversification. We have to look for other economic alternatives. I do believe in my heart of hearts that in the future, that is going to be an extremely important region, more important than it is right now. I would like to hear the minister's point of view on the continued need for money upgrading 391 and the regional Leaf Rapids, Lynn Lake and surrounding regions including Granville Lake, Brochet, South Indian and so on.

* (1630)

Mr. Praznik: As the former minister of Energy and Mines, who was very much a part of putting our mine strategy together, I took over that portfolio from the previous member for Pembina, Mr. Don Orchard. I am a great believer that there is still a lot to be discovered in that part of the country. We know that the flyover work that was done with some of the new scanning devices to pick up magnetic anomalies in that part of the country, there were literally thousands to be explored. Although there is a low going on now in terms of the immediate future, I remember the same thing at Snow Lake. Oh, it was the end of Snow Lake when that mine closed, and yet a few years later, I was privileged to be there for the opening of Photo Lake. I was privileged to be there for the opening of the New Britannia. I must admit I lost track of Photo Lake, whether it is still open or not or completed. It was a small orebody, I know, but it just tells you that there are still a lot of things to be done in that country, and that road is an important part of that infrastructure. I would not have said that, but again, you know, the member has flagged for me the reason why all of this effort to kind of have a rational approach. We have come, in this computer age, to believing we can take everything and put it in with a set of criteria and it will

pump out a list and there should be no human discretion. In that case, we do not have a Parliament, a Legislature or democracy at the end of the day.

The decision to continue to maintain that road in the face of no immediate ore discoveries is a gamble, but you have to take that gamble, I believe as a politician, because we have a broader experience than that computer. Ultimately at the end of the day, yes, we may be criticized because maybe someday no orebody will be found in that area and some auditor will say this is a bad waste of money, you should have known. But if a large gold deposit or another copper deposit, whatever, is found in that area and you have 2,000 or 3,000 people working, someone will say, boy, you had good judgment.

By the way, one of the things that makes that area attractive for exploration is that you have road access. One of the reasons why a mine is more economical putting in there is because you have rail and road access. So those are the areas that become very important in continuing to find a new well. So if the member is looking for a commitment from this minister, I give it to him here today that failure to find an orebody in the immediate future is not something that necessarily would, as long as I am minister, be a reason to continue to do no work on that road. If five, six, seven, eight, 10 years passed and nothing was found and the traffic volumes were down, it is a different story.

Obviously, I think the member knows and I share with him the belief that there is another mine to be found in that area and keeping the infrastructure going to encourage the exploration and ultimately make feasible the development of new mining opportunities in that area. As well, we have seen more development of timber opportunities as well, the growth in our woods industry, fibre industry growing. So, yes, you have to keep that open if you want people to pursue it, and those are very important.

I mean it will not be perfect. It will not be as much as certainly we would both like to be spending on that road, but certainly it will not be abandoned just because of the current circumstances. You know it makes the point, it reminds us always of why we are elected and not

governed by computers because ultimately we have to be responsible to our electors and be able to defend with our rationale. Sometimes we will be wrong and we will pay the price for that, or we will have the understanding of the public for that, but ultimately it is the decisions of elected members, like the member for Flin Flon (Mr. Jennissen) and I having this discussion today in this public forum, that still ultimately have to accept responsibility for the decisions that are made around roadwork in our province.

Mr. Jennissen: I could add that with regard to Lynn Lake, apparently the federal government is putting some money in, I guess, possibly allowing the town to take over fully the airport because it is extremely difficult for a small town like that to carry a large airport.

As the minister was saying, we have to look at where there is potential, and I think there is much more mining potentially in that region. I am happy to hear him say it and put on the record that we are not going to desert 391. In fact, we should be putting more money into it because it does have enormous tourist attraction potential. We have talked about a round road all the way through to Fox Lake and Pukatawagan. That is not likely to happen in the near future, but again, who knows 20 years from now that might be something feasible.

I would like to point out that a place like Lynn Lake is also a place where NASA does a lot of high-altitude testing with balloons, so there is an influx of American money and so on. There are all kinds of little things happening that are important. Of course, we cannot really replace mining, and we are trying very hard to make tourism a kind of backup economic system, but it is going to be a long, long time before that would come anywhere near the potential that mines have.

I am happy to hear the minister say that that region is still going to have the support of this government, because very often when we make political decisions, sometimes they are made in a crass way, and I am pointing to the fact that we get angry when federally the votes are cast, the decision is made, and actually by the time we get to the Manitoba border, that the East ignores us,

that the emphasis seems to be on Ontario and Quebec.

We in the North very often feel that government in the south, in particular the Highways department, you know, not their fault but through ministerial direction or through government impetus, are putting southern roads at a higher niveau, a higher level, than the North. Again, it is a voting thing. At least, that is how we perceive it in the North. Very often we hear sarcastic comments, people saying, well, they tell us we vote the wrong way; that is why they will not put the necessary funding into our roads.

I hope that is not the case. We feel that is sometimes the case. I hope the minister will, as he says, govern or help to govern or help to administrate in his department for all Manitobans. I think the North, being an area of great potential, we would certainly like to see the funding levels in Highways gradually increase to where they were in the '80s.

Mr. Praznik: Just one technical point, the member talked about in the '80s. The budget of the Department of Highways, I think, capital construction got as low as \$80-some million during the Pawley administration, one of the lowest in Canada and, again, a government whose priorities were not necessarily in infrastructure.

I am not saying here we have been able to significantly increase that. We did increase it when we came to power, and we tried to maintain it through a very bad period in a recession, and now we are looking at ways to enhance that in the fuel tax. But I do not think there has been in Canada in 30-some years—and, you know, we could go through numbers about expenditure levels and the like and be able to talk about who spent what where, but the reality, I think, over the last 25, 30 years in Canada is that virtually every government has not maintained the levels of expenditure to keep up their roads and expand their road networks.

Mr. Chairperson in the Chair

So we are arguing about whether one was worse than the other and all basically not putting enough in, not because I think governments were

unwise or silly, but their publics, or their voting publics, demanded a whole bunch of other things of which roads were not politically sexy, and we are paying that price for it now.

There is no doubt that I would love to have four northern MLAs as part of the Progressive Conservative government caucus. I would welcome them wholeheartedly. We would be delighted to, and I make this offer to the member for Flin Flon. If he would like to cross the floor, I would be there to help him seek the Conservative nomination in Flin Flon because I like the member for Flin Flon. He would be a welcome addition to our caucus, and we would be delighted to have him. If he persists in standing for the New Democrats and his voters decide to return a Conservative, well, I would wish him well in a new career and welcome the new member for Flin Flon into the fold.

* (1640)

The reality of past elections, we have not been successful, my party, in winning a seat. Perhaps in the next one we will, but having said that, the reality—and I remember being at a meeting in Thompson with the former Minister of Highways when I was the Northern Affairs minister, and we discussed roads and shares of funding, et cetera, and I think a commitment that my predecessor had made was to try to maintain a percentage of our expenditure being the equivalent of about 11 percent which was the percentage of road miles that the North had.

We appreciate that conditions may be harsher in some ways and other things, but there is always reasons for exception. One can say that some parts of the province have more economic activity than others, et cetera. There is also other air networks and things. We appreciate, you know, only one road, but that commitment was there. That was an improvement from 6 or 7 percent to 11, and I think we have managed to maintain that.

There are balances between maintenance and capital, and sometimes in a particular year it may be a little up or down, but I know that the combined expenditure on construction and maintenance in the Northern Region 5, in '96-97 was 12.3 percent; '97-98, 11.6; in '98-99, 12.6;

and in '99-2000, it would be about 12.4 percent. So we have been running a little bit above that particular commitment. I guess the percentage of roads north of 53, in that region, is about 11.4 percent of our network.

Now, I do not want to make it sound like we have been hugely generous by about a percent more. We do appreciate that there are probably more maintenance costs, snow removal, and other things, so that kind of balances, but the former minister had indicated that that would be roughly what it would be, and so be it. That is what we are doing.

What it underlines to me, because I am sure when the member for Flin Flon (Mr. Jennissen) goes back to his constituency he will find very few people who will say all the work is adequate. I find very few in my own constituency or the member for La Verendrye (Mr. Sveinson) or the member for Portage la Prairie (Mr. Faurichou). They come to see me regularly with long lists of roads, as the member for Flin Flon does in Estimates. It really underlines the reality that we as a province, just like every other province in this Dominion of Canada, are not spending what we should be on maintaining our road system.

Quite frankly, the answer, as I have said before, is to see dedicated fuel taxes, to have the federal government play a role with the \$147 million that they are collecting in our province on the roadways and putting none back, over a period of time phasing in that tax from part of a national program to maintain and do what we need. One nice thing about that dedicated fuel tax, particularly if dollars are expended on the percentage of roads, for the North that does not have 11 percent of our population, they drive a lot because you have a lot of roads to drive, a lot of miles to cover. You obviously would pay that percentage of the tax. You would see it come back in terms of percentage of roadwork, and it is a good way. Those who drive little because they do not have many roads to drive in urban areas pay less in fuel tax than those who drive more. So there is a way of ensuring that what they are spending now, what they are spending now anyway and seeing it go to Ottawa with little coming back, in this case none coming back, would do it.

At the end of the day, I know we have had some exchanges in Question Period that I have found very pleasant, the member for Flin Flon being very supportive of developing a national highway scheme. I think at the end of the day we need that to be able to maintain our road infrastructure north, south, east, west, centre of Manitoba instead of continuing to fight over a less than adequate pool of dollars to do the job.

Mr. Jennissen: I fully follow and understand the argument that the minister is making about the dedicated fuel tax, but I do not know what level of reality that is right now. He has probably talked to Collette. I am not sure if he has. I do know that the federal minister has talked about putting \$3.5 billion, to be matched I guess by the provinces, into a system. It has nothing to do with the fuel tax. I do not know whether that is enough, because we are talking about, what, a \$17-billion deficit nationwide. So I guess \$3.5 billion matched by provinces would be \$7 billion, would be quite an enormous chunk.

I do not know if that is just posturing or if that is reality. Could the minister give me a feeling of that?

Mr. Praznik: I think the member has hit upon the real crux of this issue. The national highways program has been floated by Minister Collette. I think he means well. It sounds to all of us in provincial governments as a one-time commitment to flow some money into the highway system. Well, we will take the money, first of all. We will be pleased to take the money and we will spend it, but does it solve the problem? Not at all, because our need is ongoing and will continue to be ongoing well into the future.

We are still left with a national government collecting this year \$147 million of fuel taxes in our province and, other than this one-shot program, if they do it, putting none back. That is not adequate anywhere in this land. So we as Canadians I think have to have that debate. Why I am an advocate of dedicated fuel taxes for roads is the discipline that comes with that, because then we know those dollars are there for taxes, that you adjust your fuel tax based on what you need to maintain the road system.

For the motoring public there is a very clear linkage between knowing that the tax you are putting in that pump is going to maintain and build the roads you are driving on or your goods are coming on into your community as opposed to what we have now, the federal share going into an enormous pot of dollars in Ottawa and coming out in some other program and the roads being inadequate.

People say we pay a lot of fuel tax. That is why I am always concerned when the federal officials floated an idea in Ottawa recently about adding a few pennies a litre to pay for a national highways program. We said, you help us like thieves, you are already taking—how much a litre federal tax?—10 cents a litre in federal tax and you are putting none back in Manitoba or west of the Ottawa River. You are putting none back. You are suggesting we use toll roads; we are suggesting you add some more pennies to the litre. It is just offensive, offensive.

So, Mr. Chair, everywhere we travel now as a department, and we are talking about this issue, we advocate the dedicated tax. We certainly advocate it with our colleagues across the land, and we have told Mr. Collenette, I think, collectively that that is great to have another program but we have to also look at our long-term sustainability of it.

There was a time in government not so long ago where ministers of Finance would have absolutely balked at the idea of a dedicated fuel tax for highways. I am very pleased to say that within our own government, I think we have realized that is what we are doing now in practical fact. Maybe we should do that. Maybe we need to have a trust or whatever to do the dedicated tax thing, but it has to be that the public is ready for it. The dollars are there. We know that that means a shuffling of other money within the federal systems, some four or five billion and they will probably cost us somewhere else, but it is the discipline of knowing that your infrastructure issues are not going to be judged against the immediate issue of the day, whatever it is.

As northerners who are dependent on single, often gravel roads into their communities, there is no other group in this country who would have

a greater logical reason to support dedicating fuel taxes to road construction because it is truly their lifeline. I appreciate the support the member has given me in the House. We have conveyed that to Minister Collenette, but everywhere I go now, I am using every speech I give as an opportunity to raise this issue. I think the federal government has to hear it. Canadians have to be engaged in this kind of debate over their infrastructure funding. Is it going to be easy? Not on your life is it going to be easy. This is a tough, hard-slugging match. But, you know, I have seen it happen before where an idea can catch fire and political winds being what they are, very shifty winds, can blow that fire into a raging storm that no federal government can avoid. That is what my job and view is and I ask the member to join with me, as I am sure he will, and his colleagues and my colleagues, because I see an opportunity to do this right.

My view is the national government is looking for a quick fix to say we have done it. We put some money in transportation. Then Mr. Iftody, the M.P. for Provencher, and some of the other members from Manitoba can travel around the countryside and say the federal government solved all your problems again. Just like we did in health with a one-time payment; just like in education with a one-time education budget. The member for Flin Flon, I think, we both recognize that they have not. They are one-time payments.

* (1650)

I am really concerned. I must admit I am concerned that if the feds do it, how they are going to finance it. There are a lot of questions we have about how they finance it. I would hate to see them use somebody else's money like the EI fund. I would hate to see them avoid the real issue that is being part of national transportation infrastructure in a sustainable long-term manner. There is a lot at stake here, but I have never seen the time so ripe in 11 years of public office as now for us to make our case, engage Canadians in the debate and have some opportunity for success.

Mr. Jennissen: That is a very good argument. I certainly do not disagree with any of that. When

the minister says dedicating the federal portion of the fuel tax, he is talking all of that. He is talking all of the 10 cents. He is not talking the 2 cents that lobby groups like CAA have advocated sporadically or year to year and that other lobby groups have as well.

He is saying: this is the money you collect, federal government, and this is what you should be returning into the road system.

That is a logical argument. I just have one question I would like to tie in. I would like to hear the minister's answer because I do not know how to answer it myself really. How do you get back to Mr. Collenette and Mr. Martin when they say it takes us X number of cents to service our debt out of the Canadian tax dollar and it only costs you 10 or 11 cents? In other words, a lot less. Their argument would be that we cannot afford this, which, I am sure, will be their argument. How do we get around that?

Mr. Praznik: There are a couple of things. First of all, yes, in Manitoba it would be \$147 million of new revenue. Granted, we would lose somewhere else, I am sure, but \$147 million. I believe that my department, first of all, tells me that we should be spending in the neighbourhood of about \$200 million a year. I look to Mr. Tinkler. He would, I think, feel he had died and gone to heaven if we gave him \$20 million on our capital program, probably a little bit more on the maintenance program, et cetera. Obviously, there would be several tens of millions that I think should be made available to municipalities because they certainly—and not for them to do residential streets. Residential streets, just like municipal roads that are servicing remote communities, have to be borne by that local government. But certainly within municipalities, their RTAC system. Take the case of Winnipeg. Winnipeg looks after its major trucking routes through the city, yet they are of a provincial, even national significance, servicing the transportation industry. So there is role for the municipalities to have access to some of that revenue from fuel taxes. Certainly a piece of that I would like to see available for things like development of public transportation in urban areas, development of intermodal sites, some of the other things in northern development, the

special projects we have to do that enhance our transportation network.

My department also told me, and we got talking about this early on in my first weeks of being minister, is that if we had all that money today, the construction industry in Manitoba and most of the country would not be able to gear up to do it all at one time. So it would take a number of years of phase-in to be able to bring that into operation. I think the national government should be sitting down with the provinces, discussing the concept, engaging Canadians in the debate. I think Canadians would find it very agreeable to have a dedicated tax. I think the national government has to still have a role. I would not want to see them walk totally away from it because we know, heaven forbid it would not happen in this province, but in others it may where those dollars do not always end up in developing a national road system. I think there is a role for them with that tax room or those dollars to be at the table saying a national priority is four-lane Trans-Canada Highway from sea to sea, and your share, province, has to be a No. 1 priority.

The Yellowhead route, four-laning that in very important stretches; again, building those east-west road links; building what I call the southern Canada border links, which are critical to our trade; building the southern Canada-northern links that allow us to be able access economic opportunity and people in our remote parts of the country that are still very much to be developed and to grow. There is where national government has a role in setting those particular priorities, and that is a role that I would like to see them in.

Now, when it comes to financing debt, I am not an expert on the national treasury, but I do know, having gone through many, many budget exercises, that it comes down to often matters of priority and where dollars are being spent. The national government has to work within its budget and its limitations. Its revenue growth has certainly been there over the last number of years. I guess when I talk about Canadians engaging in a national debate, if we do not have that debate at national level soon, not just about infrastructure, about what we can afford to spend and when on what collectively within the public,

I see us now often robbing Peter to pay Paul. We know that health care demands will continue to grow, and I know that better than anyone, having been a minister of Health for two years. We know that an aging population and new technology will continue to draw an increasing share of the public dollars. But health care has to surely know what it can expect. We have to be able to assess what percentage of our revenues we can spend over a period of time, where we are putting into infrastructure.

These are difficult choices sometimes. We are left as politicians to make them on behalf of our constituents absolutely, but we deal with an electorate whose major source of information is the television news, the newspapers they read, and these kinds of balances we as politicians have to make every day, whether we be in government or opposition, in developing our policies, developing our legislation or our positions for general election often to get the public truly engaged in every aspect is very, very difficult.

So we need to have the media involved, as we need to have the national debate about where we are putting dollars and what the needs are. There has never been enough money for everything, but just like a household, you have to prioritize, and what I have come to realize is that the infrastructure needs that are so important to our competitiveness on a national basis, not just a provincial one, have for 30 years been getting an almost short end of the stick for other things. I do not know if Canadians will accept my version of how we should be balancing, but certainly it is time for that debate.

Mr. Jennissen: That is very interesting. A national debate on those infrastructures issues would certainly be most welcome. Whether that will take place, I do not know, because it appears to me there is a clash, again, of long-range needs for building infrastructure and short-range needs of politicians and political systems. In other words, what is more convenient to do within the next couple of years is often done rather than we are going to pay a lot more 10 years down the line unless we do this. What I am saying is, you know, we are kind of trapped where we have to make long-range decisions, but for short-term convenience we do not often make those

decisions. I am talking now on a national level. I am not suggesting provincially.

The dedicated fuel tax, and using that for road construction, makes a lot of sense. There are other ways of doing this, and I am not advocating we do this, but I am familiar with Holland because I was raised there. When I visit my cousins, they are always complaining when they buy a car about how much they have to pay for I think they call it WTB or BTW. I am not sure what the initials stand for, but something to the effect that it is a road tax built into the purchase of actual the vehicle, so that I guess instead of having a vehicle at what would be a normal cost price here with a little bit of profit built in, the state also levies taxes on that vehicle and uses those taxes for roads, road upkeep. I do not think that would be very popular in this country, but I am sure there are other innovative ways of extracting taxes. I am not necessarily advocating them, but it might be worth looking at some different methods being used by different countries.

Going back to Mr. Collenette's supposed \$3.5 billion over five years, I guess if he gave it to us all at once we could not match it for one thing, and probably the heavy industry could not do it anyway, but even over five years, I presume our share would come to what? About \$28 million a year? Would that be a fair estimate that we would have to match?

Mr. Praznik: Depending, of course, on how money is divvied by percentage of population or percentage of road, but we estimate our share would be about 4.5 percent of the national payout. So depending on how they phased it, that is what we would expect to get on an annual basis. But you know, again, you can just see where probably short spending \$70 or \$80 million a year on an ongoing basis, this national program is not going to come anywhere near to meeting that.

* (1700)

Mr. Jennissen: Well, just for the sake of argument, if, let us say, the \$3.5 billion were a go, divided five years, that is \$700 million, and let us say we have about 4 percent of that, that would be about \$28 million or so, a little bit less

perhaps, a little bit more, would we come up with that extra matching \$28 million? In other words, we would jump from \$110 million to approximately \$160 million for a special capital project?

Mr. Praznik: Unless we have a significant surplus that allows the Treasury Board to give me, for this department, an extra \$28 million a year, to match it with new money would be impossible. In the discussions we are having with the federal government, their leverage, when they look at matching, is on specific projects out of our existing budgets. So, again, they are looking at saying what builds the national highway network and, again, their correct role saying what projects do we need to do to build a national highway network. So, it is Trans-Canada, Yellowhead obviously, connectors to the border. Those are the obvious national highway projects.

Now, the concern that I would have as a northern MLA is if we were having to match 28 million bucks in a year and do all those projects on those great roads, where we are getting the \$28 million from is out of the rest of the program. That is another concern with this. This is why I appreciate the need to build that national highway system, but, you know, if we are having to match it on those programs, again, I would hate to see that done at the detriment of the rest of the road network that we have to maintain.

Mr. Jennissen: So if I understand the minister correctly, he is saying that that \$20-some million would not be new money then. We would not be talking about matching it with new money.

Mr. Praznik: Mr. Chair, that would depend on the financial circumstance of the—I do not think it would be a specific requirement that we would have to add to our base an extra \$28 million to match that. I think the question is the money becomes available as long as we are matching it on a project-by-project basis, so we would, within our national criteria, say these are the roads that meet that criteria; we are putting up half; they would be putting up half, and we would be doing that project.

But, again, our \$28 million would then likely come out of our regular \$100 million, \$110 million a year. Now, on those roads that would be of a national priority, I am looking to Mr. Tinkler, I do not think today they would command \$28-million worth of projects, so, obviously, that means we would be having to take out of other things we would do.

Again, this is the struggle with this. It is great for them to say we want to spend this money; you are going to have to match us on this. But we have all the other responsibility off those national highways that we have to maintain, too. But that is the way national governments in Canada tend to operate, and particularly this one, that they do everything unilaterally. We saw it again today with Mr. Vanclief. Mr. Vanclief, the federal Minister of Agriculture, he could have easily got on the phone to his co-ministers from Manitoba and Saskatchewan and had a nice discussion with them about what he wants to do.

You know, not all of us in public life play politics all the time. Some of us, and I believe the member for Flin Flon (Mr. Jennissen) is one, actually like to do the job, and, you know, when someone is designing a program like that, sometimes a phone call to a compatriot to run the idea by them, and you say, hey, you know, this would work, then you can make the adjustments and get a better program for everybody and get everyone onside. Not Mr. Vanclief and not the Government of Canada that we have today. The desire to work co-operatively with provinces is certainly not a real one, I believe, on their part.

This is another example in the kind of discussions and planning that we are having on this program. We are not going to leave a penny on the table, but you feel at the end of the day really hamstrung because what we have been asking for is a federal investment in building a national highway system. I have no qualms that the federal government is going to use that money and say, Manitoba, you can only spend it on this part of your road network which is national in significance.

But when they say then that we have to come up with dollars to put in it, when they are already taxing that road network and only

putting back a small bit, and then they are wanting us to have to have conditions of having to match out of our program or put in new money that is almost impossible, it just is maddening because that may mean that we have to go into other parts of the province and not do projects that are important to what I would call the provincial road network and highway network.

So this is not going to be easy. We are still negotiating with them, and I think the member senses my frustration. My preference would be that what they would say is: here is what we want on a national road system. Here in Manitoba is your 4-point-some percent, \$28 million or \$30 million a year for so many years, or whatever it works out to be. We agree on those projects; the money goes into those projects. If we want to enhance them, do others, we will, but we should not be robbing our regular provincial road network to pay for those.

But we may, to get that money, and, again, that is something, a decision of the national government as they put their dollars on the table. We will have to deal with it when that comes. It is certainly very frustrating.

Mr. Jennissen: I certainly buy the minister's argument about increased reliable and sustainable funding for the highway system across this country and the serious role that the feds have to play in this, but at the same time there is the \$3.5 billion at least being talked about. I would like to get a feeling of how serious Collenette actually is, or is it just politicking and this will come to nothing. In other words, is it just another political ploy? The federal government is still a very popular government, and it mystifies me too why they get away with some of these things, throwing money at it one time and then that is all they have to do, because this is an ongoing concern. It ought to be an ongoing concern. Highways keep existing and they keep needing funding. They have to pull their fair weight, and they are not doing it. Maybe grandstanding just once is not going to do it either. But I do not know if they are grandstanding or if they are actually serious about this \$3.5 billion. Does the minister have a sense of how serious Mr. Collenette is?

Mr. Praznik: That is a very good question but a very difficult one to answer. I get the sense on a personal basis that he is sincere. I like Mr. Collenette as a minister. I found him reasonable to deal with in my dealings to date, but he is part of a cabinet and there is a Minister of Finance and there are other agendas. I do get the sense that it is important for Mr. Collenette and some of his colleagues, particularly from the Toronto area, to ensure that there is enough breath in this program to deal with some urban transportation issues within metropolitan Toronto. I do not have any objection to that if that is where Ontario's priorities are as opposed to highway networks. But I would think that if we are going to be expected to be using our dollars, or these dollars, and matching them for what in essence is a national highway system, an east-west corridor, that the same kind of criteria will have to apply to those dollars being spent in Ontario or Quebec where there are much larger urban centres, or British Columbia, that to say, well, this is for a national transportation network but urban transit in Toronto is a national issue. Well, it really is not. It is a big local issue.

I mean there are trucking routes in and around Toronto that would be of a national significance in moving goods and services on a national basis, or goods on a national basis. So that is another issue we have to deal with.

Now, in the machinations of federal policymaking, who knows how this will work out, and again it is not our intention to leave any money on the table, but it is part of what is very, very frustrating about this process, very frustrating indeed. The member has referenced the fact that the national government is still very popular. Perhaps he and I should be working with the United Alternative to give the country another option. You know, I say very clearly it miffs me and I think perhaps the national media, with some exception, have really gone to sleep. There are very serious issues facing Canada today. For the last 10 years, we have seen most of the political action, in my opinion, particularly after the free trade debate. I would say the free trade debate was the last true national issue in Canada that had huge public attention and a good debate and a conclusion. Since then the fight against deficit spending has been led by the provinces. The balancing of

budgets has taken place at the provincial level. The rationalization of services and rethink of government delivery mechanisms has taken place at the provincial level. The struggle to deal with issues of competitiveness has taken place at the provincial level.

* (1710)

I say to the member for Flin Flon, he and I have been very fortunate. We have been at the level of government where I think the greatest action, foresight and planning in this decade has taken place. In provincial Legislatures and provincial parliament buildings right across Canada, of all political stripes, we have been struggling with the real issues that have to be addressed for Canadians as we enter the next century. Regrettably, the national leadership in these issues has not been there. In fact, if anything, often national government has been detrimental to working out arrangements. For example, in harmonization, various regulatory schemes, no role at all, where there should be one in co-ordinating.

So today, you know, again, we have a national government. Perhaps the reason they are popular is they stay away from dealing with the issues we really have to face. Their answer seems to be, well, education is an issue; we will have an education budget this year and throw a little money at it. Health is an issue; we will have a health budget. We will say we did something. Highways are an issue; we will have a highways budget. At the end of the day, that does not address the real issues that we face as Canadians. Regrettably, again, I think a good portion of the national media has gone to sleep. They cover the one-off stories of the day in the House of Commons. This person said this. This person asked a silly question. This was the answer. But I have seen very little critical analysis at the national level of the fundamental issues that we have to address as Canadians to become competitive or remain competitive and be able to live within our means and be prosperous into the next century. I have seen very little debate at the national level, or planning in that area. This is just one more example of it. Regrettably, without the media continuing to raise these kinds of issues, or an opposition who are raising these issues in a

manner that gets the attention of the media, Canadians as a nation continue to drift. But at the provincial level much of the work is being done.

That is not the way I think to have a nation. But the member for Flin Flon (Mr. Jennissen)—where Mr. Collette will be? I am not sure. Another concern I have is how they intend to fund this. I would like to see them have the plan. Then they can be criticized for whatever or applauded for whatever funding mechanism they use, but that is another question. Where will their money come from? I would hate to see it come from a source like Employment Insurance, because ultimately I do not believe that is their money. It belongs to employers and employees who have paid into it like any other insurance scheme.

So there are lots of questions here. My guess is there will be some kind of program. If we can create enough issue that they have to do something, they will do something, but we have to make sure that it is not just a one-off opportunity to say, here, we have thrown some money at the problem. Let us wipe our hands and go away back to the bunker, go in for a while, and come out in another six months willing to solve another problem out there on a temporary, one-shot basis. It is not the way to run a country, and I think Canada will pay the price for it in the not too distant future.

I can count on one thing though. I do not think the member for Flin Flon nor the member for Lac du Bonnet nor the member for La Verendrye (Mr. Sveinson) nor the member for Portage la Prairie (Mr. Faurichou) who are here today cast ballots in support of that national government.

Mr. Jennissen: Yes, the minister is on to some safe bets there. There is no doubt about that.

We realize how fundamental road systems are, how fundamental transportation links are. I agree with the minister; we ought to lament lack of leadership on the federal level. That makes me wonder, and perhaps the minister can answer this question: if infrastructure is not sexy, does not sell well to the general public, how come other countries are much more successful, and

particularly the United States? I know they have a different political structure and so on, but they do seem to get the funding. Surely infrastructure there must be equally unsexy, and yet they are willing to invest the capital to build their roads. How can they get the necessary dollars and we cannot?

Mr. Praznik: Again, another excellent question, and one I have had some opportunity to explore with Canada-U.S. legislators project, and to reflect upon in this new portfolio.

Perhaps a little bit broader perspective, I have come to an observation after being in this place for 11 years, involved actively in politics for 13, that since about the 1970s we have really disconnected our electorate from their money. What I mean by that is if you go back to some years ago, the member may recall—I do not know where he spent his youth, but in the '50s and '60s in Manitoba, and I was pretty young at the time too, but I can still remember vaguely some of them in the mid-'60s, the old money referendum. At the municipal level if you were building a major work, you required it. Your council only had approval to spend a certain amount of money on capital works. You were required to have a ratepayers' referendum on whether you wanted to do that project or not, whether people were prepared to pay the tax for that. Now I am not advocating we go back to that in its form, but there was a real connect between the ratepayer paying the tax and the service for which it was being collected.

In the '70s in Canada, we got into a very large movement to do away with all of those again—direct forms of taxation, levies with referendum attached to them, et cetera, and we said we would collect the money in a common pot, and the Legislature through cabinet would spend it for the common good and make all the decisions. I can remember coming in this place and having discussions with then ministers of Finance who said we do not want to give up our flexibility to make decisions. The result has been that our ratepayers pay into a common pot and sort of say you make the decision, but I have no direct say where my taxes go. That disconnect has seen itself come up in a number of ways I think that are not positive.

We are in the process of building a school we just approved in part of my constituency. I remember when that school committee got together some years ago, one of the individuals at it said, you know, this school is great because it is free. The province pays for it. Well, it is not free. It is paid for by taxes actually by the education support levy on property, but the disconnect was there. If I have to pay for it on my property taxes and see I am paying for this, well, that is one thing, but if the province is paying for it, it is free. Hospitals are free.

I saw that as Health minister which was really amazing—and I do not deny for one moment anybody the services they require, do not get me wrong—but I remember looking at whether it be drug treatments or surgery or care where the costs would be tens of thousands, sometimes hundreds of thousands of dollars, and the person you were dealing with would be fundamentally mad over some issue, knowing that they had just had expended on them what may be a hundred Manitoba families or 50 families had to work and pay taxes for, for a whole year. I do not blame them for that individually, but it was the disconnect. It is free because I do not pay for it. I do not see how much it is costing; I expect the service.

That is a problem I think we have as politicians in dealing with an electorate that has had that disconnect. The reason is it all goes into a pool. We make the decisions, they hear about it in the media, and an electorate that is tired of paying taxes believes it is overtaxed—I think rightly so—and does not see really the connection. Certainly, when you are paying a half a billion dollars a year in debt and interest payments—we are provincially—and 30 percent of the national revenue going to pay interest payments on 30 years of borrowing, I mean, you just say, I pay more I get less service, this system is corrupt. What is corrupt about it is 30 years we took away the connection between the taxpayer and the service, and we borrowed a bunch of money, and we are asking another generation to pay it back.

So, having said that, why is the United States more successful in it? Because they still have kept—and I am not a great advocate for the American system; I am a British parliamentarian

type—but I think they have kept in their system many more connects between the ratepayer, the taxpayer, and the service that is being bought. The national law in the United States indicates you cannot raise a tax on fuel unless the money is going to the transportation system, to the road system. Many states will have votes in their election years on whether to raise a penny or two in a number of years, et cetera, on the litre or a gallon of gasoline to pay for specific projects. So people know that I am paying that tax and I voted for it and I agree because it is a priority, I hate that road, and the connect is there between the two.

The struggle for us I think as we begin a new century is how we put back into public decision making that connect between the voters and their money and where we spend it on. In other jurisdictions, particularly the United States, you can just see that connect. I remember friends in Colorado who—there, every two years they have their election—went and voted to put a tax on I do not know what, I cannot remember what it was. That money was going to develop a trail and park system. It was in their county, so I guess it was on the property. But people debated it. Do we need it? Is it important? At the end of the day, they made a choice, and when that is paid for, the tax will come off. So there are a lot of things to be said about reconnecting voters and their money and the services they are particularly purchasing.

It does not work for everything. I certainly would not advocate that in Health, but I will tell you one thing that I, having spent two years in health care—where that reconnect is missing. It would be very interesting to see if each citizen in Manitoba annually got a statement that said this is your access to the health care system and your family over the last year, and this is what it cost. I think what it would do is voters would appreciate that that service that they now get for free in their mind has a cost and that they are paying for it and should demand value for money and service for what is being paid, and that always is not the case.

* (1720)

So I say to the member for Flin Flon, the more we can do at the end of the day,

particularly in highways—everywhere I go, everywhere I have talked about this, I am surprised, truly, at the level of support I get for dedicating fuel taxes to roads. I think it is because people then appreciate and want to know that every time they put that nozzle in their gas tank and they press that lever and those dials spin and they open their wallet or take out their credit card and they are putting in \$20, \$30, that the taxes they are paying are going back into their road. It gives them a direct connection between their money and the service they are getting.

Today they do not have that. Ten cents of every litre goes to Ottawa and to get it back, if we even get it back or even part of it back because we are not east of the Ottawa River, we end up getting—the connect is not there. I apologize for the long answer, but the member is onto one of my favourite topics.

Mr. Jennissen: I am discovering that, Mr. Minister. It is an important topic, but I am just wondering—well, first of all, get back to the disconnect. I can certainly empathize with that. I hear it a lot from some of my people as well, some of the voters. I can certainly empathize with the miner in Leaf Rapids who pays lots of income tax and fuel tax and property tax and drives south on 391 and loses probably his fuel tank or his windshield will go. So he is saying, look, I am paying a lot of tax, but what am I getting out of it? So I can see that sometimes on a very individual level.

I was going to ask the minister a more general question, if I can get more general. They have been very general. Why does the minister feel optimistic that with dedicated fuel taxes that the federal government, which has opted out so much in transportation whether it be ports or airports and so on, would show the slightest inclination to go this direction, and furthermore, what would prevent them from simply saying, okay, we will go along, we will just add more money, we will add another five cents to the litre or whatever? They are capable of doing that as well. I do not know why there would be a sense of optimism that they would go this route.

Mr. Praznik: Mr. Chair, first of all, I think it is that Canadians need to have the debate, and I am

a great advocate for the debate. If they do not want to go this route, let them make an argument why they should not. The member is asking me some very good questions. I will tell you why—I think Canadians have, as we talked about, a national government who today is not addressing these issues. They put them off, put them off, throw some dollars, say: we are going to do this, one-time budget, we sort of fix the problem, are we not nice guys.

I think we are coming to a day in the not too distant future, quite frankly, when the bubble will burst. I think Canadians will wake up one day in the morning, have their coffee and realize they have to be addressing these issues, and what are they hearing about it? The media and the Canadian public will expect these issues to be addressed, and I think the current government of the day will be inadequate, have done inadequate preparation and will not be able to meet that.

Quite frankly, I am hoping, I can see that this issue has a potential to become part of a national debate and to catch fire because Canadians see the declining—they see a road system that is getting tired. They drive it every day with all its potholes. Believe me, in my constituency after a rain on some of our gravel roads, Barry Tinkler and I, Monday is not a pleasant day. Start Sunday afternoon. People see it, and they know it. I think what is going to happen is you cannot ignore these too much longer. The Canadian public is going to want them to be addressed.

I think the current government in Ottawa is going to find that it is a fire storm that they cannot put out, that will continue to grow. I expect that other political parties and the current one governing our nation will pick up on this issue to give the contrast, and they will say that part of our national agenda is to address these issues; here is how we will address it. The current government will say, no, we do not want to do that, and there will be a contrast set up where Canadians will have to make a choice on issues just like Canadians had to on free trade. I mean, whether you were for or against it. I know our political parties took different points of view, but it was clear when people were voting that there were visions of the country, there were issues, and it was one federal

election, I remember, that really counted in determining the future of the country, whatever side you were on.

I see coming in the not too distant future a similar kind of an election in Canada where the role of a national government in addressing these issues, because they cannot be put off too much longer, will happen. One side in that political debate, or one part of it, will take these bold, innovative views, I think, to meet our infrastructure needs and dedicate a tax, and the current administration likely will not, and Canadians perhaps will have the great privilege of being able to decide their future in that polling station in which this is one of the issues.

I think I have a role to play as a provincial minister today in getting it into that agenda. Now maybe I will be wrong. Maybe the current minister in government will see this fire storm, realize it is the right thing to do and do it without that kind of a debate. I really hope that happens. But I think the time is ripe to make it part of the national agenda, an agenda that I think will be in a great sense of change over the next few years. If we are lucky as Canadians, we will see this become an issue in which we will have the opportunity to make a very clear choice in determining where we want to be in the next century in the future direction of our country on these important issues.

Mr. Jennissen: I would like to ask at least one more, I guess you would call it a macro-question, general question. Maybe we will get into some more specific stuff today yet. I hate to bring it up, but it is the Kyoto Protocol that we did sign as a nation. I am mystified in my own mind how that would work. We are talking on the one hand we are going to lower greenhouse emissions and so on, I guess also conserve to some degree fossil fuel resources and so on. It sounds very good environmentally, but on a day-to-day basis, on a year-to-year basis, it appears to me we have bigger trucks on the road. We have got more emission, and we want the economic activity. I just do not see how we can resolve what appears to be, on the surface, two contradictory directions.

I know the government federally says we have to take the environment seriously, but on a

basic level, we are also saying economic activity demands this, this and this, and certainly the internal combustion engine is very much a part of it. We could argue that maybe railroads or trains would use less fossil fuels, but even that direction is changing as most of the goods and commodities are hauled by trucks nowadays, and larger trucks. So I guess I see a conflict there that I cannot really resolve. I would welcome the minister's opinion on this.

Mr. Praznik: Mr. Chair, again a very interesting area to explore. As an historian, I just for a moment ask the member and the indulgence of members of the committee to just travel back a couple of hundred years ago to the Industrial Revolution in the United Kingdom, the first European nation really to industrialize heavily or at least the development of the steam engine, railroads with that, the mining industry, all of it on coal, to the point where, by the end of the Second World War, the United Kingdom was heavily polluted—if you look at the London fog, you know, mostly soot from burning coal in all of those houses, all of those issues. Quite an environmental degradation had taken place, and yet today I would suggest the United Kingdom uses more units of energy than it ever has in its history.

Now there are other problems with nuclear—and those are being addressed—and other sources. But if you travel the United Kingdom today, you do not see anywhere near what you would have seen 50 years ago or a hundred years ago. Science and human innovation have moved us forward and saved our bacon, so to speak, on many occasions. Again, science and innovation have to be called upon to deal with these issues that surround Kyoto. What concerns me, and I would expect would concern the member for Flin Flon, is when we hear federal officials advancing as their solution the introduction of a 10-cents-a-litre Kyoto tax—I call it the Chretien tax—to discourage the use of motor vehicles.

* (1730)

I ask the member for Flin Flon, because I am having trouble with that, how in his constituency will raising the price 10 cents a litre really reduce travel? His constituents have all kinds of options with which to conduct their daily

business and live their lives. Mine do not in Lac du Bonnet. We do not have the kinds of numbers that warrant or the convenience of a public transportation system. Yes, you can fill a bus a couple of times a day from Victoria Beach to Winnipeg, but you could not provide the convenience in hours or drop-off locations that people need to live their lives. So what we would see with that solution, in my view, is a tax on fuel, making it more expensive for families to get around and do their business. Another hardship on them, very little reduction in fuel consumption because most of our constituents have to do their driving and do the things that they need to do, and at the end of the day the federal government will scoop up that money. They certainly would not probably put it into the road system or they would use it to develop public transportation in parts of the country where the disadvantaged with that fuel tax would not live.

So we have great concerns about how the federal government is approaching its Kyoto requirements. We think that in dealing with Kyoto, the answer is to look forward, to be more innovative, to find better ways, more efficient ways of using fuel, reducing emissions, reducing pollution and moving the world forward so that we are not curtailing economic activity. The United Kingdom did not come to grips with its pollution problems and its use of coal, and I imagine growing up in Holland—I do not know what age the member left Holland, but certainly Holland was a big consumer of coal in those days, too, and I am sure he was born and growing up. Those countries did not solve their problem by saying we are not going to use any more fuel. We are going to go back to burning peat and not having industry and not moving around and not having trains. They moved forward by finding other means of energy, improving the efficiencies of the energy they were using and cleaning up their production in a manner that was more environmentally friendly. Europe is probably greener today than it was 40 or 50 years ago in the days of heavy use of coal.

So we have to move forward on that basis. I think it really calls for innovation, but the simple answer that is often touted by the feds is just we will put on a fuel tax and that will be great because people will drive less. Well, the voters

in Lac du Bonnet constituency do not have a lot of options but to drive. Given their numbers, they will never get the convenience that they enjoy today. I know there is a public transportation system in Flin Flon, because you have some numbers around that city, if I am not mistaken, but certainly your voters in the outlying areas would be in the same position as mine. So we have to be innovative; we have to continue to advance that.

I spoke at a conference at noon today regarding the rail industry and the environment, and I engaged in a discussion with an academic who was a very strong advocate for fuel taxes. But, then again, that individual does not have far to go to work in the morning and lives close to where they work and all those things. I made the challenge: if you want to advocate for that, come and run against me in Lac du Bonnet in the next election on that issue. He was not prepared to do that.

So again it is easy for people to talk about our answers, but they have to be saleable to the public. The only way I believe they ultimately are is if the solutions are innovative and do the job in a manner that moves us forward rather than moving us back.

Mr. Jennissen: The minister is correct that the federal solution or possible solution of simply raising taxes on fuel would go over like a lead balloon in my part of the world. People in, let us say, Leaf Rapids, to use one example, are already paying 10 cents, 15 cents more a litre than you are right here in Winnipeg, at least 10 cents a litre more for gasoline, and if you were to add another 10 cents to that, you know, it becomes astronomical. I would see gasoline selling at a dollar a litre or something. By the way, when I go to Europe, they are charging \$2.30 in Holland right now I believe, in Dutch cents, but it is still around \$2 a litre. So I mean it could go up, but I hope it does not, and certainly it would not be very welcome in my part of the world.

I was going to switch the topic somewhat and ask some other questions. One question I have is we really never got, at least I do not remember getting, a firm figure on what it cost us in terms of infrastructure damage in the '97

flood, the flood of the century. I know some infrastructure was damaged, road infrastructure, and it did cost us money, but was that money reimbursed in the sense that the feds put in a certain percentage? What was the federal proportion of that?

Mr. Praznik: Mr. Chair, I know this is a very important set of numbers. If the member will indulge my staff and myself, I am going to have my staff do that breakdown for the member for tomorrow and then give us a breakdown. Just to understand, he would like to know what our total infrastructure, not only the department but what was done, damage to infrastructure, municipal, and if we know that. We can endeavour to see what information we can get and then what was paid for by the federal government. We will endeavour to have a chat with the people tomorrow morning at EMO to see if we can give you as complete a picture as possible.

Mr. Jennissen: I just was basically concerned about the federal portion or how much the feds had actually contributed, if anything. I never really got a clear answer on that, and I would like to sort of have that clarified.

One other area I would like to talk about—we do not have an awful lot of time left—but get some of these general macro issues out of the way. The creation of Nunavut a little while ago filled a lot of us in Manitoba and all of Canada with joy. There were some concerns about it as well, particularly with the Dene nation in northern Manitoba. I guess Nunavut existing as a separate entity now just highlights the fact that we are going to be dealing with it a lot more. We are going to be expanding the trade links a lot more, at least that is the feeling I have. I referenced it earlier when I said we are talking about studies where we are going to see how likely it is to build roads and bring power lines to that northern area. Now what is the status of those studies? Are there any blueprints of what is likely to happen or how it is going to happen?

Mr. Praznik: Specifically, I know we are doing a transportation study with Nunavut on their needs. That will be ready, I am told, in August. I am not familiar with the power line issues. That would be the Hydro minister. But one of the issues for them, of course, is a very small

territory population-wise, and the new government getting itself together. I would not say these projects are on the cusp of being done.

I say to the member, the development or the finding of a few good ore deposits, a number of things, would certainly go a long way to probably speeding them up and having the national government involved, because it is a federal territory, and important too, but we are doing the transportation study with them. It will be ready in August. Sometime thereafter, later in the fall, the member may want to ask me for it, and we will see if we can provide it to him.

Mr. Jennissen: At this time, is there sort of a predisposition, if there were to be a road, that it would take the Churchill route rather than the Lynn Lake-Leaf Rapids-Tadoule Lake route?

Mr. Praznik: There are five potential options that are being explored in the study. One is the Churchill-Arvalik-Whale Cove-Rankin Road. Option 1(a) I guess would be the winter ice route along the Hudson Bay coast, which would be another version of that. Option 2 would be Gillam-Churchill-Arvalik-Whale Cove-Rankin. Option 3 would be Lynn Lake-Tadoule Lake-Arvalik-Whale Cove-Rankin. Option 4 would be Lynn Lake-Arvalik-Whale Cove-Rankin. Option 5 would be Lynn Lake-Arvalik-Whale Cove-Rankin, another particular alignment.

Mr. Jennissen: When the minister says let us say Scenario 3 Lynn Lake-Arvalik, et cetera, if that were a potentiality, would that road then connect Brochet-Lac Brochet-Tadoule Lake? Would they be within striking range of that road?

* (1740)

Mr. Praznik: Mr. Chair, Option 3 would be Lynn Lake-Tadoule Lake-Arvalik-Whale Cove-Rankin, and Brochet and Lac Brochet would be very close to the route, so a connection would not be impossible.

Mr. Jennissen: This is still in the study stage and nothing will be known until—

Mr. Praznik: Mr. Chair, I am advised that kind of work will be completed in August.

Mr. Jennissen: Are there any rough ballpark figures in terms of dollars attached to this? Because it seems like an extremely expensive project.

Mr. Praznik: Mr. Chair, these are very rough estimates that we have. Again, you know, just sort of an eyeballing it based on building to full standards, et cetera, not something less, but a full standard road. Just to give you some numbers: for the first route, which would be Churchill-Arvalik-Whale Cove-Rankin would be 956 kilometres. The construction cost is about, estimated, and again very rough, \$1.6 billion. Just to put it in perspective, that would be a little under one-third of the entire provincial budget of our province. The annual maintenance would be about \$8 million.

Just looking at that, if we were to do a winter road, which would then be 1,052 kilometres, the year one construction of it would be \$17 million with a \$6-million maintenance. You can tell winter roads have a financial saving that is pretty significant.

Route 2, which is the Gillam-Churchill-Arvalik-Whale Cove-Rankin, would be 1,233 kilometres, estimated construction costs \$1.9 billion, annual maintenance \$10 million.

Number 3 which is Lynn Lake-Tadoule Lake-Arvalik-Whale Cove-Rankin would be 1,193 kilometres, \$1.6 billion, \$10 million annual maintenance.

Route 4, Lynn Lake-Arvalik-Whale Cove-Rankin, would be 1,229 kilometres approximately and a construction cost of \$1.5 billion, \$10 million annual operating.

Route 5, Lynn Lake-Arvalik-Whale Cove-Rankin, with a different alignment than route four, would be 1,290 kilometres, \$1.7 billion to construct, \$11 million a year to operate.

So as the member can see, the economics of building that kind of road, we would have to have some significant partners who would have economic interest in developing it. When you

consider that that \$1.2 billion would probably take care of all of our highway projects, if I had \$1.2 billion to spend right across the province, the member for Flin Flon would have such good roads, his constituency would probably want to return a Conservative member.

Mr. Jennissen: Either that or thank me for getting the Conservatives to do this is a possibility, too.

I thank the minister because that is very interesting. So would it be fair then to say that this is a long-range dream? It is a study, all right, but any portion of that becoming concrete is unlikely, would that be fair to say?

Mr. Praznik: Mr. Chair, I can guarantee him it will not be concrete which that road will be built with.

The member has been around here with me many years in this Legislature. The kinds of numbers we are talking are just so significant that it is highly unlikely. If they prove to be the numbers, it is highly unlikely that we would see this in the foreseeable future. But, then again, there are a lot of reasons why a road like that can be important.

The Alaska Highway was a terribly uneconomic road until war broke out with Japan and the Americans had to get a lot of equipment and people and personnel up into Alaska real quick. All of a sudden, during wartime, the Alaska Highway got built. It never would have likely been built for decades without the war. I am not proposing that we need a war with someone to build this road, but some other unforeseen circumstance, major mineral deposits being discovered, I would suggest probably a major petroleum find in Hudson Bay, you know, something that would see a major economic development that would require the movement of lots of stuff into a place. The reason we have a road to Gillam today is because we have hydroelectric dams there, and we had a lot of stuff to move in.

So, again, you never want to say never. Just like I told my constituency who built a school, it may seem impossible today but you keep working at it. It took us 10 years or eight years,

and we have the school. So people have to keep with it, and depending on the future you never know what it holds, but it is a very expensive road. So one gets a sense of the enormity of the kind of development that would have to take place. Even the resupply numbers, if you look at the cost of supplying those territories in goods and services, I suspect that they are just not there to justify that kind of construction cost.

Mr. Jennissen: As well, I would like to point out to the minister that there is some concern, that even though this is still a dream project and the chance of it even being realized within the next 20, 30 years is probably somewhat remote I am guessing, the Dene have already registered some concerns.

I am just wondering if the minister or anybody in the Highways department has even, at a very preliminary stage, approached them on the issues of the concerns that they have because they are saying if this road crosses our territory we want some longstanding issues addressed. In the case of the Northlands Dene in Lac Brochet, I think it is treaty land entitlement probably that they are talking about. In the case of the Sayisi Dene, it is also forced relocation in the '50s, wanting an apology from the federal government and compensation, plus there are some hunting and fishing rights issues as well. Now, because they have been on record with the support of some other aboriginal organizations as opposing that, unless those issues were dealt with, I am just wondering if those groups had been approached and there had been some preliminary discussions?

Mr. Praznik: First of all, our study is really a logistics analysis. Before one can even approach anybody, one wants to know what the consequences or the logistics are of building a road and what works from that perspective. But I have to say to the member that any kind of road of that magnitude is likely to require a federal environmental study and a licence because it will cross borders. It will also have to be a partnered project with the national government which will bring on that process. I tell you, as a province, we would not want to be going into that kind of construction and a partnership with the feds and Nunavut if all these other issues were not addressed first, because we know the con-

sequences as Manitobans in building power dams without dealing with the issues first, and we still have one northern flood agreement to complete. It goes on forever.

So today, we simply would not do that. These issues would have to be addressed in a reasonable fashion. Legitimate issues for which there is a legal right to be pursued would have to be addressed before we would ever want to enter into that kind of project. But again, looking at the magnitude of the levels of expenditure, unless there is some very significant event or economic development that would in essence justify that level of expenditure, I just do not see this happening in a long time. I would suggest, and I have not looked at the economics of a hydro line, but I would think it was probably far better or far cheaper at some point if you have enough power demand. Again, there may not even be enough power demand in many of these communities to justify the cost today, but if you had some very significant power demand growth in Nunavut, mining, smelting—I doubt if it would be a smelter, but certainly mining and processing—of mineral wealth that would justify bringing in a line, that is probably a more likelihood of having a power line system come in eventually than having a roadway. That would probably be the first step.

Mr. Jennissen: If I could go back to one of the scenarios again. The first one, 1(a), I believe the one through Churchill, would that be run alongside the railroad or beside the rail bed? I am trying to visualize how that would work, the road.

Mr. Praznik: That is part of the logistics in mapping that is being done in the study, so that is something they would have to assess. I know there is a much better esker in that particular area that would provide a much sounder bed. I guess if the railway would have been on the esker, it would have been probably a better railroad than it is today, but those are issues that that logistics study will tell us about.

* (1750)

Mr. Jennissen: I know it is perhaps doing this at the last minute, but is the minister prepared to move on to airports, particularly the report of the

northern airports released by Mr. Findlay November 6? That was the report by the provincial airport safety working group and was in response to the tragic air crash in Little Grand Rapids earlier which drew attention to the need for, I think, some major changes and upgrading needed in a lot of the northern airports. So could the minister respond in general, first of all, to that report?

Mr. Praznik: With the kind wishes of the committee, I would like Mr. Hosang just to give us a rundown rather than him tell me and me repeat it. He will just give you a review of what was in that report, because it dealt with the general safety and maintenance of airports generally. Also, I think if we could give him a moment or two to respond on the specific report with respect to, I believe it is Little Grand Rapids where we had the tragedy and whether or not the airport was a factor in that tragedy.

Mr. Chairperson: Is it the will of the committee that Mr. Hosang would answer on this particular subject? [agreed]

Mr. John Hosang (Assistant Deputy Minister, Engineering and Technical Services Division): First of all, yes. The accident did prompt the study. It was sort of the issue that brought the department and the First Nations together to look at the safety situation with respect to all the airports that the province maintains throughout the North, all 22, not specifically Little Grand Rapids. The issue of the accident at Little Grand Rapids is being investigated by the federal National Transportation Safety Board, which the member may be aware of.

Generally, the report found that the airports, they are certified by Transport Canada, which means they follow certain standards that Transport Canada dictates if the airports are to be used for public transportation, and the airports did meet the requirements. The issue is that they were built, and I think the member referred to it in his opening remarks, they were built for a different decade. Aircraft nowadays need longer runways generally than what we have got there. They can operate into these airports now, but there are restrictions on the types of operations that they have to fly. So the report in essence prepared a benchmark in terms

of what is out there now, the lengths and the facilities that are available, the navigation aids. We drew some standards up which were accepted by the minister, Minister Findlay, as to how these airports should be expanded basically in length in the future to meet the requirements now and in the foreseeable future of the various air carriers that fly into the North.

We consulted with the carriers, asked them what kind of aircraft they thought they would use in the future, and that information was used to determine the various lengths that we thought were appropriate in the future. The member may be aware that our basic length was 3,000 feet to accommodate the air ambulance, that safety of life and limb was of the utmost importance and that a lot of other activities can operate on that premise of 3,000 feet, but the driving factor was to provide that level of service to all communities. Then from there, depending on the size of the community, the strip length increased again based on projections as well as actual states at the current point in time where the runway should be lengthened to meet those needs. We came up with many recommendations, including the need for some navigation aids, basically approach aids for the airports. We costed out many of them, and the cost was just under \$44 million, so that was the essence of the report.

Mr. Jennissen: So how many of the existing 22 airports are under 3,000 feet, four or five?

Mr. Hosang: There are eight airports that do not have the 3,000 feet now.

Mr. Jennissen: Prior to 3,000 feet—what, to accommodate that particular medivac plane? I am not sure where we arrived at the figure, because I believe in Ontario the length is longer for most airports.

Mr. Hosang: Ontario is building longer than 3,000 feet. We chose 3,000 feet because that is what the provincial government Air Services ambulance needs to access a site.

Mr. Jennissen: Pukatawagan would be one of those airports under 3,000. I wonder if you could give me a status report of what is happening there.

Mr. Hosang: We have been working at that site over the past year, removing rock from the one end that was prohibiting us from getting it certified to Transport Canada standards. We have removed the rock. Unfortunately, we had to go back in a couple of times because they did not quite remove enough the first time, and we have a project on the program this year with the current budget that will allow us to build 3,000 feet, a full 3,000-foot runway there this year.

Mr. Jennissen: So that would be completed by the end of the year.

Mr. Hosang: In the current fiscal year, yes.

Mr. Jennissen: Lac Brochet, we had some problems with the muskeg, specifically on the apron portion and one side of the airstrip as well. Is that just located in a bad spot because it seems to me we are going to have more problems there in the near future? It does not look like stable ground to me.

Mr. Hosang: Are you referring to the fact that it was closed down for several days a few months or so ago?

Mr. Jennissen: Yes, I am and also that one of the planes actually got stuck in the apron because apparently that is built over top of muskeg. If I remember correctly, the chief told me that there are plans in the works to lengthen that airstrip. But, flying it a few times, I am not quite clear where that—well, it would have to be lengthened obviously on the muskeg end because it cannot go into the lake, not unless we want to spend a lot of money, and that looks like awfully deep muskeg there, so I am not quite sure what the plans are to upgrade that airport.

Mr. Hosang: Yes, that runway, first of all, to address this softness issue and the aircraft sinking into the apron, that was sort of an abnormal condition of very, very wet conditions, rapid thaw, and the staff just were not able to keep the surface compacted and they had some equipment problems that caused the situation to be dragged out a little longer than what we would have expected. We think that generally though, however, the airstrip that is there is reliable under normal conditions that you would attribute to gravel runways. Our intent is to

extend, yes, into the boggy area. I do not have the engineering detail right now. We are working on that.

I mean we were just advised. Of course, with the funding availability, we are looking at the amount of effort required, but we plan to be able to extend the runway into that area. We have been very successful where we have put runways, generally we get stable surfaces.

Mr. Chairperson: Order, please. The time being six o'clock, committee rise.

* (1440)

EXECUTIVE COUNCIL

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates for Executive Council. Would the First Minister's staff please enter the Chamber at this time.

Mr. Gary Doer (Leader of the Opposition): Can the Premier indicate if he has any further information on the specifics of farm aid? What specific announcements will he be announcing per acre as a contingency plan for unseeded acreage?

Hon. Gary Filmon (Premier): Mr. Chairman, I have a news release that was issued in Brandon this afternoon. It indicated that Manitoba farmers who have been hit hard by flooding and low prices in recent months will be getting Agriculture Income Disaster Assistance funding faster and will have easier access to funds through changes to the national Net Income Stabilization Account program.

Federal Minister Mr. Vanclief has said that a total of \$22 million in additional NISA funding will be accessible immediately to farmers in Manitoba. Farmers will be eligible for an advance payment of up to 60 percent under the 1999 AIDA program. Farmers short of cash could be eligible to receive both a payment for the 1998 program and an advance on the 1999 program in the next few months. Producers are encouraged to submit their 1998 AIDA applications before the July 31 deadline.

Our provincial Minister of Agriculture (Mr. Enns) is quoted as saying that the changes being announced today will provide approximately \$18 million in assistance to Manitoba farmers who will not be able to seed their land this spring due to excess moisture. This assistance under AIDA will not only help farmers, but also the businesses in the area who are being impacted by the disaster.

NISA changes will see the minimum income trigger amount increase from \$10,000 to \$20,000 for an individual and from \$20,000 to \$35,000 for farm families. Another measure will help expanding operations more easily access their accounts. The changes will also indicate a provision which will allow both a NISA withdrawal and deposit in the same year. It will also be easier for producers to use the interim withdrawal feature of NISA. There will be more time allowed, that is, a full year instead of three months, for producers to repay funds to their accounts. When they withdraw more than they are eligible for under the payment triggers and they are not able to repay, they will be allowed to re-enter the program sooner than they can under the current rules, two years instead of three.

Those are all the details that I have at my disposal.

Mr. Doer: If the \$18 million is correct, notwithstanding NISA, if we are dealing with a million acres of land that has led to speculation in terms of being unseeded land at best, based on the situation, I am just trying to do some calculations, that would appear to me to be a small amount of money per acre. It would appear to me to be well below the \$50 million per acre that everyone is talking about as a minimum payment. Has the government calculated the per-acreage payment and does it not leave a huge discrepancy between what is needed and what has been announced?

* (1450)

Mr. Filmon: The latest information I was handed just before going in to the House today was that the unseeded acreage in Manitoba is approximately 750,000 acres, and my under-

standing is that this would make the approximate acreage payment about \$25 an acre.

Mr. Doer: Of course this will be an ongoing issue, so we will continue to monitor it along with the government.

I would like to ask the Premier some other questions dealing with his staff. Can the Premier indicate whether Mr. Sokolyk was dismissed or did he resign?

Mr. Filmon: Mr. Sokolyk spoke to the Clerk of the Executive Council indicating that he was wanting to resign and asked about the possibility of negotiating a modest severance that would be equivalent to what he would be entitled to if he were severed. That was done and based on his number of years of employment. He was given the payment that he would have as a senior officer received.

Mr. Doer: The announcement was made in July; of course, the Premier stated that there was no coupling of the announcement with the so-called Monnin inquiry. Of course, we found out later on that the testimony from Mr. Sokolyk was changing and then changed, of course, again. Can the Premier indicate, Mr. Chairperson, through you to the Premier, can he indicate what the severance payment was? How much money was it and based on what entitlement?

Mr. Filmon: He received one month of pay for every year of service, which was a total of eight months, and it amounted to \$65,400, I am informed.

Mr. Doer: The \$65,400 was paid out. Was the Premier not aware at the time that Mr. Sokolyk had been giving evidence and testimony to legal counsel that was retained by the Conservative Party and that his testimony to legal counsel in his first statement and his changed statement would have provided grounds for potential culpability in this pending affair, which eventually happened? Did the Premier make this decision of severance or did the Clerk of Cabinet make it?

Mr. Filmon: Mr. Chairman, as I indicated publicly at the time, I had not seen or had any

knowledge of any testimony that he had given. In fact, his announced resignation took me completely by surprise. It was only later, and I do not know how many days or weeks later, but it was that last Friday of the month of July that I received that information. It was based on receiving then a transcript of his statement that he made to the inquiry, a copy of which was given to the legal counsel for the Conservative Party, which was then shared with me. I would have to go back and check the dates. My recollection is that the resignation took place probably a week or more ahead of the time that I received the information.

Mr. Doer: In the period after the government announced on the Monday that former Justice Monnin would be hired to conduct an inquiry until the date of Mr. Sokolyk's resignation, how many times did the Premier meet with the Conservative legal counsel about the conduct of Mr. Sokolyk?

Mr. Filmon: I do not have any information on that, and it would be difficult for me to recall that. Just from memory, I do not think I began my meetings with him until after Mr. Sokolyk's resignation, and the earliest would have been some time after that. I do not know.

Mr. Doer: Did the Clerk of Cabinet meet with the Conservative Party's legal counsel prior to that or at any other occasion subsequent to that?

Mr. Filmon: I am informed not.

Mr. Doer: Did any member of his staff meet with legal counsel prior to the resignation of Mr. Sokolyk on the date released by the Premier? I was in the Legislature that day when the announcement was made. I speculated that there was a potential link between the allegations and the resignation, of course, which eventually became true. The Premier, of course, the same day denied that. In fact, there was quite a testy exchange that I noticed on TV, with the Premier being pulled back from that exchange by his press secretary.

Did any member of the Premier's staff meet with legal counsel before the resignation of Mr. Sokolyk on the matters germane to Mr.

Sokolyk's resignation, as identified later on with evidence?

Mr. Filmon: Not to my knowledge, Mr. Chairman.

Mr. Doer: Did Mr. Sokolyk meet with legal counsel before his resignation?

Mr. Filmon: I have no information on that, Mr. Chairman.

* (1500)

Mr. Doer: Well, the Premier just said not to his knowledge. Mr. Sokolyk was a member of his staff before the resignation, and I am wondering whether he, in fact, met with legal counsel. I mean, the decision to issue severance dealing with somebody that ultimately could have been dismissed for cause was made by the Clerk of Cabinet and obviously must be approved by the Premier. Did the Premier investigate whether legal counsel had met with the individual that was resigning or can he say that he does not know then? He has two answers: not to his knowledge nobody met and he does not know. Which one is it?

Mr. Filmon: It is both. At the time, I thought that the question was referenced to somebody else other than Mr. Sokolyk when I said not to my knowledge. In terms of any meeting between Mr. Sokolyk and the lawyer for the party, the member would have to ask Mr. Sokolyk or the counsel for the party, but not to my knowledge did that occur, and I have not had any discussion with them on the issue. I do not recall any information being shared that would have implicated Mr. Sokolyk, or I would not have been as strong in my denial that the two were linked.

Mr. Doer: Did the Clerk of Cabinet recommend that severance be applied here and there was no potential issue of cause to the Premier?

Mr. Filmon: At the time we had no reason to believe that Mr. Sokolyk was implicated in it, so a negotiation took place in good faith. It was clear, I think, to the Clerk who was dealing with him that Mr. Sokolyk was under great stress, and he did not believe he was in a position to carry

on. So the negotiation took place under those circumstance.

Mr. Doer: The Premier has testified that Mr. Sokolyk told him in June at a staff meeting that "they are onto something," and you advised him to get a lawyer and remove himself from the meetings. So the Premier, when he denied that Mr. Sokolyk was involved in any potential wrongdoing in his press scrum or he said he did not have any connection when he approved the severance pay, there already was direct communication from Mr. Sokolyk that would have alerted him prior to Mr. Sokolyk resigning. Did the Premier not recall his conversation in June with Mr. Sokolyk where he advised him that they are onto this issue or there is something to it? Mr. Chairperson, if there was something to it, why was the Premier not concerned about his initial conversation from Mr. Sokolyk (a) in terms of his denial in the media scrum, and (b) in terms of the application of taxpayers' money for severance?

Mr. Filmon: I just want to let the Leader of the Opposition know that I have testified under oath both directly to the counsel for the inquiry and then in a period of six and a half hours of cross-examination by the solicitor for his party, solicitor for Mr. Sutherland, solicitor for the Liberal Party, and counsel for the inquiry. I have said unequivocally, and I repeat for him, that I interpreted Mr. Sokolyk's offhand comment which was made in the space of less than 30 seconds, as I had all of this material that I normally carry in the House under my arm, straightening my tie and leaving my office, I interpreted the comment which was: It is not true, firstly. So the allegations were not true. When I said something does not add, he said: it is not true, but they have stumbled onto something, only to mean that Mr. Sokolyk had knowledge or information about the actions of others, not that he was in any way centrally involved. I have said that before. I have said it to my family. I have said it to many people with whom I had discussions on this matter before any of the information came out. But that was my sole and complete belief about it. As it turned out, as I said to the inquiry, I was completely shocked to find out that he was not only involved, but a central figure in the whole exercise.

Mr. Doer: Given the public allegations that were being made at the time by Mr. Sutherland and Mr. Sigurdson and others, was the Premier not concerned about approving severance that had been negotiated by the Clerk of Cabinet? Was he not concerned about that, given the serious allegations and the fact that allowing somebody to resign versus dismissal for just cause has a different financial reality to it in terms of the taxpayers, and a different accountability in terms of the Premier's Office?

Mr. Filmon: There are two sides to that. As somebody who has been an employer in both the private sector and the public sector, as somebody who has obviously had the experience of having had the former CEO of MPI sue the government successfully for hundreds of thousands of dollars, indeed, millions, over a severance that was deemed to have been for cause, I know that it is never, ever a guarantee that one is going to be successful under any circumstances in severing somebody, whether there is perceived to be cause or not.

So when somebody says all they want is what they would normally get under the civil service arrangements, I would assume that the Clerk of the Executive Council would take a good look at that and say, well, is this reasonable, because under many other circumstances and our New Democratic predecessors built in clauses that gave people two years of pay for being removed from their position. There are plenty of precedents today that say that those kinds of settlements could and are being awarded, so when the Clerk sits down with an individual and says that there is a severance that only amounts to what you would normally be entitled to on leaving government, I accepted it as being a reasonable proposal, quite honestly.

Mr. Doer: I have no difficulty in the formula and the one month. In fact, the Premier and I are both grandfathered, if you will, on that provision that was dealt with before because I think that, and of course the Fox-Decent report changed some of that, but I have no difficulty whatsoever with the one month for every year of service. That is not a problem I have, and I personally, with CEOs, had a report written on CEOs' salaries because, in my view, some of the—we had a consulting firm deal with that. We used to

have perks because the salaries were inadequate to hire people, and I made public statements that actually were criticized by the Liberals on the MPI chair recruitment in one of the actions of the government because I thought we should be more honest on salary and requiring less incentives on the other side, the perk side if you will, of the job.

*(1510)

So I have never criticized the report that was issued by Clayton Manness. I initiated it, we handed it off in transition, I supported it after it was dropped, and I have supported it since the government has initiated the recommendations there for people. The formula is not something I have difficulty with. It is the application of the formula for somebody that is already alleged to be in trouble by other people and resigns at the end of July under pretty heated circumstances we thought at the time. Obviously, our judgment about the circumstances was more accurate than the Premier's judgment. When he denied it had anything to do with the inquiry, we said publicly it had, we believed.

I guess that really raises the other issue of judgment. Two years ago we moved a motion in this Legislature. I have only moved one motion to delete one salary line in the number of years that we have dealt with each other in Estimates. I only moved one salary line ever in his Estimates, or I stand to be—I am not 100 percent sure. I am just going by memory, but I believe I only deleted one salary. I know it was Mr. Sokolyk's salary in 1997. We had done that because we had heard from a number of sources about the so-called dirty tricks that were being conducted by and around the Premier's Office, phoning radio talk show hosts and saying you are somebody else. A constituent of Avis Gray was one of the people that called, and the dulcet voice of Ron Arnst was clearly identified, denied by the way by the deputy premier and all and sundry for a couple of days until Bob Irving, I think, went on and said: yes, I worked with him in Brandon; I know his voice.

Other members of the Executive Council were phoning from the Legislative Building to the open line shows alleging to be somebody else. Letters were being written. There was a

whole series of other events that we cited. At that time the Premier had an early warning system. We do not come in here in Estimates, I do not come in here in Estimates, trying to fire the staff the Premier hires, but we had heard enough evidence about Mr. Sokolyk that should have had the bells ringing in the Premier's ears.

Now why do we in opposition, in hindsight, have better judgment than the Premier on the quality of the staff and the kind of dirty tricks that were evident then and now very evident after the Monnin inquiry? Why is he able to hire people like Mr. Sokolyk on the political side? I am not talking about the civil service side and people before us at this table whom I respect. I am talking about the chief of staff, the political operative in the Premier's Office, and why were we able to have a judgment about this individual that has now stood the test of time, and the Premier did not?

Why is it that members of his own party were concerned about this individual that we had heard from, members of the public, members of the media, members around this building, members that are involved in political affairs were worried about this individual? Why was the Premier not able to see this? Is that because he really does believe that people that work him should be doing anything for political advantage, the kind of Bob Kozminski theory of government: I will do whatever it takes to defeat the other side. Is that the kind of modus operandi or is the Premier just short of judgment when it comes to political staff?

Mr. Filmon: Well, Mr. Chairman, obviously, hindsight is 20-20 vision. I have had the privilege of being in office for a long time, more than 11 years as Premier. Prior to that I was obviously Leader of the Opposition. I was a minister in the government of Sterling Lyon. I was in the private sector where I employed many people over the years, and I believe that my judgment about people has been solid. It has been sound, but every once in a while everybody can make an error in judgment. I suppose that I could only be accused of being perfect if I were not human. I am human, and I cannot honestly take any other lesson from this other than to say that throughout my life, I am sure that I have made errors in judgment and errors in

assessment of circumstances. This is one of them, and just because the Leader of the Opposition raised it does not automatically make it right.

I mean, his colleagues in government have raised issues about individuals on numerous occasions, and if I have to go back and start looking at the Hansards and the files of how many times they were wrong on issues that they raised in this House to demonstrate that everybody makes a mistake from time to time, the question is whether or not the mistake is one of such major proportion as in this instance where obviously it did have a significant impact on the career of not only one individual but on the careers of several people who engaged in the process ultimately.

That is what Mr. Monnin said. He said that these people paid with their careers and their reputations, and it was a human tragedy, I think is another statement that he made. Does that mean that I should have been able to anticipate this? No. I regarded what the Leader of the Opposition was doing at the time as playing politics. In the end, he was proven to be correct in his judgment of the individual, and for that, obviously it has been a very painful experience for me to have been wrong in my judgment of the individual.

Mr. Doer: I very rarely criticize senior civil servants. I have gone back over Hansard over a number of years, and I have been very careful about that, because I think that the Premier and I can argue about something and accuse each other of something, but we can defend ourselves. People who cannot, it is a different matter.

And I agree that none of us are perfect. I will say that about myself in a moment. People that we have employed make mistakes. People that are volunteers make mistakes. When people make mistakes, all I expect from them is honesty, because the honesty is the one value that we need in people we work with and we need with volunteers. If people make a mistake, we want honest acknowledgement of those mistakes so you can move on, because to not be honest is to compound it and compound it and compound it again. Even though the public is cynical about the word of all of us, I believe that

most people in this room are honourable, have a disagreement about the means of doing a better job for Manitoba, but I was concerned about honesty.

With Mr. Sokolyk I was concerned about a culture of—I guess Mr. Kozminski stated it, and I witnessed it in other examples, where if one person from one office phoned an open-line talk show, I would assume that that may be overzealousness, but when two people do it, I know it is a deliberate campaign, and the Premier has been around the block enough to know it is a deliberate campaign. Then following from that, other issues that became identified later on that I described in 1997, I thought that was a symptom of something that went beyond the usual give and take in this Legislature.

So I moved the motion, and if the Premier checks his records, I think it is the only motion on an individual I have moved that I certainly can recall. I went back to 1990. And I was not playing politics with staff. I have never played politics with the Premier's staff in Estimates, because the Premier and I are elected to deal with policy and political and principled issues. The staff are here to do their job to the best of their ability and do it honestly and with integrity on behalf of the people of Manitoba.

* (1520)

The other staff I have actually criticized the Premier on has been Mr. Benson. He and I have had arguments in previous incarnations, in our previous Estimates processes about Mr. Benson. Does the Premier feel he used good judgment with the selection of Mr. Benson for the job he performed?

Mr. Filmon: Mr. Chairman, I had the same discussion with various different lawyers and representatives at the Monnin inquiry. When you have an individual who has been a chartered accountant for 40 years, who is the senior managing partner for western Canada of one of the largest—I think it was at the time the largest multinational accounting firm in Canada, somebody who has an immense history of positive experience in his profession and in the business community, I do not think there is any way that the Leader of the Opposition, nor I, nor

any human being, would have seen the possibility of him engaging on behalf of a friend in a process that was dishonest and unethical. I just, in looking back, did not foresee the possibility. I would be surprised if the Leader of the Opposition could honestly tell me that he could have foreseen that, judging the person's record.

Mr. Edward Helwer, Acting Chairperson, in the Chair

Mr. Doer: Mr. Chairperson, if you look on the record when the person was appointed, I was quite concerned about the treasurer of the Conservative Party becoming then the secretary of the Treasury Board. I was quite concerned about an absolute partisan—not a partisan, I mean there are people that are hired from time to time that are consistent with the government's views, and the public gives them a mandate to do so. I was concerned about the role of somebody who is in charge of raising money being in charge of recommending the merit or lack of merit of a contract, so we can go back and forth on this issue.

From the early times that this individual was hired, I never questioned his CA qualifications, and I never questioned his business qualifications, his experience in the private sector. I guess it really begs the question: what is the culture in the Premier's Office that allowed for people to do things and nobody—the only person apparently who raised this concern was Felix Holtmann. If you look at the old Sodom and Gomorrah, finally one person, or I think it started with a number of people, then it was down to 10 to save the community.

What does it say about the people, the culture, in the Premier's Office? I think Bob Kozminski may have stated it, regrettably, correctly: I will do whatever it takes. Is the Premier not concerned that not one person, not one friend of his, not one person who is doing business deals with the government, not one of his senior staff alerted him before the '95 election or right after the '95 election, before the Elections Manitoba investigation took place? What does that say about the culture of the Premier's Office? Is it absolutely geared for winning at all costs, and really is that beyond all

the testimony and beyond all the people that have been cited? Is the Premier not worried about that conclusion that is easily drawn from the friends of the Premier, Mr. Kozminski, Mr. Thorsteinson, from the members of the Conservative Party who obviously would be friends of ministers and acquaintances and from the senior staff of government. Is there not something rotten in the state of Denmark, and is the Premier not concerned about that?

Mr. Filmon: Just addressing the comments of the Leader of the Opposition, firstly, and he got it wrong again today, as he got it wrong when he made his allegations about the appointment of Mr. Benson.

He said the person who was raising the money for the party should not then go into a senior staff position. Mr. Benson did not raise any money for the party. He was the chartered accountant who was the treasurer, who did the books for the party. He did not go out and knock on doors raising money for the party.

He had it wrong when he made his allegations before publicly and in this Legislature, and he still has it wrong. He does not understand the difference between the head of PC Manitoba Fund, the fundraising arm, and the treasurer, the person who keeps track of the books. So having somebody who happened to perform that function for the party then perform that function in government, he obviously had demonstrated competence. The member referred to his competence as a chartered accountant. That is precisely why he was I believed an appropriate choice as the secretary of Treasury Board. That is exactly who is in that position. It is the bean counter. It is not the money raiser.

The other aspect to it, Mr. Chairman, is that as Mr. Monnin indicates, nobody, nobody outside of the group of five whom he names in his report was aware of this. This was not something that was the subject of discussion, either socially or in a business or government sense. I mean, I will read it for the member opposite. I mean, we are ploughing over the same ground that many, many lawyers, that many, many very learned people spent nine months on, nine months interviewing 72 people, anybody who had any knowledge whatsoever of

the process or of the actions, including somebody who overheard a conversation in a coffee shop, somebody who was in a pub and overheard a discussion.

He mentions Felix Holtmann. I have no idea what that reference is. Mr. Holtmann ultimately went and gave a statement about a conversation that he overheard at a pub between two individuals, never repeated that conversation to me or anybody I know, Mr. Chairman, so this is supposed to demonstrate somehow that everybody knew?

The fact of the matter is that this is what Mr. Monnin said: "I find no evidence that any elected PC member, any member of the Party's executive, nor any other member of the Party's management committee on which Thorsteinson sat was aware of or aided and abetted in either the plot or the cover-up.

"As far as the cover-up is concerned, it is the handy work of three individuals. There is no evidence to suggest that anyone else knew."

Seventy-two people were interviewed by the investigators. Thirty-seven of them appeared in public session under Mr. Monnin's inquiry, and he finds there is no evidence to suggest that anyone else knew. If you want to read it—I mean, he speculates as to why. I mean, these people were obviously embarrassed by what they did. They would have lost their careers over talking about it, so it became a completely buried issue and secret, that it took this inquiry to get out.

As painful as it has been, Mr. Chairman, I can tell the member opposite that I believe that we, all of us collectively, have learned from this process. The members opposite can laugh because they think this is just a political issue, the member for Thompson (Mr. Ashton), but this is an issue that is as serious—

Point of Order

Mr. Steve Ashton (Opposition House Leader): On a point of order, Mr. Chairperson. I think it is only appropriate if the Premier is to make comments about my laughing. Indeed I was laughing at the Premier's statements which I

continue to feel lack a fair amount of credibility on this issue, not at the seriousness of the issue itself. I know we often get into this back and forth, but for the Premier to get into that, I think, he is just indicating once again how little he has learned from the experience. I think we saw this in Question Period today, by the way, Mr. Chairperson, when this Premier would not even ask a question about the conduct of his minister. So, yes, I was laughing but laughing at the lack of credibility of this Premier.

* (1530)

Mr. Filmon: Same point of order, Mr. Chair, the lack of credibility of course is demonstrated by the members opposite who, having called for a full, complete and thorough public inquiry, did not have the courage of their own convictions to state any of the innuendo on the record and to be cross-examined so that they could continue to use innuendo and falsehoods in the public debate over this issue. Mr. Chairman, I went before the inquiry. I went under oath in public session and was cross-examined for six hours so that I could answer everybody truthfully on this issue, unlike the member for Thompson who will prefer to deal in innuendo and falsehood as opposed to being honest and truthful.

The Acting Chairperson (Mr. Helwer): The honourable member for Thompson did not have a point of order. So we will carry on.

* * *

Mr. Doer: Mr. Chairperson, we also know that Monnin stated a number of things. We have stated those and we will restate them, page 16 and others, but he did say that, even in concluding his report, he was not convinced that he had all the evidence that may be there. We did not have all the evidence when we raised the questions in 1995, obviously. We did not have all the evidence when we raised the questions in the House in 1999. We knew that there was something wrong. I mean, we know when there is that much money that goes to somebody in a campaign. More money was donated by Darryl Sutherland to his own campaign than the Premier donated to the Conservative Party. I mean you have to be either not wanting to find out or relatively stupid to not know that there is

something wrong there. I knew there was something wrong there. The Premier knew there was something wrong there. How could somebody of very modest means donate more money to their political party than the millionaires' club across the way or even some of the people of means here on this side? Surely to goodness something was rotten in the state of Denmark.

Monnin says that still not all the evidence is before us. He is not convinced, and we are not convinced. The public is not convinced. I can tell you when I listen to people out there, they say: give me a break. The Premier hires a person, puts them in a position of trust. He hires another person, puts them in a position of trust. He selects the campaign manager. He selects the treasurer. He selects the committee of the PC Party, his best friends whom he golfs with and dines with, or involved at the other end of moving money under the radar screen over to aboriginal candidates in other communities. You know if one person is involved, people might give you the benefit of the doubt. Two, three, four, five, six, seven?

You know, you keep saying to people: I knew nothing. The public is pretty smart about these things. There is the inquiry and then there is the inquiry. The public is pretty wise at the end of the day, pretty wise. Judge Monnin was pretty wise, because he left himself some statement when the Premier says 75 persons testified, blah, blah, blah. Do not forget, his own principal staff had to change his testimony three times. There might be a fourth version; we do not know.

The chief accountant for the Conservative Party, a person held in responsibility for allocating the private liquor licences, changed his testimony after the Premier testified. Testimony changed as evidence was produced. It changed and changed and changed again. So it speaks to the culture in the Premier's Office. It speaks to the fact that nobody stood up starting with the Premier, because I do not believe for a moment that the Premier who knows something about campaign finances—the person from the Native Voice candidate donated more money to his campaign than some of the wealthiest

members of this Legislature donated to their own political party.

I have never understood why Elections Manitoba did not know then what we knew that something was wrong, somebody passed some money to this individual. I do not know why the Premier with all his years in politics did not know something was wrong. How many people does the Premier know over the years that donated that much money to their own individual campaign? How many people of modest means would donate thousands of dollars to their own campaign? So I ask the Premier, was he not curious about that fact after there were allegations in the Interlake? Was he not curious in 1995 with his political knowledge? You are not a stupid person, you are knowledgeable. You are politically experienced. You have been in council. You have been in the cabinet for the Legislature, in cabinet, in opposition.

Can he honestly say to me that some alarms did not go off when he heard that Darryl Sutherland had donated thousands of dollars to his own campaign? Did he not think, based on his experience, something was wrong here and the truth had to be revealed, or was it the culture to hear no evil, see no evil or speak no evil?

Mr. Filmon: Mr. Chairman, I did not know Darryl Sutherland. I had no knowledge of who he was or what he did, and did not ever make it my business to find out because I was confident in the inquiry that was being done by Elections Manitoba. I believed that they had the ability and the power and the wherewithal to get to the bottom of it. Once they did their investigation and made their report, I was satisfied that they had done what was appropriate. I have had countless, countless people from positions of responsibility who know this Legislature, including former Premiers, say you have every reason to believe in the investigation of Elections Manitoba. Why would you have such a statutory body set up with the powers it has for investigation if you did not follow their advice and investigation?

Mr. Doer: So I come back to the situation then. Is there not something rotten in the state of Denmark? Is there not something fundamentally

wrong with the kind of—well, you know I argued two years in 1997 there was something wrong. I do not understand why the Premier did not see it then, does not see it now. I am going to follow it up with a further question to the Premier.

When we raised the issue of Jules Benson, when we raised the issue of Mr. Benson, the Premier testified that he would refer the matter to the Civil Service Commission. Did he refer it to the Civil Service Commission?

Mr. Filmon: The member is going to have to amplify what he asked to be referred to the Civil Service Commission.

Mr. Doer: During the Premier's testimony, we raised questions about breaches of The Civil Service Act dealing with the civil servant involved in financial matters in an election campaign pursuant to the numbers of cheques issued and dealt with by a civil servant who was involved specifically in the campaign and also in a so-called civil service meritorious position. Did the Premier refer that matter to the Civil Service Commission as he testified, and did the Civil Service Commission investigate this? This was after the Premier testified and before Mr. Benson resigned.

* (1540)

Mr. Filmon: I think the member opposite will have to be more specific. I am not familiar with all of the things that he is alleging were discussed and what comments were made.

Mr. Doer: Well, the Premier in his testimony testified that he would—he was asked by legal counsel at the inquiry whether he had investigated the potential breaches of The Civil Service Act dealing with the issues of political parties, monies, and civil servants. He said he would refer that matter to the Civil Service Commission. I am just asking whether his testimony under oath was followed, and can he report back to this Legislature on the results of that commitment he made under oath?

Mr. Filmon: At the time we did not know all of the details of Mr. Benson's involvement, and obviously we wanted to get more information through the course of the inquiry, and then

judgments could be made. So I do not think I made a specific referral to the Civil Service Commission, knowing that Mr. Monnin was going to be bringing up more information and Mr. Benson had not yet testified, so we did not have the full verification of what his role was.

Mr. Doer: Well, the Premier made a specific commitment that he would take the questions raised about the breach of The Civil Service Act to the Civil Service Commission. The Premier made that commitment. He did not say that I would leave that to the inquiry, that I would leave that to Justice Monnin, that I would leave that to a future date; he made the commitment under oath. This is the first time I have heard now that he did not take it to the Civil Service Commission. I want to know why he did not, why he would say it under oath and why he did not follow it up, because it was about five weeks later that Mr. Benson then resigned, again with different interpretations, but I will get to that in a minute.

Why did he not send it to the Civil Service Commission the next day as he committed himself to? That is a pretty strong statement under oath to give a commitment; it is even stronger, I dare say, than Hansard.

Mr. Filmon: As I say, I know that I would have wanted to have had verification of his position from his testimony before the inquiry before going to the Civil Service Commission on the matter.

Mr. Doer: Well, the verification would come from the Civil Service Commission. You were asked specific questions dealing with The Civil Service Act, the prohibitions of civil servants being involved directly in money matters during campaigns, and in answer to a question under oath, you said you would take that matter to the Civil Service Commission. You did not say I want verification before I take it to the Civil Service Commission.

You had been asked questions based on evidence, and you said that that would go to the Civil Service Commission. You are not supposed to be the judge and jury when a matter is before the Civil Service Commission. If there are issues to be verified or not, pursuant to a

breach of The Civil Service Act, you are supposed to send them there, not to satisfy yourself one way or the other. You could say that under oath. You did not say that under oath. You said: I will send that to the Civil Service Commission.

So I want to know why you did not do that, why you say it based on questions raised to you about the breach of The Civil Service Act, why you did not send it to the Civil Service Commission. Was the commission, and it is only apparent now, was it misled by you on your testimony?

Mr. Filmon: I do not have any information, and until I review my comments before the inquiry, I cannot really respond any further.

Mr. Doer: Who is responsible for following up on the commitments the Premier made in his testimony? Was it the Clerk of the Cabinet or the Premier directly himself?

Mr. Filmon: Mr. Chairman, I will take the responsibility for them. I am not suggesting that it is anybody's responsibility. I am just saying that I want to review what is being alleged and what actions I may or may not have taken.

Mr. Doer: So you are saying that this matter never went to the Civil Service Commission after you testified and before he resigned?

Mr. Filmon: I am saying that I have to investigate to report back.

Mr. Doer: With Mr. Gajadharsingh who was the contact with the Civil Service Commission after it was raised as an issue? Who contacted the Civil Service Commission? Was it not the Clerk of Cabinet? Is that not the appropriate connection, the Premier to the Clerk of the Cabinet to the Civil Service Commissioner, Mr. Hart? Is that not the way it would work and has worked in the past?

Mr. Filmon: That might be one of the ways. I suppose it could be directly from my office. We would have to investigate.

Mr. Doer: If the Premier makes a commitment to take something to the Civil Service

Commission, it would normally flow not from the Premier himself to the Civil Service Commission but from the Clerk of Cabinet, who is the senior deputy minister of government, to the appropriate deputy minister, in this case the equivalent of the deputy minister in an independent position.

Surely the Premier is not saying that the Civil Service Commissioner sits in his office and works by some kind of mythical osmosis in terms of what should be referred to them or not. There is a chain of protocol from the Premier through his senior staff to the independent Civil Service Commission. Is that not the case? Is there not a protocol to this? It is not up to the Civil Service Commission to be present in all rooms, at all inquiries that deal with matters of the public service, to be aware of these things. There has to be a follow-up, is there not? As I recall it, with the questions raised with the immigrant issues, with civil servants potentially or allegedly working at one private enterprise at the same time they were working in the public, the Premier said he would refer it to the Civil Service Commission through the Clerk of Cabinet. I am almost going by memory now in the press release, but that is my recollection of it. It would make sense to me, because that would make sense. That is the normal pattern. So would this not be the normal pattern of events that the Premier would refer a matter to the Civil Service Commission through his Clerk of Cabinet?

* (1550)

Mr. Filmon: That might be a normal pattern, Mr. Chairman, but I have already said that I need to review what was said and what commitments were made and investigate what was done to follow up on that.

Mr. Doer: So the matter never went to the Civil Service Commissioner; questions of Mr. Benson's alleged breach never went to the Civil Service Commission. You said that earlier.

Mr. Filmon: I indicated earlier I cannot confirm or deny that until I do an investigation.

Mr. Doer: Is it possible for somebody just to phone the Civil Service Commissioner and find

out. I mean, this is not something that is sort of—we are not talking paper clips in the Premier's office here. We are talking a major commitment, we believe, that he made in the inquiry, and it would have—I do not imagine there are too many of the Premier's staff he is sending for Civil Service investigations. One would hope not. Can somebody find out, somebody monitoring these questions, and can we find out? It is just a simple phone call away, I would suggest, to find out whether that, in fact, happened. We should have a yes or no answer. If it happened, yes. If it did not, no. We are not asking for the Book of Revelations. We just want to know whether it happened or not.

Mr. Filmon: We will follow up on it and report back, Mr. Chairman.

Mr. Doer: Who fired Jules Benson?

Mr. Filmon: Mr. Chairman, I have a letter from Mr. Benson indicating that he was retiring from government.

Mr. Doer: Can the Premier indicate what the severance would be for Mr. Benson when he retired?

Mr. Filmon: My understanding is that he was awarded the standard civil service allocation of 15 weeks.

Mr. Doer: There was always a speculation about how much or how little the pension entitlement would be with the so-called preferential pension plan for Mr. Benson. Can the Premier indicate today what was the pension payout pursuant to the agreement agreed upon in the early '90s with Mr. Benson?

Mr. Filmon: As the member probably understands, he did not get any payout of pension upon retirement. During the course of his employment, for each year that he was employed, he got up to a maximum of \$13,500 per year contributed towards an RRSP.

Mr. Doer: Can the Premier indicate then what was the total employer payout or the taxpayers' payout to that pension plan in the years that Mr. Benson worked for the Province of Manitoba?

Mr. Filmon: Mr. Chairman, I do not have that information. Mr. Benson was an employee of the Department of Finance, so it would be in their Estimates, and they would be able to get that for the member.

Mr. Doer: The Order-in-Council conditions that provided for the pensions were approved by the Premier in cabinet. They were superior to the civil service employer paid pension plan. We identified that with Mr. McFadyen's conditions in the last set of discussions. So this is a plan that the Premier indicated was applicable to three people, approved by the Premier and cabinet, the contract of which I believe was available through the Clerk of Cabinet to get the conditions of that when this was revealed that no longer were the specific conditions going to be made available by Order-in-Council. So, you know, this government has talked a lot about public disclosure and information, et cetera, et cetera, why will the Premier not give us the amount of money? Are they embarrassed by the significance of it? I just want to know why we cannot get that figure. It seems to me to be pretty routine.

Mr. Filmon: Mr. Chairman, you know, we have been exceedingly co-operative, flexible in providing every bit of information, even to the extent of going through all this discussion about somebody who was not on my staff. He was a senior staff member of government. He was a cabinet secretary for the Treasury Board. He is an employee of the Department of Finance. I mean the member does not come here and ask me what is the pension that was paid out last year, the pension allocation that was paid out last year for the former Deputy Minister of Finance because he knows it is not in my Estimates. It is not in my departmental information. I am telling him that it was a maximum of \$13,500 a year. He can calculate the number of years that he was employed in the position. It was probably something in the range of about six or seven years, and you can multiply that out and figure out the total maximum entitlement that the individual got.

I know that the member opposite when the NDP were in government paid out hundreds of thousands of dollars of pension allocations and severance pay to individuals. People like

Michael Decter not only got all of that money but also got a contract awarded to them as part of their severance package, so he studied the taxes that were going to be able to be raised by the government, another \$55,000 contract, all those kinds of things. If the member wants to start making a fuss, he can talk about all the things. I will talk about all the things that the New Democrats did for their special friends and political operatives who they hired in government. If he wants to take the number of years and multiply them by the approximate total of \$13,500, he can figure it out. I do not have it in my Estimates, so I cannot get the detail for him.

Mr. Doer: Well, we will multiply \$13,500 by the number of years he worked, and we will take that as the amount. I know the Premier is sensitive about this, and we have raised it before. But he should not be surprised that we are raising the issue of the pension issue. We raised it from the year it became public that that, in fact, information was being withheld from the public. You know, that is something we have raised every year in his Estimates because it is a policy decision made by the Premier, approved by cabinet for three individuals.

* (1600)

These were O/C appointments, all of them. The last time I looked, the Premier is responsible for Order in Council appointments as the chair of cabinet, and we consider these questions fair ball. I know the Premier does not, but that is why we are asking them and we do not apologize for it.

A further question to the Premier, Mr. Benson in testimony stated that it was made very clear to him that he should retire. Was the Clerk of Cabinet passing on his own view that he should retire, or was he passing on the view of his employer, the Premier, in that decision?

Mr. Filmon: The matter was discussed directly by the Clerk of the Executive Council and the former secretary of Treasury Board, Mr. Benson. Prior to his discussions with Mr. Benson, the Clerk discussed with me various options that he believed were appropriate to be discussed with Mr. Benson, and Mr. Benson chose to retire. I cannot go into the detail of personnel matters

being discussed privately between two individuals, but I think it suffices to say that the Clerk did not choose to discuss options that would not have been acceptable to me. So the various options that were canvassed, all of which were acceptable to me, and certainly Mr. Benson's decision ultimately to retire was acceptable.

Mr. Chairperson in the Chair

Mr. Doer: So the Premier approved of the discussions that Mr. Leitch was going to have with Mr. Benson prior to those discussions taking place.

Mr. Filmon: Yes, I approved of his sitting down and having discussions with Mr. Benson as to his status with the government and, yes, there were a variety of different options that would have been acceptable to me and, yes, ultimately I accepted his letter of retirement.

Mr. Doer: Did the Premier meet with legal counsel, and was he apprised between the date he testified and the date Mr. Benson retired on the changed testimony of Mr. McFarlane relating to the financial matters?

Mr. Filmon: Yes, Mr. Chairman, I was apprised by legal counsel of the changes in Mr. McFarlane's statement to the inquiry. That was prior to Mr. Benson's letter of retirement.

Mr. Doer: So, based on the information given to the Premier, the Premier felt it would be untenable for the government still to have Mr. Benson as secretary of Treasury Board, given the changed testimony of Mr. McFarlane. There was a cause-and-effect in terms of the evidence, the advice of counsel, and the status of Mr. Benson.

Mr. Filmon: I think it is accurate to say that I accepted Mr. Benson's letter of retirement.

Mr. Doer: Well, did the Clerk of Cabinet meet with the legal counsel, or was it the Premier who met with legal counsel? Was the legal counsel of the Conservative Party briefing the political head of government, being the Premier, as opposed to the Clerk of Cabinet?

Mr. Filmon: The Clerk of the Executive Council was called into the briefing by the legal counsel for the Conservative Party, since it involved a matter to do with a senior civil servant, so he could receive the information and briefing from the legal counsel.

Mr. Doer: So the Premier and the Clerk of Cabinet were made aware of the changed testimony of Mr. McFarlane. The Premier would have approved the action of the Clerk of Cabinet with Mr. Benson prior to his meeting with Mr. Benson?

Mr. Filmon: Yes, I approved of the Clerk of the Executive Council meeting with Mr. Benson. Yes, I approved of a range of different options that were to be considered in the discussion. Yes, I accepted Mr. Benson's letter of retirement.

Mr. Doer: As part of those options that were discussed, if Mr. Benson did not retire, was the option then to dismiss him?

Mr. Filmon: I am sure that the member opposite knows full well that, in matters of personnel, these matters, these discussions, are all done in confidence. It is not appropriate under any circumstances for us to declare or to talk about publicly personnel matters in this detail.

Mr. Doer: I know the member for Inkster (Mr. Lamoureux) has some questions for the First Minister. I will certainly allow those to proceed.

Mr. Kevin Lamoureux (Inkster): I do have a number of questions that I was wanting to ask of the Premier, given this is the first opportunity to put on the record, or at least get the Premier on the record with a number of concerns that I have that are at least in part budget related and, in other parts, not.

But I wanted to start off, if I may, Mr. Chairperson, by referring to something that I often do within my constituency. That is to canvass feedback and opinions on a wide variety of issues. Generally speaking, I believe the support in terms of response I get is fairly decent, in excess of 10 percent of homes that I represent.

In the '97-98 survey that I did, one of the questions that I had in the survey was: In order to reduce our property taxes, should the provincial government gradually take over the financing of education through general revenues, which means that it would have to come up with money from somewhere else. Health care is funded through general revenues. The response to that particular question was that 49.1 percent said yes, 28.8 percent said no, and a small percentage had no opinion on the issue.

Mr. Chair, I know that the issue of property tax has been somewhat put to the side or put on the back burner by this government over the years. In fact, many would argue, including myself, that the only time the government has given any attention to the property tax issue was when they had the clawback a number of years ago.

Mr. Chairperson, I represent an area which I believe wants to see the government deal with the issue of property tax, and it is with great disappointment that I found that this particular budget did not deal with the property tax issue other than to say we are going to have this Lower Tax Commission, of course.

One of the results of that is that I posed to the Minister of Finance (Mr. Gilleshammer), because I think it was appropriate for the Minister of Finance also to be brought into this discussion, as to what sort of background, what has the government been doing, in particular that particular department been doing to address the property tax issue? How has this government gauged that particular issue? I was really quite disappointed in terms of, in my opinion, the government has not sought out public opinion on that particular issue.

* (1610)

In one of the North Times, my colleague from The Maples and I put forward a questionnaire. We did not get anywhere near the type of response I would have liked to have gotten in terms of numbers that I am used to when I do my own constituency surveys, but having said that, what I found interesting was that 23.8 percent of a value was attached to personal income tax being reduced, compared to

23.1 percent for property tax. Now, that survey went out through the community newspaper, a much wider spectrum of people, other school divisions, for example, than the constituents I represent.

But what I find, Mr. Chairperson, is that there is just a huge undercurrent of people who are really upset with the issue of property tax and the amount of property tax that has to be paid. A big part of that, no doubt, is because of that continual reliance of funding education on the property tax, and that brings me to the next point of whether it is offloading or the freezes or cutbacks in public education that has pushed up more of the school division levy onto the property tax. I have argued in the past that in particular Winnipeg No. 1 or the constituents in part that I represent today are paying a disproportionate amount of their fair share of property tax because the government has chosen to virtually ignore this issue.

In fact, Mr. Chairperson, government was able to con, I would suggest to you, the official opposition into supporting their budget. I believe in most part they supported it because the official opposition did not have the political courage to vote against this budget, because it is, in fact, a bad budget, the way in which it tries to portray the financing of the government or the way in which it tries to deal with the whole issue of tax fairness. When I look at it, I do not have any problem justifying to my constituents that I voted—

Mr. Chairperson: Order, please. I hate to interrupt the honourable member for Inkster when he is on a roll, but could I ask the two members who are carrying on this conversation to do so in the loge. I am having great difficulty hearing him. Thank you. The honourable member for Inkster to continue.

Mr. Lamoureux: I bring it up because it is one of the primary reasons when I go and knock on a door whenever the election might be, a major issue is that of taxation. People do not mind having to pay their taxes. What is important, Mr. Chairperson, is that those taxes and the level of taxation is fair. This government, over the years, has not demonstrated at all a sense of fairness in the way in which it is collecting its

taxes, and that is a primary reason why I could not vote for this particular budget.

I do take some pride in that fact, Mr. Chairperson, because I do believe it is important to provide alternative solutions to what it is the government is doing. One of the issues that I believe that the government needs to be much more proactive on is the property tax issue. My question to the Premier is: how would the Premier explain to my constituents and to the constituents of Manitoba why over the years this government has constantly ignored the issue of overreliance of funding education on our property tax? Why over the years this government has ignored the need to address and alleviate property tax relief? Its priority tends to be personal income tax and there is some validity to reducing provincial income tax, but it is negligent, I believe, to ignore the property tax. I would be interested in knowing the Premier's response to that.

Mr. Filmon: Well, Mr. Chairman, there is a whole variety of issues surrounding that and one is, of course, responsibility for raising the money should vest with those who make the decisions on how to spend the money. Certainly in the case of municipal governments, the cities, towns, villages and municipalities make decisions on how they are going to spend their money. This government over the last decade has probably been more generous in its transfers to municipal governments than any other province in Canada. I would venture that that is able to be supported by everything that we have done.

Principally, of course, because we have provincial-municipal tax-sharing arrangements which increases dramatically, and this year alone it increased in its transfers to the municipalities by \$71 million, I am informed. More particularly, large increases onto the municipalities from VLT revenues and we are the only province that still gives a portion of VLT revenues to the municipal governments. This has resulted in very significant increases during the period of time over the last five years most provinces in Canada have dramatically reduced their transfers to the municipal governments. More particularly in the area of education, it is not uncommon for some portion of the burden of school costs to be taken off the property tax. I

may be wrong. I had done some research for the debate that I had at the MAST convention and I thought that every province still had some portion. But it ranges, and in Saskatchewan next door, 60 percent comes off the property tax. Now, it is not all through a special levy at the local level. In many cases, the province does as we do with our Education Support Levy, takes it off all the properties across the province, puts it through a kind of equalization-type exercise, and then distributes it to the various school boards.

If you really look at it, there is a lot of discussion about how much has changed in the last while. In 1981, the provincial government from its general revenues contributed to the school divisions of the province 54 percent of all of their costs. By 1988, when we took office, that had slipped to 52 percent and now it sits at just over 49 percent. So essentially it has varied a little bit, but it has remained around 50 percent being taken from the general revenues.

Where there was a big shift was that, in the days of the New Democratic government of the '80s, they kept taking more and more off the property tax through increasing the ESL over that period of six and a half years. We have not increased the ESL. In fact, it is virtually at the same level that it was 11 years ago, but, obviously, local school boards, through their special levies, have continued to increase their local levies.

This does a number things. I mean, the member opposite probably knows, if he has done the research, that there is quite a considerable variance in the local mill rates, and it obviously reflects either the pressures that school boards feel at the local level or the priorities that they have chosen at the local level. There are many, many programs, from early childhood education to before- and after-school programs, to food support programs, to all sorts of areas in which there have been decisions made at the local level to do something special through the school system. This means that there really is a reason why we have local school boards to make local judgments and local priority choices. That, to me, is why we have the whole business of locally elected school boards; it is to make those kinds of judgments.

* (1620)

In the time when we were getting massive reductions in transfer payments from Ottawa, the Liberal government in Ottawa, we tried as much as we could to live within our means. We do not believe you should spend money that you do not have. So, as a result of all of that, we tried to apply as much discipline as we could to our spending in all areas of government, including our transfers to the various different areas of expenditure over which we have no direct control, but we are a major contributing partner, including education.

In that area, many, many school boards across the province chose to supplement what they perceived to be a lack of funding transfers from us by increasing local levies very substantially. That has taken place. They obviously have to take some responsibility for those decisions, and we as a province obviously take responsibility for the decisions that we made. In the end, there has to be some local responsibility. You just take areas that are constantly a source of discussion, complaint and conflict, such as municipal taxes within the city of Winnipeg. You know, when you start to examine this, that the City of Winnipeg's pay rates are higher than the pay rates for comparable positions for either the provincial government or the federal government or for any Crown corporation. They are the highest of all the public service areas of Manitoba, and you have to say: do we take responsibility for that as a province? Well, obviously, we do not and we should not, and we have to keep that principle in mind that local decision makers, locally elected decision makers have to take responsibility for their local decisions to a great extent.

So to just simply say that it is all the fault of the provincial government I do not think is fair or valid. It begs the question as to how we address this. I mean, if the province is going to take over all the funding, then obviously the debate should ensue as to whether or not you have other people who make the decisions as to how to spend it. That is the case with regional health authorities, where they are solely appointed by the province in recognition that the province is the sole funder.

Mr. Lamoureux: I do want to spend some time on this particular issue, and I will tell you why. It has been an issue for me virtually since I have been elected. I like to believe that I have been somewhat successful in terms of influencing our party's position on this issue. That is going to come out in due course, but suffice to say for now a part of that platform is going to see the provincial levy that the province puts on the residential property tax will be proposed to disappear. We would be, in fact, committed to getting rid of that residential provincial levy on the education property tax. I say that because at the end of the discussion on this, I would like to think that the Premier, who has influence from within his own party obviously and in the election platform, ideally I would like to hear him say something today on this very important issue.

I want to address it in a different way. If you happen to live in, let us say, Tyndall Park in a house of a value of approximately \$80,000, very reasonable, very realistic, then you compare that house. You take a house of the same value and you put it into a St. James School Division, as opposed to a Winnipeg School Division No. 1, the same market value of, let us say, \$80,000. The person that happens to live in Tyndall Park is going to have to pay, I can assure the Premier, at least \$300 net only because they happen to be in Winnipeg School Division No. 1. Well, in the past the arguments would be, well, look, you have a school division, they want to provide the services, and so forth.

Well, you know, that is a simple answer, but it is not a fair answer. I would argue that it is a poor answer for the government to be giving. Why? Because, Mr. Chairperson, if you take a look at the demands for, let us say, a Winnipeg School Division No. 1 and you compare it to the demands of a St. James School Division, you will find that it is actually quite different. For example, you take a look at special needs. This government wiped out the special needs Level I, where it was tied to individual students. Instead, what they said is that instead of tying it to an individual student, what we will do is we will spread it across the board, let us say, 5 percent. As a result of that, whether you are School Division No. 1 or St. James or whatever other school division, it is assumed that you have the

same number per capita, that is, of special I children in your area.

Well, that is not true. We know that that is not the case; that there is a higher percentage of special needs children in some school divisions compared to other. Yet, they all get the same percentage. Then you take a look at special needs II or special needs III. We finance, through provincial Department of Education, only a percentage of the need of resources that are necessary in order to accommodate special needs II, special needs III.

That is just one example of how the costs for Winnipeg School Division No. 1 are higher than, let us say, another school division. Yet the constituent that I happen to represent that lives in that \$80,000 home is having to pay at least \$300 more net because he or she happens to live in Tyndall Park. I believe that we are doing an injustice by not addressing this issue. It goes beyond just me, the MLA for Inkster. I understand that even the member for River Heights (Mr. Radcliffe) has homes that live in Winnipeg School Division No. 1. What shocks me is we have individuals like the member for Point Douglas (Mr. Hickes) who I have yet to hear raise that issue, the question of taxation fairness. I find it disgraceful the way in which we expect Winnipeg I residents having to pay an unfair percentage of education dollars compared to others in the province.

I look to the Premier (Mr. Filmon) to acknowledge the fact that the resident in Tyndall Park is paying more than their fair share today as a result, compared to someone in the St. James School Division or the Transcona School Division, not because of just the school division but because there are other inequities that need to be addressed. That is what I appeal to the Premier to recognize that there is significant room for improvement, and by recognizing that, give us reason to believe that the government, after 11 years, is prepared to attempt to address that issue.

Mr. Filmon: Well, Mr. Chairman, I appreciate a number of things about the member's questions and concerns, and I want to just say not the least of which is raising a very interesting topic.

* (1630)

First and foremost, the one thing that I do not appreciate about the Liberal position is that they somehow let people believe that they will eliminate this tax or massively reduce this tax on property, without telling them that in order to do so, they have to raise other taxes. There is only one taxpayer. Basically, depending on how far they go with it—I mean, if it is just taking off the ESL, they are going to have to raise at least I think it is one and a half points on the sales tax or 5 points on the personal income tax rate.

Now, if you say to people we are going to have to put your sales tax up to 8 percent, then that is being honest, or if you say we are going to have to raise your personal income tax rates by 5 percent, that is being honest. But just to tell them you are going to take down the ESL on residential property tax without telling them the consequences, I do not think that is a very fair thing to do. So we will discuss that, obviously, on the campaign trail, and we will talk about whether or not the public really fully appreciates the Liberal position of raising taxes, in effect, in order to do something else for them. That is one thing.

The second thing, of course, is this whole issue of inequities. You know, the one thing about the property tax is that it is an ad valorem tax. It is not reflective of what services you get out of the system. It is based on taking taxes away in proportion to your perceived ability to pay. Of course, that is where you run into difficulty, is perceptions are not always realities.

I have been going door to door a great deal in the last number of weeks in a variety of different parts of the city and the province. I have not been in the member's area yet, but perhaps I will get a chance in the next little while. But I get people talking to me about all sorts of inequities in the property tax system.

You get the case of retired seniors who say: Why is any portion of my property tax going to pay for education because my kids are already grown up and they no longer use the system? Or you get some who say: I am single and I have no kids. Why should any portion of my property tax go to pay for education? Then there is the

situation between different communities. The member opposite talks about the inequity between Winnipeg No. 1 and St. James. Well, how does he feel about a homeowner in Tuxedo who pays \$10,000 in property tax versus one in the inner city of Winnipeg who pays \$350 in property tax and gets the same service, the same service? He gets garbage picked up once a week; he gets the streets cleaned once a month in the summer; he gets snow removed when it snows, but he does not get any more service. And so he says: what a terrible inequity for me to have to pay all this money for the education costs or the municipal costs and I get no more service than the homeowner in the inner city or the homeowner in Inkster.

Once you get on to that, it is a very slippery slope of trying to make equity out of taxation. So the real principle is that those essentially who have more pay more. So those who have bigger, more valuable homes pay more; those who earn more pay more; those who spend more pay more. That is really how most of our taxes are set up. To suggest to somebody the simplistic answer that the easy way to get around it is to take it off the property, you have got to also give them the other side of the coin, which is, oh, by the way, we are going to raise your sales tax by 1 percent or we are going to raise your personal income taxes by 5 percent in order to do that. Then I think you have a very different picture to discuss.

That is why I think it is the sort of thing that is appropriate to be looked at by something like the Lower Tax Commission because they then will be able to tell people honestly, not just from a political standpoint, that if you take it off here, you have to put it back there, because we still need that amount of money in order to run our schools and our municipal governments.

Mr. Lamoureux: I do not have the confidence that the Premier has in the Lower Tax Commission, quite frankly. When the Premier addressed it, he said: well, you take a house here in Tuxedo in which they pay \$10,000 a year compared to an inner-city home where they might pay \$350 a year. He is missing one very valuable point, and that is that the house in Tuxedo and the value of that particular house and lot, Mr. Chairperson, is substantially more

than the value of the house and lot in Point Douglas or in the inner city. What I am asking the Premier to acknowledge is houses and lots, property of equal value, in different areas of the city. That is what I am asking him to recognize.

I put the question very specific to the Premier: does the Premier acknowledge that a house of \$80,000 in Tyndall Park compared to a house of \$80,000 value in St. James, that the house in Tyndall Park is paying substantially more, "substantially" being defined as approximately \$300 more in property tax because it is in Winnipeg School Division No. 1. Just acknowledge that.

Mr. Filmon: I have not got any more information in front of me, but I will take the member's word for it, but reality is that the two school boards would argue that they give different levels of services. I have heard Winnipeg No.1 talk about them doing their breakfast programs and their nursery schools, their IB programs and all those different things. I live in an area that does not have an International Baccalaureate program in any of its schools, Assiniboine South. They have chosen not to, recognizing that students from that division may then go by bus to another division where there is an International Baccalaureate program, but they argue they are giving what they think is the appropriate level of services to the people in our area. Winnipeg No. 1 will boast about the fact that they are giving far more services than any other division in the province, and that is why the difference is, not because of any taxation adjustments that we are making. It is a choice as to what they put into the mix of services that they offer and therefore how much they get off the levy, the local levy for education

Mr. Lamoureux: The Premier is, in part, quite wrong in his assertion. I use the example of special needs. Five percent, your government has said, 5 percent, no matter where in the province, a school division is going to get, per capita. I would argue that Winnipeg 1 per capita has far more special needs Level I. Special needs II, the amount of resources that the province provides, does not come nowhere near close to the actual cost of providing special II needs, and the same thing for special III, so what I am saying to the Premier is that, yes, in part

there are different services that school divisions do provide. Sometimes it is an advantage, sometimes it is a disadvantage, and I will acknowledge that, but in turn I would look to the Premier to also acknowledge that many of those inequities, like the special needs, cause the school division to have to have more money as a result. Other school divisions would not necessarily need it.

If there is a higher demand for breakfast programs, because I am sure the Premier would acknowledge or agree that it is pretty tough to learn on an empty stomach. Everyone has said that before. If you have to provide nutritional programs, and we are all better off as a result of providing those programs, society is better off by having those programs, well, why then should it be just Winnipeg 1 taxpayers have to foot a higher percentage of the bill?

* (1640)

So, I am not looking for the Premier to resolve the problem tomorrow. What I am looking for the Premier to do is show some acknowledgment that the problem does exist. That is what I am hoping to get from the Premier.

Mr. Filmon: I know that there are different challenges and different needs in every area of our public schools in this province. There are concentrations of specific issues that are more prevalent in some areas than others.

I know, for instance, that one of our biggest difficulties and challenges is meeting the special needs of our aboriginal populations that have moved off the reserves and into the cities and towns and villages and are concentrated in particular areas. Many of the challenges that we face in ensuring that they are prepared for learning, that they get the supports that they need, make them special needs students in many cases that we are dealing with.

I also know that probably a disproportionate share of those who need English as a second language end up being in the city of Winnipeg School Division No. 1. In both those cases, the federal Liberal government has massively reduced its funding to our province. We no

longer get support for aboriginal peoples living off reserve for any of their social needs. That used to be a 100 percent responsibility of the federal government for their health, their education, their social services. Now, we only get the standard transfers through the CHST on a per capita basis.

Our estimate is \$30 million a year that we are short of funding that we used to get for those people who now are no longer being paid for by the federal government for their social service needs. That is a lot of money, and if we got more from the federal government, we might be able to do more to address those specific things. ESL funding has been dramatically reduced by this federal Liberal government, used to put in a lot more money to address those needs. The government does not anymore, so if the member opposite wants to really help out in this situation, I would say he should pick up the phone. He should talk to his colleagues in Ottawa, and tell them that the Manitoba government could do and would like to do more for the people in his area by way of these special needs programming areas, whether they be ESL or whether they be services for those who are now living off reserve and in our inner city communities. With their help we could do a much better job.

Mr. Lamoureux: Not to disappoint the Premier, I can assure the Premier that I do considerable lobbying of my federal counterparts. There are a number of areas which I disagree with, and I continue to lobby. Having said that, I think that it could be a lot worse in Ottawa. It is the party which I choose to support. I do believe that they are a lot better than the alternatives. I say that because I want to put that behind. I want to focus more so on what this government can in fact be doing. Even if the feds continue to cut back, or I should not say continue to cut back, if the feds did cut back in the future or if they add more money in the future, whatever it is that they decide to do we will either criticize or we will applaud.

What I am looking for is something which I can applaud this provincial government on dealing with the property tax issue. I do not believe the government has done anything over 11 years to try to address that issue, and it surprises me to the degree in which that issue

has been marginalized in this Chamber, because I do not see it getting the type of attention and debate that it should be given. I trust and because at time I can appreciate the sensitivity to time, I am going to move on to a different issue, but suffice to say, I look to the Premier to acknowledge that education. He made reference to it in terms of the senior that says, I should not have to pay education, to the single individual that says, I do not have any kids, I should not have to pay education.

Much like health care, we all benefit by having a quality education, public educational system. We all benefit by having a publicly financed health care system. What we are really asking all Manitobans to do is to pay their fair share of taxation in financing those two public services in particular, at least from my point of view.

On the health care issue, it comes out of general revenues. I would like ultimately to see at the very least stopping the reliance of funding more of public education on property tax, at the very least stop that and let us try to turn it around so that we see more of the financing of public education through general revenues. That is ultimately I think the very least a provincial government can do. This government, even with constrictions coming in from Ottawa, does have the ability to do. What they also can do is they can ensure that there is a higher sense of fairness. This government can do that. It does not matter what Ottawa does. They can either make it harder or easier no doubt in terms of the amount of dollars that they kick in, but this government has within its own jurisdiction the ability to make it more fair. We look to the Premier to do just that.

I commented on health care. Health care is indeed a critical issue. It is on the top of minds of every Manitoban. I know it has been a No. 1 concern of the constituents that I have represented more consistently than any other issue. Again, I will go back to my surveys. If I said back in 1990, and again you are talking well in excess of 550-600-700 homes depending on the year. We have had it as high as 900, but in 1990 I had a question that went: do you feel that the best health care possible is available to you?

Mr. Chairperson, 55.4 percent said yes back in 1990; 34.4 percent said no.

You can word a question so that it has an impact on the outcome of the answer, but what I find interesting is, I like to throw the same questions in every so often. So that was the results of 1990. In 1996, the same question: do you feel that the best health care possible is available to you? Mr. Chairperson, 38 percent said yes; 56 percent said no. That is a significant difference. To me what it clearly demonstrates is that the government has been unable to be able to communicate, unable to be able to manage the need for health care reform or changes. One of the differences, I would articulate, between us and the New Democrats is that we acknowledge that, yes, there is a need for change, but at the same time, we will acknowledge that it is a question of how you manage that change.

I believe that the provincial government has not been successful in managing that change. The only area, over the years, in which I have seen the government open was the former Minister of Health, now Minister of Education (Mr. McCrae), when we had the battle for the save the Seven Oaks Hospital. The government appeared to be somewhat open minded. I applaud the government in terms of being able to recognize the future role of Seven Oaks in ensuring that it was not converted, because it would have been a mistake, but, you know, that is more the exception.

* (1650)

One other thing that comes to mind, you cannot say I cannot give government credit when it does do some things that are done well, is the Health Links line. The Health Links line at one time had limited hours of operation. Today it is 24 hours, seven days a week, there is a 1-800 phone number. Well, these are things in which again we, in opposition, called upon the government to do. Whether it had any impact whatsoever on the government, the bottom line is that that Health Links line is there today for Manitobans. We think that that is a positive.

What has been more often than not portrayed of this government through the years is one of mismanagement of health care. The

biggest one, of course, was probably the Connie Curran era of where we had four point, I believe, five million dollars a number of years ago.

Mrs. Myrna Driedger, Acting Chairperson, in the Chair

Today there is a huge question mark on our foods being served in our hospital, Madam Chairperson. You find that the criticism is abound. There are a lot of people that are calling into question not only the quality of the food, and I guess in part the jury is still out on the quality of the food, but the way in which this whole thing is being managed in terms of being put into place, where you have huge amounts of public dollars being expended in order to ensure that there is some viability to that particular program from the Health Sciences Centre, and the Health Sciences Centre has not even received any of this so-called better quality food.

You know, unfortunately I have had to visit the hospital a lot more than I would have liked, but you get a better assessment of some of the problems when you are in there on a regular basis. I think that there is an all-time low in terms of the morale inside our hospitals today. That is only one component, but that is probably your most important component in health care, and the government is losing the battle big time on that particular issue.

In talking with nurses or other health care providers, there is no sense that the government respects the work that they put in. A good example of that was the paramedics issue. You know, we forced through legislation on the paramedics, which is absolutely unnecessary. We did not need to give it Royal Assent, but the government chose to do that, and it was supported by the NDP, which is absolutely amazing when they claim to be the party for the union. The union elite, possibly, but not for the union membership.

The government could have demonstrated very clearly a vote of confidence for this part of our health care workers but chose to give it the Royal Assent when it was absolutely not necessary, and I say not necessary because now they are under mediation. If we have a contract that includes binding arbitration, which is fairly

likely I would think, because you have the fire and you have the police service with the binding arbitration, well, then, that legislation that we gave Royal Assent to is completely redundant. It should be withdrawn because it would not be needed.

So then you start questioning, well, why our health care workers feel a sense of betrayal. Well, you only need to look at some of the actions. There has to be a higher sense of fair play within our health care professionals, that the only way in which we are going to manage the type of change that is necessary on health care is that we have to start working with our stakeholders. This is something which I think is important for this government to take action on. It is something which we are committed to doing, working with the stakeholders in health care in order to manage the changes that are necessary.

I look to the Premier and ask the Premier to acknowledge that that is absolutely critical for us to be successful in managing health care change, which is necessary, that we have to start extending ourselves that even go beyond just the health care worker. The government, a number of years ago, had these huge public forums on education in which there were parents and teachers, different stakeholders that attended, and the government sought to get some feedback from it. I cannot recall offhand if they had anything of that nature with health care. I am sure the Premier will correct me if I am wrong. I am looking to the Premier to show stronger leadership in addressing the important issue of health care.

The Leader of the Liberal Party has made that commitment. He has clearly indicated that he would personally take on the responsibility of health care himself as Premier or whatever role that the electorate ultimately decide to give him after the next election. That is the type of leadership that I think is necessary in dealing with this critical issue which is so important to so many Manitobans. I would ask the Premier to respond.

Mr. Filmon: I have said on numerous occasions that the real priorities of a government are not where it places its rhetoric but where it places its

major funding. Clearly at 35.5 percent of the budget, health care is the No. 1 issue with this government, has been ever since we have been in office. Since we have been in office, we have increased spending in government on health care by over \$800 million per year, from \$1.3 billion a year in 1988 to \$2.1 billion this year. That is more than 50 cents out of every new dollar spent has gone into health care.

Now, I find it ironic that the member opposite is speaking on behalf of Jon Gerrard, his leader, who is the biggest problem with health care in Manitoba because he sat at the table as a federal cabinet minister when they approved cuts in transfers to Manitoba that amounted to ultimately over \$260 million a year to go to health care. That has been the biggest challenge that this government has had to face to keep up funding for a system that needs massive, massive increased amounts every year as it adopts new technology, as it builds more personal care beds, as it expands support services to seniors, Meals on Wheels, home care, all those things that are the sign of an aging population that is facing every province in Canada. He blithely cut the transfer payments from Ottawa to Manitoba and then now has the audacity to come back as Leader of the Liberal Party and say we have to do more in health care. It is unbelievable. For the member opposite to even raise this issue I think must be a bit of an embarrassment, but I guess he is trying to show loyalty to his Leader because frankly it is an issue which I think the Liberal Party has a very dismal record here in this province.

We on the other hand have made it our No. 1 priority, and it has increased in priority. It has gone from being in the low 30 percent of the budget to 35.5 percent. It has had an increase of over \$800 million a year over an 11-year period which under circumstances is a massive increase in funding, and we have attempted to manage the system at a time when it is in tremendous change from all areas. A huge, huge change is required as the population ages and as the new investments have to be made. Huge, huge changes have to be made to adapt to and adopt new technologies and make the best use of them.

I think if you look at the press clippings and the media reports from across Canada, this

government has fared better than most provinces in Canada in adapting to that change and managing to keep the system going in a very, very positive way throughout this. Now it has not met the expectations and needs of everybody, but that would be impossible in this time of massive change.

* (1700)

Mr. Chairperson in the Chair

Mr. Lamoureux: I can recall back in '88, '89, '90, when there was a lot of discussion in terms of—you know, if the federal government does not change the formula that there is going to be no cash coming to finance health care in the province of Manitoba. Well, the same Jon Gerrard that the Premier criticized for cutting back on health care is the individual that sat around the cabinet table that ensured indefinitely that Manitoba will continue to receive health care dollars. They established a floor. There has been reinvestment in terms of health care dollars coming in from Ottawa, so as I indicated, the Premier is equally at times full of rhetoric in order to justify the lack of action in his government's responsibility.

The greatest threat to health care today is not necessarily the dollar bill as much as it is of failing to recognize and to accomplish the changes that are necessary. That is really the greatest threat to health care. The money obviously is critically important, but would not the Premier agree that the larger responsibility for ensuring health care for Manitobans is in fact his and his government today, because they happen to have the majority of seats inside the Chamber?

They are the ones that have to take ultimately the responsibility for the health care when we have seen over the years more and more Manitobans lose confidence in what is happening in health care as opposed to pointing the finger. I think the Premier needs to possibly look in the mirror. I would ask for the Premier to acknowledge that the greatest threat to health care today is in fact how we manage that change, and of course, recognizing the importance of dollars also.

Mr. Chairperson, again, last year during the Estimates, I had the opportunity to have some discussions in terms of my personal thoughts and the party's position in regard to health care and the way in which we receive money and the Premier's opinions on cash versus tax points and so forth. Suffice it to say that what I would like to be able to do is to move on to another issue or give the Premier, if he wants, an opportunity just to comment on the words I just put on the record, otherwise I will continue on with my other issue. I shall continue on.

Mr. Chairperson, there was an issue that I brought up on Thursday, and we brought it up again I guess it would be more informally—actually I did not bring it up. It was discussed today in ministerial comments, and it was in regard to the floods that we have had. You know, back in the flood of the century, there was a crop-seeding program that had come out which at least on the surface appeared to meet most of the needs of the people who were affected. The province has come up with a crop-seeding program that allows that subsidy for individuals who go and hire out someone to come and plant seeds.

What I am looking for from the Premier, and I attempted to do it on Thursday, is to get the Premier to acknowledge that there is a big difference between the Red River Floodway, the flooding that occurred there, and the flooding that we are seeing in the southwest in terms of landscape, the rolling hills and so forth. That, yes, there is a good percentage of that land that is quite seedable and farmers are doing what they can to seed that land, but unless they are prepared to bring outsiders in to assist, there is no assistance, from what I understand, for the farmer who is able to go out and plant some seed to the same degree as if they hired someone to bring in their machinery to plant the seeds.

I say that because I look to the Premier to acknowledge that the difference is substantial in terms of costs. The costs of planting seeds in that area, because of the more hilly formations, are considerably more. I have had discussions with one local farmer out in that area, in particular, who indicated that it is very difficult for the farmers to ensure that seeds are, in fact, being planted, that they are doing what they can,

but the government could go a long way in helping out if, in fact, they could acknowledge the difference in terms of the additional costs as a result of being on a hilly landscape as opposed to a flood plain.

Mr. Filmon: Mr. Chairman, the circumstances between the flood of the century on the Red River in 1997 and this year's very wet, saturated conditions that are as a result of a very much higher than normal precipitation level in the fall of last year, a slightly above-average snowfall during the winter and then a massively above-average rainfall this spring are that huge, huge tracts of land throughout the southern part of the province—and it covers a much wider area than most people believe because there are some pockets down in the southeast corner of the province, there are huge areas in the southwest, and then it goes all the way up into the Grandview, Gilbert Plains area and around Minnedosa and Neepawa. It was saturated ground that did not allow the farmers to get on to seed, so there were vastly different circumstances.

The principle of it is, though, in both cases we came up to the deadline for crop insurance or for practical seeding purposes that allowed enough frost-free days to guarantee or ensure a crop could be grown. The circumstances are identical in that in order to maximize the use of that very, very short window, we had five days of consecutive good weather this week, and we anticipated that if we could get any number of consecutive days of good weather, all of a sudden ground that had been saturated for weeks on end might dry out enough to get people on the land and with a tremendous effort of putting all of the equipment available at their disposal, we might be able to seed many areas that otherwise would not get there with the available equipment and manpower of one individual farmer. It was such a logical, reasonable thing to do. It was done in the case of the Red River Valley flood of 1997. It had tremendous impact. Probably in the last few days before the deadlines, hundreds of thousands of acres were seeded.

This year it appears, because my latest information which I was handed just before going into Question Period today, is that,

whereas 10 days ago when I was out in that area there were three million acres unseeded, we are down today to perhaps about 750,000 acres. So the effort that we made in coming up with the custom seeding proposal has probably been well worth it in terms of the massive amount that it will save the taxpayers through either AIDA or any other program.

So we are saying it was absolutely a good idea in 1997. It is still a good idea in 1999 for those for whom it was needed, and I cannot imagine why the member opposite would try and argue that there are differences and why he should want to help the federal government get out from under an obligation here. I think the federal government should be putting the money in to treat the farmers of southern and western Manitoba in exactly the same way as they treated the farmers of the Red River Valley in 1997.

Mr. Lamoureux: I acknowledge that the program itself, the custom seeding benefit program, is a very positive program, but the one the government has in place does need some more flexibility. I was very specific where that flexibility should be, and I ask the Premier to correct me if I am wrong. From what I understand, if a farmer has a hilly property in which he or she wants to be able to seed and they have the machinery in which they can do that, if they do it, as I am sure they will, there is an additional cost because they are not doing the valley portion. So they are driving along the tops type thing. That is the way in which it was explained to me. Now, in some cases, if the province was to assist in that area, we would see even more of that 750,000 that is still not seeded today. I trust that number is actually going to go down over the next couple of days still because I think it is the 28th that is the final cutoff. I am not 100 percent sure. I believe it is around the 28th.

*(1710)

But it seems to me that, given the time sensitivity of this particular issue, why would the Premier not, at the very least, look into the possibility of having the program a little bit more flexible that would at the very least take this into consideration, whether it is a \$5-an-acre

subsidy—from what I understand, what you are really talking about is that if you wanted to seed it, get people to come in to do it, this way you get the subsidy. If you try to do it yourself, there is no subsidy, at least to the same degree if you bring someone in. That is where I think the Premier at least should give some consideration to having some flexibility.

Mr. Filmon: I will certainly have the Minister of Agriculture (Mr. Enns) look at it, but the real issue is why the federal government has not agreed to put the money in for this custom seeding program when they did it in the Red River Valley. Why are they treating Manitobans differently in different areas of the province? Why are they not as sympathetic today as they were in 1997 when in fact the concern and the economic loss is going to be much greater in this year than it was in 1997, because in 1997 there was \$350-million worth of damage. But it was followed by six months to a year of \$350 million of reconstruction in which all of the damages were repaired, no economic loss essentially. In fact, all but 1,800 acres were seeded.

This time, we are going to have—and maybe we are lucky, maybe it will get down to a half million acres, but it is still going to be a substantial amount of farmland unseeded, and that is a loss of the entire income from that which cannot be replaced by anything else because it is a total economic loss to the province's GDP which then does not flow to the merchants and business people in the towns and villages which is a total loss. We have had no response from the federal government in Ottawa saying that they are willing to put the money into this custom seeding, even though we know that by having announced it last week we probably saved ourselves hundreds of thousands of acres that might have otherwise gone unseeded.

Why would the member not go and talk to the Liberal government and Mr. Vanclief? Why would he not say, John Gerrard, you stay on that phone until you get an answer from Ottawa? Why does he come here and start to pick away at whether or not the program covers all possible needs or is fair to every single possible farmer? It has done a very good job and will continue to do a good job for most farmers, but it cannot possibly solve all particular issues, nor could we

be flexible enough to say this person is going to get \$10 an acre, this person because it will cost more gas to go on the hills instead of the valleys will get \$10.65 an acre, this person here probably has a few extra little problems and so he will get \$10.72 an acre. I mean, you cannot do that. You have to go and try and help the most people that you possibly can with the program, and that is what I believe this custom seeding proposal has done. What we really need is the federal government to come in and say, okay, we are going to pay for it like we did in the Red River Valley, and that is what I would urge him to pursue.

Mr. Lamoureux: Mr. Chairperson, I do know that if I had the same sort of resources as the Premier's Office has or the Leader of the official opposition's office has, no doubt there would be many different initiatives that I would personally be able to get more involved with. We have to recognize that there is a big difference between the Flood of the Century in the flooding, as the Premier himself has pointed out, a huge, huge difference that we see this year. It is a question of flexibility, as I pointed out. I will save that lobbying for, or I will let our Leader and others continue with the lobbying that is most appropriate with our federal cousins.

Having said that, the nice thing that I heard the Premier say is that he would be prepared to bring it up with the Minister of Agriculture (Mr. Enns). We do, in fact, appreciate the gesture and hope that the Premier does see the merits of having a little bit more flexibility on that particular program.

Having said that, I wanted to move on to another topic area, some would say a slice possibly. [interjection] I will try and finish by six. [interjection] Mr. Chairperson, I would like to think that I am not necessarily defending the federal government, even though it seems far too often I am raising the issue of the federal government.

But having said that, I wanted to comment on the Monnin commission. There is a bit of a difference, I guess, again between the official opposition and us in terms of the frequency of raising this particular issue. We find that it is pretty tough to believe, quite frankly, that you

could have so many people involved, so many people who sit around the Premier and the Premier not to be aware of it.

I know, myself, I have had the fortune of sitting, at least at times, on an election readiness committee and got as far as it did, but when it was brought up at the beginning of the session, Mr. Chairperson, we had decided after considerable discussion that the best way to deal with this particular issue was to ensure that during the election time Manitobans, as much as possible, are aware of what in fact had taken place and let the voters ultimately determine the fate of this particular issue. We find it just too incredible to believe, and we look forward ultimately to the voters dealing with this particular issue.

Having said that, there is another issue that I was wanting to bring up. It deals with ethical behaviour, and it has only been given more attention because of the political nature of it. That is what has happened over in the Seven Oaks School Division. Mr. Chairperson, as opposed to constantly bringing it up in Question Period, again, we have made the decision to minimize that, primarily because of the political posturing, if I could use that word, done during Question Period, but we do feel that it is a very important issue.

In fact, on Thursday I brought it up with the Minister of Education (Mr. McCrae). The Minister of Education had indicated that he was going to be receiving the report. We found out today that he does in fact have the report. He has actually read through the report. Our position on this issue is to try to get an independent investigation into it, and what I am looking for the Premier to acknowledge is an independent investigation. I guess the government to date has been saying: well, they want to ensure that there is due process, and there might be some merit for that particular argument. I used the word "might" somewhat carefully, I guess.

* (1720)

The issue, as we see it, is fairly clear, and we wanted to see the government take some sort of action on two fronts. One is integrity: what

has been called into question is the integrity of the standard exams, standard exams in which this government has boasted on countless occasions of having. I believe that all three political parties—actually I sat on OB talk line and all three parties—I was on CJOB with the Education critic and the Minister of Education in which we talked about the standard exams; it was agreed by all parties in the Chamber that the standard exams are a positive thing. There are some differential opinions on the way in which the government is doing it; for example, we do not care for the Grade 3 standard exams. We believe the government is wrong by having standard exams at the Grade 3 level, but all parties support having standard exams. Having said the amount of boasting this government has done and the amount of support that standard exams have inside this Chamber, one has to be very cognizant of the fact that there has been a breach of security, but, more importantly, of how the government has dealt with that breach of security.

I believe that it calls into question the integrity of the standard exams. It sends so many negative messages, and months have gone by. The Monnin inquiry took nine months. We are well past nine months on the breach of a standard exam. It is the integrity of those standard exams which causes us great concern.

The second point is what has happened to the individual. Perception is very important. The health and well-being of this individual has been impacted negatively. The reputation of this individual has been negatively impacted. As I indicated, it is a question of perception, especially when you talk about one's reputation. If in fact the individual is demoted for whatever reasons that had nothing to do with the standards exams, well, that has not come out. The individuals around there, the teachers that are around, the teachers I met with, no doubt in my mind feel that he was demoted because of following a provincial directive, your government that said that he had to report the incident. That is the reason why he was demoted. That was the general feeling from the group of teachers that I met with from that school. So it is the two issues, the integrity of the standards exams, and the individual.

Now we know the government has a report. What I am looking for from the Premier today is a commitment that this government will not conduct an internal investigation of what took place. The reason I say I want that commitment from the Premier is because of the individuals involved. I believe, given the political nature of what we have before us that it would be unjust and unfair for an internal investigation to be conducted from this government. The simple reasoning for that is because the principal in question is the campaign chair, from what I understand, of the New Democratic Party. Ultimately the individual who brought forward the report, and I have not seen the report, is very closely affiliated with the New Democratic Party.

I can say MLAs from all sides, New Democrats and Tories, have supported me in making some of these inquiries that I have been making, because it is an issue that does need to be dealt with, but it has to be dealt with appropriately. What I see is the government is prepared to address it today for the wrong reasons. It is being politically motivated because they see some blood on this issue, and they are prepared to go to the jugular in an attempt to embarrass the New Democrats. I do not have any problem with embarrassing the New Democrats myself, personally, but I have to acknowledge that we need to ensure that there is not only real justice served but perceived justice served in dealing with this issue.

I have indicated the two primary reasons why it needs to be addressed. I am now asking for the Premier to acknowledge, given the political nature, that if this government does not accept the report submitted by Seven Oaks, and I do not know what the report says, but if it does not accept that report, that under no circumstances will there be an internal review by this government, that it will in fact be an independent investigation as to what actually occurred.

Mr. Filmon: That is not a commitment that I could make without discussion with the Minister of Education and Training (Mr. McCrae). I have not seen the report. I am not aware of what it says, what it recommends, or what the thinking is of the Minister of Education and Training on

the issue. So I could not make any comment on it at this time.

Mr. Lamoureux: I look to the Premier to acknowledge then that the political background and the political reality of the situation that we have before us is of such a nature that it would be inappropriate for the Department of Education to have an investigation. Does he not see the conflict there? Will he acknowledge that there is a conflict, that the Department of Education is not in a position in which it can clearly investigate this particular issue?

Mr. Filmon: No, Mr. Chairman, I do not see that. So I guess I will have to have time to investigate further.

Mr. Doer: I understand today that in conversations with our Agriculture critic that the federal minister stated that Manitoba has not applied for the federal disaster assistance program as of Friday. As I understand it, the government sent the letters last June 9 to the federal government. I guess we have a serious issue here if the federal Minister Vanclief was saying we have not applied. Can the minister confirm that the letters he tabled in the House were sent expeditiously to the federal government? Our sources said that they did receive them in Ottawa, in fact before I asked the government the question. I just do not know what is going on here. The member for Inkster was raising a lot of questions just a moment ago about issues of public policy. One would hope no matter what the issue is they start from a position of truth and honesty. I was wondering whether the federal government was telling the truth.

Mr. Filmon: I will be as charitable as I can to the federal Minister, Mr. Vanclief, because I am greatly disappointed in his statements and actions off the cuff over the last number of weeks. After he had extensive discussions with our Minister of Agriculture, Mr. Enns, about various recommendations he was making to him about flexibility with respect to AIDA and NISA, he then stated in response to a question in Ottawa that he had not received a letter from us asking us to go to action on it. When he was challenged by Mr. Enns saying, look, I spoke to you a week ago last Friday on this, he said, oh, I

apologize, that is not what I meant. He said that he would correct the record.

* (1730)

Now, in this particular case, the member has letters that were sent and he also knows that officials have been in touch. Mr. Vanclief is not responsible for the disaster financial assistance program. I believe it is Mr. Collenette, the Minister of Defence and—

An Honourable Member: Eggleton.

Mr. Filmon: Eggleton, I am sorry. Eggleton, Minister of Defence. All of this has not only been done minister to minister but staff have been engaged ever since we knew there was a problem going back to the time that I visited on or about the 21st of, the 20th to the 25th of May. At that time, staff were already engaged in discussion about the applications of the disaster financial assistance program. We were assured that, like any other disaster, you do not have to declare it, and there has been confusion about declaring a state of emergency.

The reason that you declare a state of emergency is so that you can take on emergency powers, that you can evacuate people against their will, that you can enter onto private property to cut ditches, to excavate land to build dykes, all those kinds of things. None of those applied here. So we did not have to declare a state of emergency. But we did engage the department federally in understanding and knowing that there would be disaster claims, damage claims coming, everything from overland flow into basements, to replacement and repair of culverts, bridges, waterways, roadways, and so on, all those things.

This process has been ongoing now for, well, it is probably five or six weeks. So I would charitably say that Mr. Vanclief does not understand what was asked of him today, because our government and his government have been in communication over this issue for a considerable period of time.

Mr. Doer: CN, a former Crown corporation, broken word from the federal government and sold after the '93 federal election. We have lost

some 6,000 jobs in railways over the last 11 years. We are quite concerned about the Transcona wheel shop being closed down and two new shops being initiated and developed in Edmonton and one in Toronto for purposes of the wheel shop operation. Has the Premier called or written Mr. Tellier to raise this issue of the 110 jobs in our community, and can the Premier advise us of the status of that situation?

Mr. Filmon: Mr. Chairman, our government always seeks to preserve jobs here and to enhance job opportunities here. I know that our Department of Industry, Trade and Tourism people have had discussions and briefings on the matter. I do not know what the current status is and whether or not there has been official correspondence, but certainly we have always promoted Manitoba as a good place to do business and to maintain jobs and to enhance jobs. As a result of that, CN at various times has made investment announcements here including their major call centre for North America.

Mr. Doer: At the same time we had the call centre announced, we had the announcement of the traffic control section of the CN being transferred from Winnipeg to Edmonton. [interjection] The western headquarters of traffic control. The other situation, the Premier has pointed out they brought in a locomotive fuel tax reduction in 1993 as a way of keeping jobs here in Manitoba, jobs and repairs in Manitoba, so will the Premier remind Mr. Tellier of this reduction and therefore the expectation that jobs would be maintained in this community?

Mr. Filmon: I will be happy to ensure that either the Minister of Transportation (Mr. Praznik) or myself pursue this matter with Mr. Tellier and urge him to maintain and enhance job complement here in Manitoba.

Mr. Doer: Will the Premier specifically raise the issue of the wheel shop with Mr. Tellier, inconsistent with the reduction in fuel tax. The call centre did introduce some jobs to Manitoba, but we lost a number of others in the traffic control section of western Canada to Edmonton, and I am concerned about jobs that are being moved to other communities from Manitoba, the higher paid jobs that are being moved out of this community and its devastating impact on

families. One hundred and ten families are really quite concerned right now, as one would understand. It also has a spin-off effect at Griffin Steel, and so this is a very important issue. It has an impact beyond just the direct jobs at Transcona, but a number of other spin-off jobs. It is a very, very important issue, and I would ask the Premier—it would help if he could personally phone Mr. Tellier. We would prefer the Premier to do it. Mr. Tellier, of course, is the new head of the private corporation, and I think he has to know how important these jobs are to our community.

Mr. Filmon: Mr. Chairman, I know that the member opposite knows that I am aggressively pursuing all job opportunities in this province. The reason that we have the greatest number of people employed in the history of this province earning almost \$14 billion in wages and salaries, more than ever before in the history of this province, is because I take that seriously and so does our government. We do not reject jobs. I noted a bit of a sideswipe shot that the member took at the call centre by saying that these were high-paying jobs that he was talking about. I recall at the time I was at the opening that it was announced that the average salary for the call centre jobs was over \$35,000, so these are not low-paying jobs that CN did put into our province. Having said that, we regard all job opportunities as being good things to support and maintain, and I will be happy to ensure that we make contact with CN over this issue.

While I am on my feet, I wanted to pursue the questions that the member opposite was asking with respect to what I said before the inquiry. He said that I made a commitment or a promise—I will have to investigate Hansard as to what he said about my reference to the Civil Service Commission—and I want to just, it is sometimes a good thing to ensure that one has the actual words and facts before him when one responds to these questions and that is why I, despite all of the heat that the member opposite was trying to put on this issue, waited to ensure that I have the transcript.

The NDP lawyer, Mr. Myers, in the latter part, in fact, it is on the last page of my discussion with him at the inquiry, raised the issue of Mr. Benson's participating in the PC

election efforts in 1995. We were talking about the fact that he had prepared certain cheques and vouchers while he was waiting for his spouse, or his significant other, to be available to drive home.

Mr. Myers said: did it cross your mind that when he, when you, discovered that he deposited these funds back into the PC campaign fund that maybe he might have been violating The Civil Service Act?

My answer: It didn't, but it was cause for reprimand that he got involved in that process.

Mr. Myers: Right. You never considered referring this to the Civil Service Commission for inquiry?

Answer: I haven't, but certainly that is something I am prepared to do.

* (1740)

And, of course, I was prepared to do that, subject to the completion of the inquiry and all the investigations into what might have turned out. At this point, Mr. Benson had not yet appeared before the inquiry, had not given his side of the story, had not been cross-examined as to his role and so on. Obviously should that matter have resulted in us having further grounds to investigate, then it would have been appropriate to turn it over to the Civil Service Commission, but we were engaged in a full public inquiry with the broad powers that it had. Until that process was complete, it obviously was not something that required urgent action, nor did I say I would immediately do it or commit to it. I said that is something that I am prepared to do, and that is why the situation was not immediately referred to the Civil Service Commission, and as the member knows, five weeks later Mr. Benson retired from government and so the matter was academic.

Mr. Doer: I went back and refreshed my own memory with the testimony, and I have to say that the conclusions the Premier just drew to his statements in testimony are unbelievable. It was a specific question about the depositing of funds in the PC campaign fund. The question was asked whether he may have violated The Civil

Service Act. Before that, the Premier obfuscated about whether Mr. Benson was covered or not covered under the act, and then of course when that was established, he proceeded to ask whether this was a violation of The Civil Service Act. One would have thought, when the Premier knew that, before he testified, he would have thought that Mr. Benson may be in violation of The Civil Service Act. "It was a cause for reprimand," right. "You never considered referring this to the Civil Service Commission for an inquiry." "I haven't, but that is certainly something that I am prepared to do," not subject to and pending this investigation, or maybe or maybe not. It is something I am prepared to do.

It is a commitment he made in testimony. It is not these new weasel words that he has added to the record now, were not the weasel words he used in the testimony in the inquiry. He said he had prepared to do it. He prepared to send it to the Civil Service Commission. No wonder we continue to have a clash. First of all, he should have done it. The Premier should have been worried that this was a breach of The Civil Service Act. It should not have even needed a prompting by our lawyer. A person who was interested in getting to the truth of the matter would have referred it to the Civil Service Commission at the first instant he was made aware of it.

Secondly, after it was raised in testimony, I certainly would have expected the Premier to have sent it to the Civil Service Commission for investigation, for inquiry under the act, and I certainly think that that was the conclusion we had when the answers were given by the Premier. But I am sure he will have some weasel words to explain why he did not. It is unfortunate. I think this is the problem all along, this kind of hear-no-evil, see-no-evil, speak-no-evil attitude of the government and the Premier and the kind of "we will do anything to win elections" kind of culture of his friends and the appointed members of his election team, including his campaign manager. The combination of both, I think, was unfortunate. It is, as I might remind the Premier, one of the most despicable episodes in the history of democracy in this province, and the kind of these technical interpretations to do the right thing at the right time when he is confronted and give answers

that imply that he is going to take some action with the Civil Service Commission, in my view, is regrettable, but I am sure the Premier will have another interpretation of this matter.

I and members who watched and listened to the testimony thought that the Premier was going to send it to the Civil Service Commission. The Premier obviously will find comfort in these words that I cannot believe it because it certainly creates the impression that he is going to take action. The Civil Service Commission should be investigating this matter. Even if he had not made a commitment, and he will argue he had not, he should have sent it to the Civil Service Commission. If you break The Civil Service Act, who is the responsible body? I would ask the Premier: who is the body that investigates breaches of The Civil Service Act? In my view, it is the Civil Service Commission.

Mr. Filmon: Mr. Chairman, I just make the point to the member opposite, and he will say whatever he wants to say, and I know that he will spend all of his time and energy attempting to throw mud at me and my party, and that is his desire and his effort. But the question was: you never considered referring this to the Civil Service Commission for inquiry? The answer was: I have not, but certainly that is something I am prepared to do. I am prepared to consider it. I told him the reasons why I thought it would be appropriate to at least wait until the remainder of the testimony by Mr. Benson had taken place so that you did have all of the facts and both sides of the story on the record. Obviously, that never did come to pass.

Mr. Chairman, you know, the member opposite sits there holier than thou attempting to say that he is a person of huge integrity and that his party never does anything unethical. You know, we have, in the course of a court case that came out just a couple of years ago, a court case that resulted in the taxpayers of Manitoba, of course, being responsible for \$2 million in a lawsuit. One of his cabinet colleagues that he sat in cabinet with, a one Mr. Bucklaschuk, who hid the information that he knew from the public about all of the things that were going wrong at the Manitoba Public Insurance Corporation, a fiasco that ultimately cost the taxpayers over \$30 million of losses in the reinsurance scheme that

was the brainchild of the New Democrats. And that was in the days, I might say, when the minister took complete responsibility and hands-on acting in the administration of the corporation. That was at the time that the New Democrats set the rates in their cabinet room. It did not go to outside authority like the Public Utilities Board. That was at the time that they were completely hands-on involved in the maladministration of all of their Crown corporations. That is why in some of those years there were massive losses in the telephone system, operating in a complete monopoly situation, massive losses in Hydro and so on.

This minister, who later then acknowledged that he had shredded the files so that nobody could even trace it, but ultimately he was caught in his own lie because the person that he fired to try and take responsibility for his actions, this minister, colleague, friend, co-worker of the Leader of the New Democratic Party. He does not say anything about the ethics of that. Completely hiding from public view information that would have been damaging to the New Democrats in their re-election efforts in the spring of 1986, was completely camouflaged, hidden from view, not only dishonestly, but unethically. He, of course, as a colleague sits there and says that everything is fine; that that is all okay, and he does not have any criticism of that action of his cabinet colleague.

He sits there holier than thou attempting to moralize to me and members on this side of the House, when he knows full well, Mr. Chairman, that Mr. Monnin, in nine months of examination, concluded that not I nor any elected member of this government nor any member our party's executive or management committee had any knowledge of this vote-splitting exercise. So I just say to the member opposite he can take all the time and energy he wants on that, and people are going to judge him based on what he offers and not based on the mud that he is able to throw.

* (1750)

Mr. Doer: Mr. Chairperson, I think the mud that the member opposite talks about was thrown at the government, at the political party, at the Premier's party, by former Justice Monnin. Page

16 of the inquiry, and I am sure that the Premier has memorized this line, talked about I have never encountered more liars in all my decades on the bench, and you know, it is a strong indictment of the member opposite.

Now, nobody here on this side is saying they are perfect or has not made mistakes or is not involved with people that have not made mistakes. The issue is when something happens and it is wrong, you get to the bottom of it. This Premier chose not to.

Mr. Filmon: That is exactly what we did.

Mr. Doer: He did nothing. You did nothing in '95. You set the ethical tone for this party and this campaign manager, and after it became public you did nothing.

Mr. Chairperson: Order, please. Could I ask the honourable member to come through the Chair and not directly?

Mr. Doer: I am coming through the Chair.

Mr. Chairperson: You were saying, you, you, the Chairperson.

Mr. Doer: I do not want to accuse you of being a liar.

Mr. Chairperson: Well, you go right ahead.

Mr. Doer: I would not want to do that. I would be out of order.

Justice Monnin challenged the people that this person has as friends, the people he put in positions of trust. How do you hire somebody that changes their testimony three times as principal staff and campaign manager? I am not talking about an error that he made in his office or an error that he may have made. All of us make errors. Volunteers make errors. It is what you do when an error is made. Do you tell the truth after it or do you cover it up, you cover it up and you cover it up again? How many people in the history of this province have gone before an inquiry and have had to change their testimony once from what they said publicly on television and what they said to Elections Manitoba. So there were the comments made in

the media, the comments made to Elections Manitoba, the comments made in the media again, the comments made in the first affidavit, the comments that then changed that and contradicted it in the second affidavit, and then comments in a third set of affidavits that then became evidence before the inquiry in January of 1999.

Now, who is responsible for hiring that individual? In a parliamentary democracy, it is the Premier. It is the person who hires and fires them. No responsibility for the member opposite. None.

You know, for us, it is a culture. Last Tuesday, the Minister of Justice (Mr. Toews) made a comment about eight times the member for St. Johns (Mr. Mackintosh) had called the confidential gang line. On Thursday, he said the first time I was informed of anyone calling the line was when the member for St. Johns raised it. You can check Hansard.

On Friday he had a different story on OB. It is the culture where a Minister of Justice puts at risk a confidential gang line, and the Premier of the province sits there all through Question Period, not wanting to engage in the issues before him, and just does not expect anybody to come clean, because the Minister of Justice had a third story on Friday, June 18, as he did June 17 and June 15.

You know, it is the same position he took on the telephone system. There are a number of people out here today talking about the Premier's word on the Manitoba Telephone System. It is a culture of deceit that we are after, that was commented on by Judge Monnin: I have never encountered more liars in all my years on the bench. This is what the Premier does not get. This is what he does not get when he tries to weasel out of his words when it was clear that he was going to refer to the Civil Service Commission, and now he is saying it was the consideration that I said I would do, rather than the referral.

Continued weaseling, continued denial, continued change of story. Again, it is the culture of deceit. When we look at what he said, there was about 300 or 400 people outside of this

building today that have been locked out by the Manitoba Telephone System, every one of them commenting about the word of the Premier.

I do not know whether the Premier likes this or not, but most people believe—and the Premier has stated in his Estimates in the concurrence motion a couple of years ago that he, in fact, had only changed his mind after the election about the sale of the telephone system but before the election he acknowledged that he was not going to sell the phone system. It was not for sale. They were not going to privatize it. Candidates in Dauphin were saying the same thing. Then, of course, right after the election campaign, you know, here it goes: Broken word, broken promise.

The Minister of Justice (Mr. Toews) sends out a document to 100,000 people on the confidentiality of the gang line. This was under their 1994-95 Gang Action Plan. If you give your word to 100,000 people that that line will be confidential, and the Minister of Justice breaches the confidentiality himself, why is this Premier not being as accountable with his ministers as Premier Harris is in Ontario with Mr. Runciman? Why is he not being as tough as what happened in Ontario with the former Minister of Highways, I believe? There is both the honesty and the standards of confidentiality that this Premier just does not seem to get. Of course, when we go to the No. 1 priority of people, the Premier promised to build the capital in the health care sector in 1995, notwithstanding the federal cuts. He said that irrespective of the cuts that were made by the

former member for Portage-Interlake, now the defeated member of Selkirk-Interlake—he said it did matter that they were going to cut \$260 million—we all thought it would matter—but these capital commitments will go ahead and go ahead, notwithstanding the federal cuts. Now, he is saying that they would have proceeded a long time ago if it was not for the federal cuts. This Premier is a stranger to the truth.

Now, we are not saying on our side of the aisle that we are perfect. You know, we have thousands of volunteers and people make mistakes, but the question is: what happens when a mistake is made? What happens when the Liberals are involved in an election violation? What happens when that takes place?

An Honourable Member: You go to court.

Mr. Doer: And Elections Manitoba convicted the Liberal Party, and that is right and that is fair enough. I just wanted to point out that things are not, you know—

Mr. Chairperson: Order, please. The hour being six o'clock, committee rise.

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being six o'clock, this House is now adjourned and stands adjourned until tomorrow (Tuesday) at 1:30 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 21, 1999

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