



Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

| NAME | CONSTITUENCY | PARTY |
|----------------------------|---------------------|--------------|
| ALCOCK, Reg | Osborne | Liberal |
| ASHTON, Steve | Thompson | NDP |
| BARRETT, Becky | Wellington | NDP |
| CARSTAIRS, Sharon | River Heights | Liberal |
| CERILLI, Marianne | Radisson | NDP |
| CHEEMA, Gulzar | The Maples | Liberal |
| CHOMIAK, Dave | Kildonan | NDP |
| CONNERY, Edward | Portage la Prairie | PC |
| CUMMINGS, Glen, Hon. | Ste. Rose | PC |
| DACQUAY, Louise | Seine River | PC |
| DERKACH, Leonard, Hon. | Roblin-Russell | PC |
| DEWAR, Gregory | Selkirk | NDP |
| DOER, Gary | Concordia | NDP |
| DOWNEY, James, Hon. | Arthur-Virden | PC |
| DRIEDGER, Albert, Hon. | Steinbach | PC |
| DUCHARME, Gerry, Hon. | Riel | PC |
| EDWARDS, Paul | St. James | Liberal |
| ENNS, Harry, Hon. | Lakeside | PC |
| ERNST, Jim, Hon. | Charleswood | PC |
| EVANS, Clif | Interlake | NDP |
| EVANS, Leonard S. | Brandon East | NDP |
| FILMON, Gary, Hon. | Tuxedo | PC |
| FINDLAY, Glen, Hon. | Springfield | PC |
| FRIESEN, Jean | Wolseley | NDP |
| GAUDRY, Neil | St. Boniface | Liberal |
| GILLESHAMMER, Harold, Hon. | Minnedosa | PC |
| HARPER, Elijah | Rupertsland | NDP |
| HELWER, Edward R. | Gimli | PC |
| HICKES, George | Point Douglas | NDP |
| LAMOUREUX, Kevin | Inkster | Liberal |
| LATHLIN, Oscar | The Pas | NDP |
| LAURENDEAU, Marcel | St. Norbert | PC |
| MALOWAY, Jim | Elmwood | NDP |
| MANNES, Clayton, Hon. | Morris | PC |
| MARTINDALE, Doug | Burrows | NDP |
| McALPINE, Gerry | Sturgeon Creek | PC |
| McCRAE, James, Hon. | Brandon West | PC |
| McINTOSH, Linda, Hon. | Assiniboia | PC |
| MITCHELSON, Bonnie, Hon. | River East | PC |
| NEUFELD, Harold | Rossmere | PC |
| ORCHARD, Donald, Hon. | Pembina | PC |
| PENNER, Jack | Emerson | PC |
| PLOHMAN, John | Dauphin | NDP |
| PRAZNIK, Darren, Hon. | Lac du Bonnet | PC |
| REID, Daryl | Transcona | NDP |
| REIMER, Jack | Niakwa | PC |
| RENDER, Shirley | St. Vital | PC |
| ROCAN, Denis, Hon. | Gladstone | PC |
| ROSE, Bob | Turtle Mountain | PC |
| SANTOS, Conrad | Broadway | NDP |
| STEFANSON, Eric, Hon. | Kirkfield Park | PC |
| STORIE, Jerry | Flin Fion | NDP |
| SVEINSON, Ben | La Verendrye | PC |
| VODREY, Rosemary, Hon. | Fort Garry | PC |
| WASYLYCIA-LEIS, Judy | St. Johns | NDP |
| WOWCHUK, Rosann | Swan River | NDP |

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 22, 1992

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member for Brandon East (Mr. Leonard Evans), and it complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba, humbly sheweth that:

The Brandon General Hospital is the major health care institution for southwestern Manitoba; and

The citizens of Brandon and southwestern Manitoba are deeply concerned and disturbed about the downsizing of the hospital and view it as a threat to the quality of health care in the region; and

The Manitoba government has chosen not to review the current budget to ensure that cutbacks to vital services do not occur; and

The administration of the hospital has been forced to take drastic measures including the elimination of the Palliative Care Unit and gynecological wards, along with the layoff of over 30 staff, mainly licensed practical nurses, to cope with a funding shortfall of over \$1.3 million; and

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba consider reviewing the funding of the Brandon General Hospital.

* * *

I have reviewed the petition of the honourable member for Wolseley (Ms. Friesen), and it complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the Dutch elm disease control program is of primary importance to the protection of the city's many elm trees; and

WHEREAS the Minister of Natural Resources himself stated that, "It is vital that we continue our active fight against Dutch elm disease in Manitoba," and

WHEREAS, despite that verbal commitment, the government of Manitoba has cut its funding to the city's DED control program by half of the 1990 level, a move that will jeopardize the survival of Winnipeg's elm trees.

WHEREFORE your petitioners humbly pray that the government of Manitoba may be pleased to request the Minister of Natural Resources (Mr. Enns) to consider restoring the full funding of the Dutch elm disease control program to the previous level of 1990.

As in duty bound your petitioners will ever pray.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon, 85 students of the Atlantic High School Band from Atlantic, Iowa. They are under the direction of Brett Lee.

On behalf of all members, I would like to welcome you here this afternoon.

ORAL QUESTION PERIOD

Aboriginal Justice Inquiry Recommendations

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the Deputy Premier and Minister responsible for Native Affairs.

The Aboriginal Justice Inquiry has been in the government's hands for close to 12 months now, an inquiry that stated that the justice system has failed Manitoba aboriginal people on a massive scale. It has been insensitive and inaccessible, and it has arrested and imprisoned aboriginal people in grossly disproportionate numbers.

The report went on further to state, in its conclusions, that governments and others must now

accept the responsibility to make the changes that cry out for action. By acting now, governments can give positive expression to the public support and good will we have encountered from Manitobans during the past three years of our inquiry.

I would like to ask the Deputy Premier: Why have we waited virtually a year for any action from the government? Why do we not see positive and strong action to implement the very, very many recommendations of the Aboriginal Justice Inquiry and return justice to Canada's first peoples in Manitoba?

*(1335)

Hon. James Downey (Deputy Premier): Mr. Speaker, first of all, one should recognize that these problems did not just develop in the last four years. They have been somewhat during the term of office of the members opposite and previous governments. There has been a long-term problem which the members are acknowledging.

What we have done is to assemble the different departments and jurisdictions that are responsible for justice in the native community, the Department of Justice, the Department of Family Services, the Department of Native Affairs, to sit together in working committees to implement some of the recommendations that are within the responsibility of the province.

I can report, Mr. Speaker, that we have had these working committees now working for some time. There was some reluctance on behalf of the aboriginal community to join with us. We are proceeding regardless of whether or not the aboriginal community joins.

We believe there are some initiatives that have to be carried out. We will carry them out, and we want the support of the aboriginal community to do so. Meetings have taken place. I think, Mr. Speaker, we will see some positive initiatives flow from the process that has been established.

Mr. Doer: A year and half ago, when we asked whether, in fact, the government's only response to the Aboriginal Justice Inquiry would be to internal committees of government, the government said no, they would look forward to a new partnership arising out of the recommendations of the Aboriginal Justice Inquiry.

Yes, the Deputy Premier is absolutely correct. These conditions of justice did not emanate with the three or four years that this government has been in

office. They have developed over hundreds of years in Canada. We all accept collective responsibility for the justice system that we have left behind and which has been so beautifully commented on and graphically commented on by the Aboriginal Justice Inquiry, Justices Sinclair and Hamilton.

Mr. Speaker, the government again says we will be doing something. The government has had this report for a year. It has put \$1 million into a budget. All it does is go from press conference and press release to press release saying it will do something some day.

I would like to ask the government: When is it going to establish a legitimate partnership as recommended in the Aboriginal Justice Inquiry? When is it going to take the real action that has been recommended in the recommendations of the Aboriginal Justice Inquiry? Are we going to wait another year, and another year after that? When is it going to take action on these great recommendations for the people of Manitoba?

Mr. Downey: Mr. Speaker, the other thing that has taken place is there have been some proven mechanisms that are working. My colleague, the Minister of Justice (Mr. McCrae), just recently announced a \$100,000 program for the Youth Court system in the Island Lake community which is very well received. I would call that action, demonstrated action and commitment, by this government to assist in areas of Justice.

Mr. Speaker, as well, I have said we have established our working committees to work in partnership with the communities. We have recently met with the Indigenous Women's Association of this province and have indicated to them that we are prepared to assist with the meeting activities that are to take place. What we do not want to do is put the scarce government resources in the establishment of committees and reviewing and reviewing. We want to provide action. The monies that we have available we want to put into programs, not further bureaucratic and/or global umbrella organizations that do not get on with the delivering of services. We want to get on with some action. That is what we are doing.

Mr. Doer: The minister will note that the Island Lake Tribal Council originally received the Justice body, originally received its money from the Law Reform Commission, a body established by us, and

now it is being received by the aboriginal people through the aboriginal justice fund. That has not been changed; that is the maintenance of a program. I would like to ask—[interjection]—Well, the Minister of Finance (Mr. Manness) says downsize and other terms.

Mr. Speaker, [interjection] the Minister of Justice (Mr. McCrae), who went from endorsing, on CJOB, the concept of aboriginal self-government and aboriginal justice committees to the tepid response that he gave last year, I suggest that we need real action from our Minister of Justice.

Mr. Speaker, in Estimates we asked, for three hours, the Minister of Justice to table the specific action and specific programs the government would take with the specific amount of money that they have allocated of \$1 million. I would like to ask the Deputy Premier today, given the fact we could not get answers in Estimates before: What specific action and proposals will be articulated and developed out of the \$1 million in the financial Estimates of the government? We have not received one answer to date, nor have the aboriginal people of this province received any answers to date on that except for the \$100,000 that has been reannounced.

* (1340)

Mr. Downey: Mr. Speaker, so that the public are clear and everyone understands, the money from the Law Reform Commission, I believe, was some \$39,000, just under \$40,000.

I call it a major commitment to increase that amount of money to \$100,000 to a program that has demonstrated that it is working. We have as well established four working groups to recommend, to work together, to implement further those things that are doable within the abilities of the Province of Manitoba. Many of the recommendations fall within the federal jurisdiction, and it is impossible for the province to take on those responsibilities.

There are some things within the provincial mandate that can be carried out, Mr. Speaker. That is what we want to do. We do not want to establish large consulting groups. We want action groups.

Labour Force Development Agreement Government Participation

Ms. Jean Friesen (Wolseley): Mr. Speaker, since the beginning of this session, the government has been promising announcements on the signing of a

Canada-Manitoba Labour Force Development Agreement.

According to the Ottawa office, the Yukon signed this agreement in '91. Nova Scotia signed in '91. British Columbia signed in August of '91. New Brunswick signed in '91. Quebec has an interim agreement with the money flowing in '91. Ontario signed in October '91, Saskatchewan in August '91. Alberta has an agreement in principle. Newfoundland is close to an agreement. P.E.I. is close to an agreement.

Could the Minister of Education tell us when Manitoba will sign that agreement?

Hon. Rosemary Vodrey (Minister of Education and Training): Again, Manitoba has not signed that agreement; nor has Alberta signed the agreement; nor has Prince Edward Island signed the agreement; nor have the Northwest Territories signed the agreement; nor has Newfoundland signed the agreement.

In Manitoba, Mr. Speaker, we are looking at the details of that agreement very carefully. We want to be sure, within that agreement, the interests of Manitobans are protected. We are considering that agreement, and we will be signing when we are satisfied those conditions are met.

Ms. Friesen: Could the minister then tell us why last week she postponed for two months one of the key consultations between labour, business, the equity groups and educational participants and thus delayed, yet again, the participation of Manitoba in this agreement and prevented the dollars from flowing?

Mrs. Vodrey: I would like the member to be more specific because I have certainly made every effort to facilitate the meetings.

I personally have met, as well, with representatives of the Canadian Labour Force Development Board and have made a point of being in contact across this province with other interested groups in regard to this development agreement.

Ms. Friesen: Can the minister explain why the provincial participation will be composed of existing programs, when those programs were developed in the absence of any provincial labour force development strategic plan, and certainly without the local participation which is crucial to this program?

Mrs. Vodrey: The Canada-Manitoba Labour Force Development Agreement is our effort to better co-ordinate the federal and the provincial efforts in terms of training.

We are looking at how the federal money will flow into this province through that agreement and how that money will be apportioned to training programs, but the province also remains very committed to its training programs, programs such as Workforce 2000, which have been a great success in this province.

Labour Force Development Agreement National Standards

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, we hear today about an agreement which is clearly an example of the devolution of powers from the federal government to the provincial government, and yet, we have been assured over and over and over again that we have no constitutional deal. Yet, it would appear that in the field of labour market training, we are going ahead and signing deals for which, if the material presented to us today in the newspaper is any example, there are no national standards.

Can the Minister of Education tell us what are the specific negotiations with regard to the maintenance and enhancement of national training standards in this nation which is every Canadian's, including every Manitoban's, birthright?

* (1345)

Hon. Rosemary Vodrey (Minister of Education and Training): I am glad the member has allowed me to speak about the newspaper article which in fact references two quite separate issues. There is the issue of the Canada-Manitoba Labour Force Development Agreement, and that issue, Mr. Speaker, is the effort to co-ordinate the training programs federally and provincially. That is quite separate from the issue of the devolution of powers in the constitutional talks and those I am in contact with, my colleague the Minister responsible for Constitutional Affairs (Mr. McCrae), in regard to that particular issue.

In regard to the Canada-Manitoba Labour Force Development Agreement, the issue of standards is a very important one, and it is very interested in addressing the issue of national standards across this country.

Mrs. Carstairs: Mr. Speaker, would the minister tell the House today: Exactly what is the framework for the development and enhancement of those national standards? If they are going to be into the agreement, in which way are they going to be in the agreement? Will they be constitutionalized, since labour markets' training is one of the things that is being offloaded to the provinces if the rolling text is correct?

Mrs. Vodrey: Mr. Speaker, let me separate the two issues again. The issue of any devolution of training from the federal government is a constitutional issue which is being dealt with by my colleague responsible for Constitutional Affairs.

The Canada-Manitoba Labour Force Development Agreement is not a constitutional issue. It is an agreement between the province and the federal government to co-ordinate labour market strategies and our efforts towards training. There is a section within that agreement which deals with issues relating to apprenticeship, specifically the Red Seal Program. I am in contact with my colleague the Minister of Labour (Mr. Praznik) regarding that particular issue.

Mrs. Carstairs: Mr. Speaker, it appears that we are entering into constitutional deals by the back door.

If the Minister of Education is saying that there is nothing in this deal whatsoever that deals with the Constitution—because she passes that question on—then how does she accept or how does she rationalize the fact that there is a negotiated strategy which, in essence, takes the federal government out of training?

Mrs. Vodrey: Mr. Speaker, the issue relating to the federal government and the devolution of training is the constitutional issue which I have explained to the member, and that it is being negotiated by my colleague the Minister responsible for Constitutional Affairs.

A separate matter is the Canada-Manitoba Labour Force Development Agreement. Within that agreement, we are focusing on the co-ordinations of the federal-provincial efforts so that those efforts do not work at cross purposes.

Eating Disorders Treatment Programs

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, treatment resources for eating disorders

seem to be drying up right across this country. Now, we have learned that the future of Manitoba's only eating disorder clinic is uncertain. This is particularly worrisome for women, since anorexia and bulimia usually occur in women, and according to Manitoba's own Women's Health Research Foundation, has doubled in teenage girls over the last 10 years.

I would like to know if the minister has looked into the situation at the Health Sciences Centre where we have heard of talks about cuts to that program. Can he give us assurances that the full range of treatment for eating disorders, including appropriate overnight care and 24-hour supervision, will be available?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, in my honourable friend's preamble, she referred to programs across Canada that are being curtailed or wound down in terms of assistance to overcome eating disorders. I cannot comment on what is happening in other provinces, but I can indicate to my honourable friend that the program, as discussed, as available through the Health Sciences Centre, is very much alive and well. Sir, has been handling increased numbers of clients and proposes now to move that eating disorder counselling, treatment and intervention to an out-patient basis service.

From what I can understand of the proposal, it may well in fact benefit those recipients of the care, in that it has less dislocation to the individual from their community, from their home, from their families and friends, all of which all of us have acknowledged in this House are important components of treatment, hence the emphasis on more community-based, out-patient care.

Ms. Wasylycia-Lels: Mr. Speaker, I just want the minister to know I am concerned about waiting lists for this important treatment and the costs of sending patients to the United States.

I would like to know: How is the minister avoiding the kind of situation that happened in Alberta, where first, beds for treatment for eating disorders were closed, then the whole program faded away, and now that government is spending \$1 million annually to send patients with eating disorders to the United States for treatment?

* (1350)

Mr. Orchard: Mr. Speaker, as my honourable friend may well appreciate, I do not think one would

expect me to justify decisions made in Alberta. That would seem to be—I will admit, we do a lot of wonderful things in the ministry of Health and in this government, but I do not think I can quite account for Alberta's program.

In Manitoba's program, the proposal is to move the services to an out-patient basis and to reinforce and strengthen community linkages with that program.

The last time I checked, my honourable friend constantly encouraged government to move away from institutions into community-based programs. Now, when a proposal comes forward to do exactly this, my honourable friend says, well, that is no good. Mr. Speaker, my honourable friend has to decide whether she believes in community-based care or whether she wants to maintain the model of everything being done in hospitals.

One of the problems with the health care system in Canada is that we have turned into bedholics. We try to attach everything to a bed. When progressive health care givers believe they can determine and provide program and care outside of the institution in the community, I think that is progressive.

Ms. Wasylycia-Lels: Mr. Speaker, I think access to overnight care for women when it comes to this important disorder, as opposed to being housed in a psychiatric ward, is pretty important.

I want to ask the Minister of Health: Since this is a disorder that affects women, will he act on behalf of the interests of women and do what Manitoba's own research council has recommended, and that is increase support for basic services and research into disorders affecting women and ensure that the full range of treatment is offered to over half the population—

Mr. Speaker: Order, please. The honourable member has put her question.

Mr. Orchard: Now, Mr. Speaker, you will note the tenor of the question has changed away from treatment to research, because my honourable friend knows full well that the professionals, in proposing this program shift from an institution-based, based on bed capacity, to an ambulatory out-patient, community-based service is the appropriate thing to do in today's health care reform.

So now that my honourable friend has lost that argument, she has moved on to research. Well, Mr.

Speaker, I cannot indicate to my honourable friend whether the Manitoba Health Research Council will provide more and additional resources to research into this disorder, but I will attempt—

Mr. Speaker: Order, please.

Point of Order

Ms. Wasylycia-Lels: Mr. Speaker, I think—

Mr. Speaker: On a point of order?

Ms. Wasylycia-Lels: —the Minister of Health owes an apology to all the women of Manitoba—

Mr. Speaker: Order, please. I am recognizing the honourable member for St. Johns. Is it on a point of order?

Ms. Wasylycia-Lels: Yes, I am sorry, Mr. Speaker. I thought you had heard.

Mr. Speaker: No, I did not.

Ms. Wasylycia-Lels: Yes, I have a point of order, because the Minister of Health has insulted all women in the province of Manitoba—

Mr. Speaker: Order, please. The honourable member does not have a point of order. It is clearly a dispute over the facts.

* (1355)

Gimli Motorsport Park Lease Renewal - Minister's Role

Mr. Jim Maloway (Elmwood): My question is to the Minister of Government Services.

Mr. Speaker, since this government came to power four years ago, we have seen a number of questionable leasing actions from this minister. The director of leasing was removed earlier this spring after it was discovered that there were billings for unauthorized work being done at 280 Broadway.

Will this minister tell the House what role he played with the leasing of Gimli Motorsport Park this spring?

Hon. Gerald Ducharme (Minister of Government Services): First of all, Mr. Speaker, when it came to me, it was renewal of the existing lease that the previous administration had set up in 1987.

Mr. Speaker, I took the recommendation of my staff to renew the Winnipeg Sports Car Club, to renew that, until the end of October of 1992. The reason for that is because we are in negotiations with the municipality of Gimli to have them take over the entire site.

Mr. Maloway: Mr. Speaker, with that in mind then, what role did the minister have with the arranging for the sublease between the Winnipeg Sports Car Club and the aggrieved party in this case, Mr. Schwarz?

Mr. Ducharme: Mr. Speaker, first of all, let me make it quite clear. We deal with the person who is leasing. We cannot tell a person who to sublease to.

However, my staff has been negotiating and has a Letter of Intent to renew a lease with a sublet. They must have their permission. They sublet to many people. I am talking about the Winnipeg Sports Car Club, and when they bring forward the sublet leases, then they are approved by our legal department to make sure that they have all the appropriate answers.

Mr. Maloway: Mr. Speaker, is the minister saying then that he did not have final approval on the sublet, because it is normal that in a sublet situation, he would have final approval?

Mr. Ducharme: Mr. Speaker, I wish the member would listen to me. I said there was a Letter of Intent for the sublet, and that is where it is right now, a Letter of Intent, until our lawyers see all the forms and the agreements, the liability, coverages, et cetera. Then they bring it forward to my staff. They come forward, and we agree to whom they sublet. That is in all our leases across the province.

Garrison Diversion Project Manitoba Interests

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Minister of Natural Resources.

The Garrison Project in the state of North Dakota poses numerous well-known threats to the quality of water flowing into Manitoba and into the Hudson's Bay basin from the state of North Dakota. Political leaders and farmers seeking irrigation supplies in the state of North Dakota have been tireless in their lobbying efforts in Washington to get funding for the completion of this project. On Saturday we learned that they had succeeded and secured a \$30-million commitment from the U.S. administration to push ahead with the Sykeston Canal thereby completing the Garrison Project.

Mr. Speaker, can the minister tell members what position Manitoba's paid representatives in Washington, whom we have had for sometime on this issue, and this minister's departmental officials,

in particular Mr. Clarkson, took with respect to this decision to complete this project?

Hon. Harry Enns (Minister of Natural Resources): I thank the honourable member for the question, Mr. Speaker. I can inform the House that the \$30 million in question, which was indeed approved by the American Congress for the Garrison Project, in no way violates the 1986 reformulation agreement which Canada and the government of Manitoba agreed to.

None of the \$30 million referred to can be used for any expanded irrigation projects. The monies that the honourable member refers to have been examined by Canadian Embassy officials and by Mr. Clarkson, the gentleman that the honourable member refers to. We are satisfied that this in no way violates the 1986 reformulation agreement, and therefore we are satisfied that Canadian interests are not in any way placed in jeopardy at this stage. We maintain a watching brief on the project as you would expect us to, Mr. Speaker.

Environmental Impact Assessment

Mr. Paul Edwards (St. James): Again for the same minister, specifically, Mr. Speaker: Has this minister been able to secure any commitment from U.S. officials to date that a full environmental impact assessment on any effect in Canada of any expansion, be it the Mid-Dakota Reservoir, be it the Sykeston Canal, be it whatever is proposed—I understand they are going to be taking it into the Missouri River Basin—will be done on Canadian waters in the event that this project is to go ahead in any way, shape or form?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, first of all, I would like to indicate to honourable members opposite that we have a senior official representing the government of Manitoba who meets on a regular basis with North Dakota officials. We have a good relationship with the Canadian Embassy in Washington that keeps and maintains a watching brief on this issue.

I am satisfied at this point that, while I am certainly aware that there are North Dakota interests who would like to expand and indeed set aside some of the restrictions of that agreed to restriction of the overall program which I referred to as the 1986 reformulation program—it is called reformulation because it fundamentally revalued and restricted the overall Garrison Project to meet Canada and

Manitoba's concerns—those guidelines are being adhered to.

* (1400)

If there is anything that develops that should cause us concern that, in fact, the 1986 agreement will be broken, then certainly I would kind of look upon this House—in fact, this House has a great tradition in this regard to act on a nonpartisan basis. We have sent delegations representative of all members of this House to Washington to plea this case. I would certainly not want to part from that tradition in terms of—

Mr. Speaker: Order, please.

Mr. Edwards: Mr. Speaker, you will excuse us if we are dubious of this minister's ability to safeguard Manitoba's interests. This is the same government that relied on the U.S. Corps of Engineers on Rafferty-Alameda.

Mr. Speaker, my final question for the same minister: Can the minister tell members whether or not he intends to content himself with the review of the other ways to achieve completion of this project, ostensibly without impact on Canada, when his departmental officials in 1990 agreed that the study of environmental impacts would be done by U.S. officials? Where are Canadian officials and Manitoba officials in assessing the impact—

Mr. Speaker: Order, please. The honourable member has put his question.

Mr. Enns: Well, Mr. Speaker, it appears to me that we in Manitoba, indeed in Canada, have sufficient environmental problems of our own to resolve, not to denigrate the concerns that were placed.

Mr. Bob Clarkson, the senior member of my department is a standing member of the technical committee that is constantly monitoring any proposed or potential changes to the Garrison Project. I have to rely on his good advice. It was his good advice that was offered to previous administrations, previous ministers, that led to the 1986 resolution of the problem.

Mr. Speaker, I do not think that we can expect to be doing much more than to be diligent, to be cautious and to watch what in fact is happening just immediately south of the line that could certainly, if fundamental changes were made, be of concern to us.

Policing Services Agreement Fee-For-Service Costs

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is for the Minister of Rural Development. The minister has been speaking at district community meetings of municipalities and he has said there will be a resolve to the policing cost issue this fall. We are hoping that there will be a solution; it is long awaited.

However, I want to ask the minister: Has he told towns and municipalities that they are going to have to pick up extra costs because of the fee for service that the federal government has decided to offload since the RCMP contract was signed?

Hon. Leonard Derkach (Minister of Rural Development): Mr. Speaker, the member was present when I made my presentation during these meetings. At that time, I indicated that the outstanding issue that was dealt with by the Hill report would be one that would be addressed by the joint committee that is being formed with the input from both UMM and MAUM. Together with the Department of Justice and the Department of Rural Development, they will address the issues that are outstanding in terms of sharing of policing costs.

Mr. Speaker, I have to indicate clearly to the member that in the Hill report, we were dealing with the split of policing costs between rural municipalities and the urban municipalities in terms of what each would be paying. That is the issue that will be dealt with in the task force that is going to be established and is being established right presently.

Policing Services Agreement Fee-For-Service Costs

Ms. Rosann Wowchuk (Swan River): Since his colleague the Minister of Justice (Mr. McCrae) has said that there will be user fees, is the minister aware of what services will be offloaded, and is he making towns and municipalities that he is speaking to aware of these extra costs that they are going to have to pick up?

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Speaker, as a result of contacts between our government and the federal government, we have ascertained the federal government does not know necessarily which fees they are talking about, they do not know what amounts are going to be involved. We have expressed our concern to the federal government

about any talk of offloading some costs that were heretofore paid for by the federal government. No one even knows what that entails to this point.

The honourable member does a disservice by mixing the important issue of who is paying what levies for police services with a whole other matter which the federal government does not even know what it is talking about to this point. So if the federal government does not know what it is talking about, I think we can safely assume the honourable member does not know what she is talking about either.

Ms. Wowchuk: Mr. Speaker, by imposing these additional costs, we are going to see a great deterioration of policing services, particularly in the rural community.

I want to ask the Minister of Rural Development (Mr. Derkach): Will he stand up on this issue? Will he tell municipalities and towns that he will oppose any further offloading by the federal or provincial government, whether it be municipal costs or policing costs—

Mr. Speaker: Order, please. The honourable member has put her question.

Mr. McCrae: The matter of the levies that the honourable member is talking about is the subject of review by the process described by the honourable Minister of Rural Development (Mr. Derkach).

I can tell the honourable member, yes, I will oppose measures brought in by the federal government to try to collect on expenses that were, up until this point, paid for by the federal government. We have made it very clear to the federal government where we stand on that. Indeed, if they persist—[interjection] I am having trouble hearing myself, Mr. Speaker.

Mr. Speaker: Order, please. The honourable minister to finish his response.

Mr. McCrae: If they persist, I have also let it be known that there are areas of expenses, services Manitoba provides for the federal government. There are things we can look at to watch the situation, to ensure that the federal government does not offload in a way that it should not be offloading.

**Social Assistance
Head of Household Regulation**

Mr. Doug Martindale (Burrows): Mr. Speaker, on March 26, I asked the Minister of Family Services why women are being cut off student social assistance when men in identical circumstances are not. On April 6, I asked the Minister of Family Services why disabled women are being cut off provincial social assistance when men in identical circumstances are not. Both times, the minister said the regulations were under review.

Has the minister conducted the review? What action is he taking?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, yes, the member raised the head of household issue that has been part of our legislation for a long, long time. It is a question that we are reviewing, and we will be bringing forward some thoughts on it toward a solution of that in the near future.

Mr. Martindale: Why will the minister not stop this discriminatory practice of forcing disabled women to lose their \$60-a-month supplement since this is clearly a violation of the Charter of Rights and Freedoms? Why does the minister not order that it be stopped immediately?

Mr. Gillehammer: As I indicated to the honourable member, this is a longstanding issue that was part of regulations with the previous government, part of regulations when we took government. It is an issue that came forward in recent months and one that the department is actively looking at.

Mr. Martindale: Mr. Speaker, I raised the issue, but it is up to the minister to do something about it. Why is he waiting for a disabled woman to take the minister to court under the Charter of Rights and Freedoms, to insist on being treated equally which is a right in this country? Why does the minister not act instead of waiting for somebody to take him to court?

Mr. Gillehammer: I know the member, not being a part of government, does not realize that solutions are not always instantaneous that you can make in a moment's notice. But I think, perhaps if he talked with some of his colleagues, that he would realize that there are complicated issues involved with this. It is an issue that is before the department and one which we are working on.

**Russell, Manitoba
Dissolution**

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, my question is to the assistant minister of Rural Development. [interjection] There has been a dispute between the rural municipality and town of Russell over the town's desire for more land for expansion. They have been unable to come to an agreement, so the town is considering dissolving itself and joining the R.M.—[interjection] Does he want to answer the question? The town is considering dissolving itself and joining the R.M. against the wishes of the R.M.

My question is for the Minister of Rural Development. Has the minister or his department met with the two parties in an attempt to mediate a resolution?

* (1410)

Hon. Leonard Derkach (Minister of Rural Development): Well, Mr. Speaker, I recall another incident, where there was a dispute between two groups and a community. As minister, I indicated at that time that I would not personally involve myself in the matter when the Liberal Leader went over there and indulged herself in teaching a class. Perhaps now she will go and conduct some municipal meetings; I am not sure.

Mr. Speaker, specifically to the question, I can tell you and tell the House here that indeed there is a potential dispute between the R.M. of Russell and the town of Russell. The staff from the department have indeed offered their assistance to both the R.M. and the town in an attempt to resolve the outstanding issue.

Mr. Gaudry: Mr. Speaker, if the negotiations are not successful, what will the minister's recommendation be to cabinet?

Mr. Speaker: Order, please. The honourable member's question is hypothetical. The honourable member kindly rephrase his question, please.

Mr. Gaudry: What contingencies will the minister have in place to the cabinet?

Mr. Derkach: Mr. Speaker, the member for St. Boniface puts forth a very hypothetical situation. As a matter of fact, the intent is to resolve the issue between the rural municipality and the town. Indeed, they have asked for the assistance; department staff have offered the assistance. We

will await whether or not there is a possibility for resolution to the dispute.

Plebiscite

Mr. Neil Gaudry (St. Boniface): Will the minister offer the same plebiscite that the Minister of Urban Affairs (Mr. Ernst) offered to Headingley?

Hon. Leonard Derkach (Minister of Rural Development): Mr. Speaker, not only is that hypothetical, but it is mixing apples and oranges.

I can tell you that in this matter, Mr. Speaker, [interjection] No, they do not mix very well. I can tell you that in this situation, the staff from my department have offered their services to both councils, and indeed the intent is to work co-operatively with both councils in an attempt to resolve the issue.

Pharmacare Exclusions

Mr. Leonard Evans (Brandon East): I have a question for the Minister of Health.

I have a constituent, Mr. Speaker, who has a problem of low serum calcium because she has had parathyroid glands removed during surgery, cancer of her thyroid glands. Also, she has osteoporosis, and she has high blood pressure problems. She requires large doses of calcium supplementation, but she is allergic to the C-based calcium products and cannot take dairy products. She can only tolerate Calcium-Sandoz, which is costing her about \$1,000 a year. She is an elderly widow. She is at a very low fixed income, is unable to afford it.

My question to the minister is: Why has the minister and his department refused to allow this person to claim for at least some assistance under the Pharmacare program?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I will be glad to take the specifics, and indeed if my honourable friend would care, after Question Period, to share the individual's name, I will pursue the issue with the ministry and provide my honourable member with an answer.

Mr. Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Mr. Speaker: I have a ruling for the House.

On Friday, June 12, 1992, the House leader for the second opposition party rose on a matter of privilege and moved that the member for St. James

(Mr. Edwards) be permitted to continue his grievance and that the Speaker issue a clarification of what constitutes a quorum.

Briefly, the circumstances leading to this matter were as follows: On Thursday, June 11, while the member for St. James was speaking on a grievance, it was indicated to me that there was a lack of quorum in the Chamber. A subsequent count verified this to be true, and the House was accordingly adjourned.

As to the question of whether the honourable member for St. James could conclude his 40-minute speech on a grievance, when a question was raised about this on the following Monday, I cited subrule 26.1 (3), which clearly states that any grievance is terminated when the House adjourns and shall not be continued or resumed at the next or any subsequent sitting of the House. Therefore, the honourable member for St. James cannot continue his grievance. There is no matter of privilege.

The second part of the motion regarding privilege called upon me to issue a clarification of what constitutes a quorum. This arose from a quorum count called on Monday, June 8. That circumstance was as follows:

On that day, a quorum count was requested. I had been incorrectly informed that a quorum was present. It was subsequently established that only nine members were present at the time of the count. Under our rules, 10 members, including the Speaker, constitute a quorum.

The incident was a breach of order but was not a matter of privilege. Additionally, as a breach of order, Beauchesne 319 states in part, "The Speaker's attention must be directed to a breach of order at the proper moment, namely the moment it occurred." I wish to advise that the procedure followed in recording, by the table, a quorum count has been modified to ensure against a repetition.

On a related point, for the information of members, when a quorum count is requested, members are requested to rise in their places in order to have their names called and recorded. Therefore, any members present in the House but not in their places when a quorum count is requested should return immediately to their places.

I trust this clarifies that matter.

Committee Changes

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Industrial Relations be amended as follows: the member for La Verendrye (Mr. Sveinson) for the member for Rossmere (Mr. Neufeld). [Agreed]

I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Privileges and Elections be amended as follows: the member for Rossmere (Mr. Neufeld) for the member for Gimli (Mr. Helwer); the member for La Verendrye (Mr. Sveinson) for the member for Lac du Bonnet (Mr. Praznik). [Agreed]

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 Lakeside (Mr. Enns) for the member for Sturgeon Creek (Mr. McAlpine); the member for Lac du Bonnet (Mr. Praznik) for the member for Fort Garry (Mrs. Vodrey). [Agreed]

Mr. George Hickes (Point Douglas): Mr. Speaker, I move, seconded by the member for Swan River (Ms. Wowchuk), that the composition of the Standing Committee on Industrial Relations be amended as follows: Burrows (Mr. Martindale) for The Pas (Mr. Lathlin), for Monday, June 22, 1992, for 2:30 p.m. [Agreed]

I move, seconded by the member for Swan River (Ms. Wowchuk), that the composition of the Standing Committee on Law Amendments be amended as follows: Wolseley (Ms. Friesen) for St. Johns (Ms. Wasylycia-Leis), for Monday, June 22 at 2:30. [Agreed]

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, I move, seconded by the member for River Heights (Mrs. Carstairs), that the composition of the Standing Committee on Economic Development be amended as follows: Osborne (Mr. Alcock) for Inkster (Mr. Lamoureux), for June 22, 1992, at 10 a.m. [Agreed]

I move, seconded by the member for River Heights (Mrs. Carstairs), that the composition of the Standing Committee on Law Amendments be amended as follows: St. Boniface (Mr. Gaudry) for The Maples (Mr. Cheema). [Agreed]

I move, seconded by the member for River Heights (Mrs. Carstairs), that the composition of the

Standing Committee on Privileges and Elections be amended as follows: Osborne (Mr. Alcock) for St. James (Mr. Edwards). [Agreed]

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I propose to call Bill 101 and, after that is considered by this House, move the supply motion.

* (1420)

As we agreed the other day, we are going to consolidate the two sections of Supply and consider the four outstanding areas in this order, and I would ask for unanimous consent, because there is a little bit of change in the order: the Aboriginal Justice Inquiry will be the first item, the Department of Finance, then the Department of Environment and the Sport resolution. So I would ask unanimous consent to adopt that sequence.

Mr. Speaker: Is there unanimous consent of the House to alter the sequence in the order that the honourable government House leader has indicated to the House? [Agreed]

Mr. Manness: Mr. Speaker, I will also be asking for unanimous consent, first of all, to waive private members' hour.

Mr. Speaker: Is it the will of the House to waive private members' hour? [Agreed]

Mr. Manness: Secondly, for the House to sit until such time that the 240 hours of the Estimates total have been consumed—that would be roughly, Mr. Speaker, I am led to believe, around 6:30 p.m. or 6:05 p.m.

Mr. Speaker: Is it the will of the House that the Committee of Supply continue on until such time as we reach the 240 hours? The committee Chair would not see the clock until such time as we have extended our hours or used up our hours. [Agreed]

Mr. Manness: Mr. Speaker, I would then ask you to seek the unanimous consent of the House so as to reconvene the House tonight at 7 p.m., at which time I would undertake to do report stage and third readings of certain bills at that time and then move on to Committee of the Whole until such time as the House decides to rise.

Mr. Speaker: Is there unanimous consent of the House to reconvene at 7 p.m. this evening rather than at 8 p.m.? Is there unanimous consent? [Agreed]

Also, is there unanimous consent of the House that the Chair does not see the clock until whatever time? [Agreed]

Mr. Manness: Mr. Speaker, I will make announcements this evening as to further sittings of standing committees dealing with bills tomorrow. I will make those announcements this evening after further discussions with opposition House leaders.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, would you call Bill 101.

DEBATE ON SECOND READINGS

Bill 101—The Statute Law Amendment Act, 1992

Mr. Speaker: On the proposed motion of the honourable Minister of Justice (Mr. McCrae), Bill 101, The Statute Law Amendment Act, 1992; Loi de 1992 modifiant diverses dispositions législatives, standing in the name of the honourable member for Brandon East.

Mr. Leonard Evans (Brandon East): Mr. Speaker, this is a type of legislation that includes a lot of detailed amendments to existing bills and, therefore, it is most appropriate to deal with it in committee. So we, in the official opposition, are prepared to pass it at this time with further consideration in detail when it gets to the committee stage.

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, we, too, would like to see the bill go into committee in which we will find a more appropriate time to be able to go through it clause by clause and possibly add comments at that point in time.

Mr. Speaker: Is the House ready for the question? The question before the House is second reading of Bill 101, The Statute Law Amendment Act, 1992; Loi de 1992 modifiant diverses dispositions législatives.

Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Hon. James McCrae (Acting Government House Leader): I move, seconded by the honourable Minister of Highways and Transportation (Mr. Driedger), that Mr. Speaker do now leave the Chair

and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for Seine River (Mrs. Dacquay) in the Chair for Aboriginal Justice Initiatives, the Department of Finance, the Department of Environment, and Fitness and Sport.

* (1430)

COMMITTEE OF SUPPLY

ABORIGINAL JUSTICE INITIATIVES

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Aboriginal Justice Initiatives. For reference purposes it is on page 153 of your Estimates book.

Would the minister's staff please enter the Chamber?

Mr. Oscar Lathlin (The Pas): Madam Chairperson, I would like to start off by saying that I think we have about an hour on the AJI again today and I welcome the opportunity to question the Minister of Justice (Mr. McCrae) again with respect to the Aboriginal Justice Inquiry report that was released, it will be almost a year now.

I would like to begin by saying that I hope this afternoon's Estimates process will be a little bit better than the last time on June 4. I hope that my questions will not be regarded as being stupid, as having a bad attitude. I would hope that the minister would answer at least some of the questions that we are going to be asking him this afternoon.

Madam Chairperson, it is my hope that in this afternoon's session I will not be treated like a little boy and be lectured and scolded. I, like the minister, want to be treated as an individual, as an adult, as a member of the Legislative Assembly representing a riding of both nonaboriginal people and aboriginal people.

I would like to, again, begin with the question of the budget that was set aside for the AJI report, and I would like to ask the minister to see if he can give us a report or a budget that would tell us how the million dollars was going to be spent exactly, the million dollars that was set aside for the AJI report.

Hon. James McCrae (Minister of Justice and Attorney General): Madam Chairperson, it had been our proposal that flowing from the Aboriginal Justice Inquiry report there would be struck working groups to assist the government in prioritizing those recommendations in the Aboriginal Justice Inquiry report which were found acceptable to the government, prioritizing them and working with aboriginal leaders to help us decide which areas of Manitoba required attention most.

As the honourable member knows, the report sets out in graphic detail some of the problems associated with the justice system as it applies to aboriginal people in Manitoba. We had hoped that the working groups referred to would have helped us in identifying areas of need. We know there is general need in the justice system and in other areas of public service, but we know also that the expertise in terms of the needs of the people is probably better amongst aboriginal leaders than it is amongst ourselves.

However, to this point, aboriginal leaders have not seen fit to join us in this project, so we announced, since we last talked, support for the St. Theresa Point Indian Youth Court to the tune of \$50,000 a year for this year and next, and \$50,000 is now deducted from the \$1 million as laid out in the Estimates book.

We cannot wait forever. We feel the needs are too great for us to wait forever; however, we knew that there was support for the St. Theresa Point Indian Youth Court proposal amongst aboriginal leaders, so we felt comfortable in proceeding. Now as we proceed, as the Deputy Premier (Mr. Downey) said earlier today in Question Period, we cannot wait forever, and we will not wait forever.

It would be unfortunate if we proceeded with other projects, and those projects were not the subject of discussion or support from aboriginal leaders. I cannot be more specific with the honourable member, because flowing from the working groups—let me give the honourable member an example. A proposal is placed before the justice working group in the area of courts, for example, and there is no one represented on the working group from aboriginal leadership, indeed no one co-chairing on the part of the aboriginal leadership. We develop a proposal and the working group finds that proposal to be appropriate to move forward with. It then goes through the normal government

process which is approval by government, and then the program is implemented.

That unfortunately will happen—fortunately and unfortunately. Fortunately because efforts will be made; unfortunately because it will not have the degree of support or input from aboriginal leadership that we would like to have had. However, we have \$1 million in the budget for this year, and I can tell the honourable member that, for example, Sagkeeng tribal justice system, there is a request before us for \$272,415 to study the study. We have a request from the MKO justice secretariat. They want \$554,645.80 further to study the study. We have one from the Indigenous Women's Collective, a \$60,000 request to study the study. We have one from the Assembly of Manitoba Chiefs, \$281,855, funds requested to study the study. We have a request for \$50,745 from the Island Lake Tribal Council to study the study.

Madam Chairperson, if my arithmetic is correct that amounts to \$1,219,660 and some odd cents to study the study, and not one thing will have been done to help aboriginal people. So we could not go along with that approach. We have to go along with the approach that says, let us use that money to put programs in place for people.

* (1440)

I would like to be more specific with the honourable member, but announcements will be made in due course about initiatives that will come forward, and those announcements will have been the result of work done by the working groups and by the departments and by the government. We would like very much also for there to be involved in that work the leadership of the aboriginal people of this province. If they choose not to do that, we will not use that as an excuse to do nothing.

Mr. Lathlin: I am not going to dwell anymore on the million dollars, Madam Chairperson, but I would like to ask the minister some further questions on the AJI. He gave us a list of some five proposals which he says totals some \$1.2 million. He also makes it clear to us that he is not prepared to spend money to, like he says, study the study. Perhaps I can ask the minister then, if he is not prepared to fund these types of activities, those activities that I would call, myself having been on the other side many times—consultation money allowing aboriginal people to have an input into what will eventually

become the final product in the end. I believe that is what the aboriginal people are looking for.

In any event, he is telling this Chamber that he is not prepared to spend that kind of money on those kinds of activities. Perhaps I can ask the minister then, what other proposals are there, because I know he has received quite a few proposals, program proposals as he calls them? For example, there has been one there that has been going back and forth from the Swampy Cree Tribal Council; there have been proposals to establish tribal council police forces.

Maybe I could ask the minister to indicate to us, because he was kind enough to give us a list of five proposals which he did not agree with so therefore did not fund them—maybe he would like to tell us how many other proposals that would fall into the category of programs and services that he has received and has not funded. Maybe he could give us reasons why, and perhaps, thirdly, tell us what criteria he is setting out in order for him to fund these types of program proposals.

Mr. McCrae: I repeat for the honourable member the fact that we have decided that the funding for the St. Theresa Point Indian Youth Court is something we support. That program is not a new one; the honourable member knows that. It is a worthwhile program, so we are funding that program.

Similarly, Dakota Ojibway Tribal Council Probation Services have been funded by this government, 50-50 with the federal government. We would like to continue to fund that program. The signals we are getting from the federal government are good. They had initially made it known that their plan was to withdraw from funding that program. That makes no sense, as the honourable member, I am sure, would agree. It is a good program.

I have been active with the DOTC probation people in attempting to lobby the federal people to see if we cannot get them to look at that matter again. In doing that, I have made public statements on behalf of the program. I have written to the minister responsible, the Honourable Doug Lewis, spoken directly and personally with Joe Clark, the minister responsible for intergovernmental affairs or whatever his title is these days.

He took my entreaty quite seriously, I believe. I also had the opportunity, personally, to talk to Mr. John Tait, Deputy Minister of Justice, with regard to that program and the signals I was getting seemed

positive. I cannot make federal announcements, so I will not, but I can say that the signals I am getting are quite positive.

So there is a program that could be seen as a model for aboriginal justice proposals. One of the other ones mentioned by the Justice Inquiry itself was the DOTC child welfare service. That was held up as a model, I believe, by the commissioners of the Aboriginal Justice Inquiry. The honourable member will know that particular service is currently being reviewed through an inquest being held in Brandon. Suffice it to say, we should await the report of the inquest, the judge doing the inquest in that matter, so we will hold any further comment on that point until that time.

There are any number of proposals, and they come from, as the honourable member has suggested, the Swampy Cree. There is more than one Swampy Cree proposal, I believe. There are a large number of them, and they are exactly the kinds of things that we would take before our working groups dealing with—I can speak more for courts, police and corrections than I can for Natural Resources or Native Affairs, but I can speak in general terms about those things.

The kinds of proposals we are getting from numerous and various aboriginal groups and communities are exactly the kinds of things we propose to put before our working groups and make decisions about which programs are the ones that meet the greatest need in our communities, remembering that we have very serious problems in our province, and a finite number of dollars to deal with them.

In many cases, when you look at the budget of the Department of Justice and the amount being spent on policing, on courts and probation services, very often it becomes clear that after an initial transition it may be even more efficient to operate services locally. It makes them more efficient in a monetary sense but also more effective in a cultural sense. If you are looking at results, very often results are achieved. St. Theresa Point, I believe, is a good example and so is DOTC Probation.

So all of the proposals that I have—I mentioned five of them, but I did not mention the others because the others are not strictly to pay for further study of matters that have literally been studied to death, and we need to spend the money on programs. There is no need for me to give the

honourable member an itemized list of all of the proposals, because he has that information available to him through all of his contacts.

Suffice it so say, those proposals and government proposals and variations of the two, sometimes combinations of the two, would be the kinds of things that we would propose to discuss at working group meetings. It would be nice if there were representation there from the aboriginal groups that we have identified as the ones we wish to consult with. However, if they choose not to be there, we will not allow that to be an excuse to do nothing.

Mr. Lathlin: I know the minister keeps mentioning the Island Lake-St. Theresa project, but I also know that, like he says, that project is not a new project. It had been going on for quite some time prior to the time when the funding was going to be in jeopardy. After, the St. Theresa leadership had to travel to Winnipeg and lobby government and hold some press conferences and talk to opposition parties and so on.

So it took a lot of work from that community, the pressure that they put on the government to try to make the government understand that this was a worthwhile project. I am glad, I appreciate, that the government finally understood what the community was trying to say, and they finally understood that the program was a worthwhile program—very expensive, I might say. I understand also that the feds have already agreed to continue funding the DOTC probationary programs—

* (1450)

Mr. McCrae: Not formally—

Mr. Lathlin: —not formally, but I know, from talking to the people at DOTC and listening to the news myself, I was given to understand that the feds had already agreed to continue funding. So perhaps the provincial government would see its way again to continue the 50-50 cost-sharing arrangement that they have with the federal government.

I want to ask the minister now, Madam Chairperson: In his opinion, what seems to be the main obstacle that is preventing the minister or the Assembly of Manitoba Chiefs or the aboriginal people from getting together and working towards some sort of a strategy or a plan that could be implemented that would address the recommendations that were contained in the AJI report? I am interested in hearing the minister's

own—as he sees it, what seems to be the main problem.

Mr. McCrae: I suppose, simplistically put, I could say the problem is we do not have the participation of the leadership of the aboriginal people, but that indeed is too simplistic, so I need to go on and go behind that. All I know is what I read in the papers as does the honourable member, and of course that reflects some of my personal meetings with people like Phil Fontaine as well. The problem seems to have been on January 28, I think it was, when we announced our response to the Aboriginal Justice Inquiry report, and when we did not embrace in all its dimensions the concept of separate justice systems, that seems to have struck a note that was not positive with the leadership of aboriginal people.

I think of various forms of apartheid that operate around the world, and I think there does not seem to be any model that I have seen that really works, so why do we have to talk about apartheid? Why can we not talk about getting together and solving problems for people? For some reason, that is seen by some as a rejection of the whole idea of separate systems, so I sometimes get very frustrated and think that what we are talking about basically is a semantic disagreement.

I look at the St. Theresa Point model and say, it looks pretty separate to me. There is no involvement by people outside the community that I am aware of except in the consultation area, information sharing area. I do not see anything wrong with that, and if the honourable member does he could say so. There have been very, very few cases over the years of the operation of the St. Theresa Point justice model that have been referred to the provincial court system for disposition, very few indeed, so I say that seems like a pretty separate system to me.

Yet that system does not operate outside our Canadian constitutional framework. They are not operating with a charter of rights, for example, that operates outside the Canadian Charter of Rights and Freedoms. As far as I know, they are not operating outside the Criminal Code of Canada. So I think it is just a question of definition, and it seems a shame to me that here we are still quarreling over a thing like that.

The fact is that Chief Phil Fontaine, as a condition of his participation in the working groups, has said, well, we need money and we need to put more

things on the table. Goodness gracious, I responded, we have enough things on the table to keep us busy as working groups when you look at the recommendations of the report that the government is prepared to look seriously at, and to work together with aboriginal groups on, in order to achieve results for aboriginal people in Manitoba. Why, because of a semantic argument, would the chiefs and the others stay away from making a positive contribution to aboriginal justice models for Manitoba into the future?

So the honourable member asks me, what seems to be the main obstacle? I guess I have answered that question, and maybe he would like to talk to Phil Fontaine himself and get Phil Fontaine's version of it, but money is one of them. They want money to study the study and we have agreed that the co-chairs on those committees should be aboriginal representatives. We felt that was a step forward, and something that was useful to offer to the aboriginal leadership. They seemed to accept that, but then they left the room saying that money was one problem and so was this business about separate systems. Going with separate systems, of course, is putting other things on the table, things additional to those things the government of Manitoba has already said it would agree to.

I guess the list of things we would agree to is not long enough, but I say it is certainly long enough to keep any working group busy for quite a long time, and also long enough that we could spend a fair amount of money. If I hear what the chiefs of this province tell me, the money ought to be spent only in a transitional sense, additional money, because the message I get about self-government generally is that it would be more efficient than what we have now and indeed less expensive. This is something that caused me no end of concern when someone at the federal level leaked some information out that self-government was going to cost Canadians 5 billion additional dollars.

I was very quick to jump all over that assertion because I do not believe it, and Mr. Clark, as head of the federal delegation, was quick to repudiate that and said that if he knew who had done that he would sure like to get to the bottom of how that happened because that is not true. Indeed, I made it known to all of the people at the constitutional talks that it had been my understanding from talking to Manitoba chiefs that self-government is actually more efficient

and not more expensive and bureaucratically cumbersome.

So having put that on the record, Chief Mathias, who is one of the spokespersons there for the Assembly of First Nations, was not so sure that it would not be more expensive than what it is now. He could not put any numbers on it and that is not a surprise. I do not expect him to. What Chief Mathias said was a little bit at odds with what I have been hearing around here in Manitoba and that is that self-government would be more culturally sensitive, more appropriate, people would have a sense of partnership and ownership in their own systems, and there would be efficiency that we do not have now.

So that is not entirely clear, but I think it is important to Canadians that it be clear, it either is more efficient or it is not. If it is less efficient then that would be a concern, but I just do not think it would be less efficient. I think if it is done properly it can be more appropriate and more efficient, and a good example of that is St. Theresa Point, and another one is the DOTC Probation.

* (1500)

Mr. Lathlin: Madam Chairperson, I am not so sure whether the question of financial resources is the—yes, it is a contributing factor. I will accept that, but my sense is that the reason the minister and this government and the working group are having such a difficult time in getting some sort of a working relationship with the Assembly of Manitoba Chiefs is that, I believe, there has been a souring of the relationship. Probably the relationship between aboriginal people and especially this Minister of Justice (Mr. McCrae) has never been that bad, like when aboriginal people are working with government ministers. Last week, I spent quite a bit of time up north, and a couple of communities I went to, constituents or aboriginal people are actually telling me, why did you subject yourself to that kind of behaviour from the Minister of Justice when you were doing Estimates?

They obviously knew what had gone on here that evening and they were pretty incensed. I could not help but get the feeling that I wished this was not the case. I wished the Minister of Justice (Mr. McCrae) could maybe have started off on a better footing, a better approach maybe, a friendlier position maybe at the start, and then maybe we would not have the problem that we are having today. As firm as the

minister has been and the government, the two groups have only forced each other to dig deeper and deeper into their positions, and neither group wants to budge. The minister knows very well; he is not new at the game. He knows what negotiations are all about, but in my sense he seems to be a good negotiator. Why else was he at the constitutional discussions? He was a good negotiator at the Constitutional Task Force that I sat in. I thought he was anyway.

What puzzles me is why did he not use the same approach with the Assembly of Manitoba Chiefs when the problems of working together started? So I think it is not just a matter of financial resources; it is not just a matter of semantics or definition. I think the main problem, as I see it, is that once you have damaged the working relationship it is going to take a while to get it up again, because both groups are sticking to their positions. I mean, that is the way I see it, and that is the way I read it as I travel around and I am talking to people.

Yes, I even thought of trying to get together with the Minister of Justice (Mr. McCrae). I thought of getting together with the Assembly of Manitoba Chiefs to see if there was anything that I could do to get the two groups together. I think that kind of reconciliation or getting back together at the table might not be as easy as one would think, because I think the relationship between the minister and the aboriginal people has gotten to the point where both are telling each other to—I mean, they are difficult, I know, the relationship between the two groups.

So I think if that working relationship can be re-established we can go a long way, because it saddens me, too. I also know, Madam Chairperson, what it is like to be on the other side. I am aware of what it is like to begin with a position.

The minister knows very well during the constitutional meetings, the task force that I participated in, that we all came there with a starting position. I tried to be as firm as the best way I knew how on day one, and at the end of the day I did not get exactly everything that I wanted. There was give and take.

I think that is the kind of approach that the minister should be taking with the Assembly of Manitoba Chiefs, and I would also, if I were talking to the Assembly of Manitoba Chiefs, say exactly the same thing, because what I think has happened is that it has gone to the point where it is going to be hard to

get it back to a level where both groups can be talking reasonably.

I think that is what the problem is. I wish the minister and his colleagues would sit down again with Phil Fontaine and chiefs' committee on justice and see what could be done. That is my wish.

The other thing I wanted to ask the minister was, he talks about funding programs and services that he thinks are worthwhile and they might be funded from the million-dollar budget. When the report was first tabled by the commissioners last August, and then at the end of January where the government finally made a response, there were activities that the government was planning in terms of doing what was provincial jurisdiction and could not very well deal with, as they said, matters relating to the Constitution.

Perhaps I can ask the minister to tell us what actually has been done in the area of provincial jurisdiction besides reviewing proposals and, yes, funding the Island Lake Tribal Council Youth Corps? What else has been done in terms of concrete action?

Mr. McCrae: Madam Chairperson, the honourable member was talking about how it is we came to the point that we are at, and how he had been talking to constituents, and what he had heard some of those constituents say. I guess it depends whom you are talking to. I talk to lots of people and listen to lots of people too.

Very often, the comment I have been receiving, not only from individuals but also from organizations, organizations representing aboriginal women in particular, is that they are telling me that I would be well advised to continue to attempt to look out for the interests of aboriginal women and also aboriginal children. Yet, when I speak out in favour of aboriginal women or aboriginal children, who is the first to pounce on me but Chief Stevenson, who is—guess what?—chairman of the justice committee of the Assembly of Manitoba Chiefs? So, you see, it depends on whom you are talking to.

Now, I know that the honourable member, as a former chief, would also be a former member of the Assembly of Manitoba Chiefs—and a chairperson—and no doubt knows many of the present members of the AMC. So I would ask the honourable member to do me a favour. While he is speaking to representatives of the AMC, would he

encourage them, just as he is encouraging me, to keep minds open and to let reason prevail and to keep in mind who it is we ultimately represent, that being people, people who need better justice services?

While you are at it, if you could remind them—well, I would like to know what the member thinks about this, what he thinks about the prospect of civil disobedience. This is an issue that is of concern, obviously, to an Attorney General. But, when civil disobedience is counselled by the highest aboriginal authority when it comes to First Nations in Manitoba, when it is suggested that civil disobedience be engaged in in regard to Manitoba gaming and our Canadian gaming laws, I wonder what the member's position is.

* (1510)

If it is the same as mine, then I would ask him to use his considerable power of persuasion to try, maybe, to correct the course that the Grand Chief of the Assembly of Manitoba Chiefs seems to be on in counselling other chiefs and aboriginal peoples to engage in civil disobedience. So I do ask that of the honourable member as a favour. I am just taking for granted that he would not agree with civil disobedience. But, if he does, then he might want to say that too, and then we will know a little better where each other is coming from.

I should say, when we are talking about our relationships, I cannot deny, when the honourable member suggests that there could be an improvement in the relationship between this government and people like Louis Stevenson, that it is true. We could go a long way to improve that relationship. Some relationships are harder to improve than others. But, in this particular case, I would encourage any move that Chief Stevenson might like to make to begin that process, and I would suggest that he ought to be the one to begin the process.

The honourable member has suggested that on January 28, the government finally made—I will get back to that in one moment. While we are talking about relationships, I would like to point out that it has been brought to my attention that some very positive signals have been coming recently from the Manitoba Metis Federation and from the Indigenous Women's Collective, in terms of their potential participation in our working groups.

I know from my experiences of the last 12-13 weeks, working very closely with Yvon Dumont of the Manitoba Metis Federation, that there is room for a good, productive relationship there. We have worked very well together in discussions in seven-or-so Canadian cities, as we discussed the most fundamental and important issues of the nation. I have enjoyed a very, very cordial working relationship with Yvon Dumont. He has a point of view, I have a point of view on things, sometimes they are the same, sometimes they are not, but that does not stop us from enjoying a quality relationship, which I think contains a fair amount of mutual understanding. I would like to enjoy that same kind of relationship with another person that I respect very much and that being the Grand Chief of the Assembly of Manitoba Chiefs. We need to do more work on that I agree.

Similarly I can say that positive signals have been coming from the Indigenous Women's Collective, a group of people who could do with better funding arrangements. The first time they were ever funded was by the present government of Manitoba, and I am not here to say that they could not use more funding. I am here to encourage other groups like the federal government, like the Assembly of Manitoba Chiefs and others to maybe help get involved in helping the Indigenous Women's Collective who are doing such important work on behalf of aboriginal women everywhere in this province.

I do single out the Manitoba Metis Federation and Indigenous Women's Collective to say that there have been recent approaches and discussions that seem very positive. I am pleased to see that happen, because the only thing that can result would be improved quality of life and improved services for people living in Manitoba, aboriginal people.

The honourable member did say that on January 28, the government finally responded to the Aboriginal Justice Inquiry report, and he said the word "finally." It seems to me that we came within the suggested response time line of the justices themselves. They suggested that an appropriate response could be made within six months, and we did that within about five.

So I cannot understand the language used by the honourable member when he says, we finally responded. The report took three years. The problems took 125 or more—many, many

more—years to develop. Although the report is clear that more in the last 40 or 50 years have the problems developed to the extremely serious condition we find ourselves in now. I really think that to say that we finally made a response after only five months, after all of the work that had been done previously by others—the government really had the report in its hands only for five months.

I do not think it is quite fair for the honourable member to say that considering the number of proposals, the magnitude of this report and the work that had to go into researching the report and so on, and all of the public hearings and all those things that happened, and then to suggest that the government comes along five months later and is finally making a response. I just do not think that is quite fair.

There has been a very large amount of work done, both prior to our receipt of the report from the judges but also since. Just to go through all of the recommendations and all of the chapters of that particular report and to try to look at those areas that are exclusively a matter of federal jurisdiction or responsibility, those matters that the province can be involved in, those matters where the chiefs need to be involved and other aboriginal leaders need to be involved and to separate all of those recommendations out to look at the short-term, medium-term, long-term feasibility of implementing those things and the possibility for consultation. All of that has gone into the work of the people involved in reviewing the report in order to put the government in a position to be ready to discuss with others in working-group situations the actual implementation of the report.

The thing that the honourable member has to remember is the government has not accepted all of that report. We have accepted the report physically, but we have not accepted each and every recommendation. Others have. The NDP has accepted each and every single recommendation in its entirety, as it is written by the justices. We have not and that is the difference.

The honourable member for Point Douglas (Mr. Hickes) has made it clear that the NDP takes each and every recommendation and accepts this. One that comes to mind, for example, is providing Legal Aid services to all summary conviction offences.

Well, I do not know if the honourable member for Point Douglas did any work on it or not, but that is a

\$2-million number just on that one recommendation out of some 300, I believe it is, in the report. While we were not just, I am sorry to say, quite so quick to be able to say that we can move immediately on such a recommendation—of course, it would be nice if we could provide that kind of service—but the taxpayer does not have the money, and therefore, governments do not have money either. That is just one recommendation out of many.

Maybe it is just because the honourable member for Point Douglas is a member of the opposition and not a member of the government who has to answer to the people of Manitoba for how the dollars are being spent. That is fair. I was in opposition once, and I know what that is all about. So that is quite fair ball. I think on closer examination in government—as I said to the honourable member for The Pas (Mr. Lathlin) the last time we discussed this, the honourable member for St. James (Mr. Edwards) has said, well, we can wait for another government, and they will do it all, right?

Well, it would not be a government of his party's stripe—[interjection] Yes, you said that.

Mr. Paul Edwards (St. James): When did I ever say that?

Mr. McCrae: Immediately after. The honourable member for St. James is asking when he said that. Maybe he was misquoted, but just after January 28th, when we announced our response to this report, the honourable member said things like that. Now, if the honourable member takes issue, I would be happy to pull out my clippings and share them with the honourable member. If he has been misquoted he can tell me that.

Mr. Edwards: By you.

Mr. McCrae: Well, I rarely quote the honourable member for St. James, so I do not know why I would ever be misquoted doing that. I will be happy to sit down with the honourable member for St. James if it is not true, what he said or is reported to have said, but my recollection of what he is reported to have said is that some other government will come along and—

Mr. Edwards: Just say something positive.

* (1520)

Mr. McCrae: I am trying to be positive about the honourable member for St. James. He has a very positive agenda. He wants to do a lot of things.

Mr. Edwards: Open your eyes, come on.

Mr. McCrae: The honourable member is taking offence, Madam Chairperson. I did not mean any offence, and so therefore I will withdraw all of the things I said about the honourable member for St. James, because I meant no offence to him or anybody else. But I do say that honourable members opposite suggest we should be taking that report and saying we are going to adopt and implement each and every recommendation. I am sorry, I cannot agree with that. The honourable member for Point Douglas (Mr. Hickers) said that, and if the honourable member for The Pas (Mr. Lathlin) wants to check Hansard, then he can do that. I think he was even here when it happened.

So I say, we will try through measured, appropriate steps to do the right thing. We want as much as possible to do it working together with all aboriginal people in Manitoba represented by their leadership. As I pointed out to the honourable member, two of the aboriginal groups that we have identified as being the ones we will work with have shown in recent days a very positive response to some of the things the government is saying, and we hope to work with them more closely very soon.

Mr. Lathlin: Madam Chairperson, this is the reason why the working relationship between the minister's office, his department, and the aboriginal people is not working, because of the very behaviour or attitude he is displaying here. He gets visibly upset when things are said to him, and then he wonders why other people get upset when he rambles on here like that.

I upset him the other night, I know I did, just like he upsets me when he does that because I am human, too, just like him, and so are the other people that he works with, such as the Assembly of Manitoba Chiefs. When he goes on a tirade in this Chamber and they are not here to defend themselves, of course they are going to be upset, just like the minister would be upset and indeed has been upset every time that he was attacked, he thinks, unfairly.

So I think all we are asking the minister to do is exactly that, do something. The Theresa Point project, and I said before what did it take on the part of the St. Theresa community for them to get funding? What did it require? It required news releases, press conferences, here in Winnipeg. You had to travel to Winnipeg to pressure the government into finally agreeing to fund the project further.

As far as the other proposals are concerned, what is it going to take for the minister to listen to these people who come in with their proposals? Or is he saying, the only way I am going to fund proposals is if the groups come into Winnipeg and they do a public demonstration, they hold press releases, news conferences and so on; that is the only way that I am going to fund these projects? Is that what he is saying?

Is he also saying, anyone who does not agree with me, I am not going to work with, but if you agree with me, yes, you are a good person, I will work with you? Is that what he is saying, Madam Chairperson? Because that is the impression I get, that is the message that I get as I listen to him speak this afternoon.

He says Yvon Dumont, he and I do not agree all the time, sometimes we do. Okay, but on the part of Chief Louis Stevenson, he says, every time Louis Stevenson disagrees with me, then I am not going to work with him anymore. Is that what he is saying?

As far as the AJI report goes, the minister keeps talking about a separate system. Well, I would like to tell him something. The AJI report, as the minister knows, very clearly in a lot of detail told the minister, the government, and others, the public, that the existing system has not worked for many, many years and likely will not work in the future as far as the justice system or the legal system affects aboriginal people.

Different groups, including a large portion of the legal community in Canada, have all supported that approach. The minister has also said this afternoon, these problems have developed over 125 years. I agree with him whole-heartedly, and that is why I say to the minister, it is going to take more than just tinkering with the system to make any headway. I am not expecting him to correct the system, the inadequacies, and everything that is wrong with the current legal system as far as it affects aboriginal people. I am not expecting him to clear all that up. What I am expecting him to do is to do something rather than just tinkering with the system, and tries to let everybody know that he is doing something in a very major way.

Well, my last question to the minister will be, out of all those recommendations that were put forth by the commissioners, at least those that are in the provincial jurisdiction, how many of those recommendations has the minister looked at with a

view to implementing them—those that are in the provincial jurisdiction? Has he looked at any of those recommendations, and if he has, which ones? Has he looked at it with a view to implementing them?

Mr. McCrae: Madam Chairperson, we have identified 119 of the recommendations as being provincial or in the provincial responsibility. We have rejected only four, so that should tell the honourable member something.

The honourable member asks what we have done, and I will tell him. In the area of Corrections, since the release of the Aboriginal Justice Inquiry report, Adult Corrections has implemented a number of initiatives in responding to program needs for aboriginal offenders.

First, the local native advisory committees comprised of members of the aboriginal community in which all of our institutions are located have been established at all adult correctional facilities. The purpose of these committees is to provide advice to the superintendent of each institution in regard to the development of appropriate programs in the use of community agencies to better meet the needs of aboriginal offenders.

With respect to our native spirituality policy, this policy was developed in conjunction with the Human Rights Commission, local elders, and was publicly announced by myself in March of 1992 at Headingley Correctional Institute. This policy fully recognizes and promotes traditional spirituality practices within the institution.

With respect to native elders, we currently have one full-time elder at Headingley Correctional Institute, a half-time elder at the Provincial Remand Centre and Brandon Correctional Institution. The remaining institutions have established regular elder services on a fee-for-service contract basis.

Corrections will be moving toward increasing the number of elders serving our institution to better recognize the fact that aboriginal offenders comprise fully 55 percent of our institutional population.

In regard to native awareness training, in recognition of the need for training in dealing with aboriginal offenders, Adult Corrections will provide two days of training to all correctional officers who have direct contact with offenders.

We have contracts with native agencies, corrections contracts with the following agencies to

provide supervision and case management to native offenders. First, the Native Clan Organization; second, The Pas Friendship Centre; third, the Elizabeth Fry Society, and we are seeking to establish a contract with the native Brandon Friendship Centre to provide one worker to the Brandon Correctional Institution. [interjection]

* (1530)

The honourable member is asking me how many aboriginal correctional officers there are in Manitoba, and I will undertake to provide that number to him. But I can say that, while progress could always be better and we have more to do, there has been good progress in the last four years when compared with any other period, and I will undertake to get the honourable member the numbers that he is looking for.

The honourable member should know that the Agassiz Youth Centre in Portage la Prairie has taken several aboriginal program initiatives. A sweat lodge has been constructed on the Agassiz Youth Centre campus for use by residents there as well as those from the Portage Correctional Institution. A native advisory committee has been formed to provide consultation on aboriginal program development, and a native awareness program for youth in custody has also been developed.

An organization of aboriginal staff in the Community & Youth Correctional branch has been established to provide consultation and assistance in the areas of affirmative action recruitment, training and program development. This organization has a name, and the honourable member might be able to pronounce it better than me, but it looks something like Gamagamabid (phonetic).

An Honourable Member: It is not Cree.

Mr. McCrae: I am told that it is not Cree, so there is no reason for the honourable member to be any better at it than I am.

Finally, the honourable member should be aware that approximately 20 community participation agreements have been concluded with aboriginal organizations and bands. In effect, these agreements involve fee-for-service payments by the department for correctional services delivered on site. That is in rural areas and in reserve communities by these aboriginal communities.

I have seen my officials working away here—I have a response to the question, but it may not be a full response to the question, and if there is more information I can get for the honourable member I will. Manitoba Justice recognizes the need to increase the representation of aboriginal people employed in its correctional system. At present, 7 percent of adult correctional institutional staff, 6 percent of juvenile institutional staff, and 11 percent of community correction staff are aboriginal. Affirmative action targets will be reviewed yearly and increased as quickly as is practical. I think if you compare that with the situation several years ago you would see a marked improvement, although no one is suggesting that it has gone far enough to this point.

Mr. Edwards: Madam Chairperson, one of the recommendations of the inquiry, page 755 of their book, was the recommendation that the provincial government—along with its recommendation to the federal and municipal governments as well—but the provincial government, “individually or in concert, with the assistance and involvement of Aboriginal people, establish formal cross-cultural educational programs for all those working in any part of the justice system who have even occasional contact with Aboriginal people.” What initiatives have been taken by the provincial government either individually or in concert with the other levels of government to achieve that goal?

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

Mr. McCrae: Mr. Acting Chairperson, with respect to cross-cultural instruction or training, the RCMP have programs in that area as does the Civil Service Commission. But how do we follow that recommendation? I mean, this is an extremely sensitive one, when you are talking about aboriginal cross-cultural education or training. How do we do that with no input from aboriginal leadership?

That is my conundrum on recommendations like that. I do not know how I can move forward fast enough when I do not have the participation of the leadership of aboriginal people. So that is a problem I put to the honourable member, but we are here and we are ready to move on matters like that, but we feel that we do need more aboriginal input.

Mr. Edwards: Mr. Acting Chairperson, has the minister specifically made a request to the Assembly of Manitoba Chiefs on that issue as to

whether or not they would be willing to appoint individuals to assist in developing programs for cross-cultural training?

Mr. McCrae: Mr. Acting Chairperson, I did not mention in my previous answer that the provincial judges have received that kind of training. What the honourable member asks is that we should single out that particular recommendation and approach the aboriginal leadership I believe and ask them for their views and their participation. That is not a bad suggestion and may be one way to get them indirectly to do what they refuse to do directly.

Mr. Edwards: Regardless of particular involvement, the Assembly of Manitoba Chiefs or other aboriginal representatives, what this government does have that is the product of the report, I understand, is quite a good, quite an instructive video tape presentation which went with this report. Has that been shown to those in the justice system who have even occasional contact with aboriginal people, which is the threshold under the report?

Mr. McCrae: We do not know that offhand.

I tend to think that the work that we have been doing in this area—there has been more of it than my comments are making clear. The question the honourable member asks is probably better for me to reply to him further in writing or personally, but I do not have the kind of information that I would like to have in front of me in order to give a detailed kind of answer to that, but I would undertake to do that. The film that the honourable member refers to, I take it, would have some good potential there and may be used in future as we carry forward with more of this type of training.

Mr. Edwards: Mr. Acting Chairperson, another recommendation is that the federal and provincial governments isolate designate positions which will require or will inevitably result in high-contact aboriginal people as aboriginal-bilingual positions. That is something that this government could have done on its own. How many and what positions have been designated as aboriginal-bilingual positions to date?

Mr. McCrae: I believe when we are advertising or bulletining for positions in the government, most notably in Corrections, there is a preference to those who are bilingual English/aboriginal. It is not without its problems, the honourable member knows. There are five aboriginal languages spoken

in this province, so what might be good for one area might not be so good for another area. All of the people involved in those five language groups might be concentrated in the same institution, such as Headingley, for example, so that you could have a need for someone to speak a particular aboriginal language and the person you have hired speaks one of them, does not speak the other. There are problems that way.

However, that does not mean that there should not be attention paid to the issue, and in our staffing we see an ability in an aboriginal language to be a definite asset when looking at potential employees. That is something that we look at as a strong point when making hiring decisions.

* (1540)

Mr. Edwards: Mr. Acting Chairperson, on page 757 of the report, there is a suggestion that the government consult with aboriginal groups to design and implement a data collection system that would provide detailed information to compare the impact on, and treatment of, aboriginals and non-aboriginals by the justice system, and to further evaluate the success of those programs and provide information to help identify needed reforms.

I acknowledge the opening statement is that the government should consult with aboriginal groups, and obviously the minister has been unable to establish a consultative relationship. I would ask him, however, whether or not his department has put forward their suggestion as to the design and implementation process for a data collection system that would satisfy that recommendation?

Mr. McCrae: I believe the judges who wrote the Aboriginal Justice Inquiry report would tell you that my department was helpful in providing data information about aboriginal offenders. We made available as much information as we could, and I think they would say that information was useful. In order to put together a database that would be meaningful, it seems to me you need to develop better programs than we have right now. Maybe the programs should come first and then the information gathering system could come later, so that information could help us make decisions about whether what we are implementing is doing the job it is intended to do.

I cannot tell the honourable member we are or will in the near term set up such a system. We have records. We keep records of matters that pass

through our court system, and it would have been that kind of record that would have been made available to the judges initially, but if the honourable member is talking about some kind of computerized database that we can build and then add to, we need to put into place enough programs to make improvements before we want to start judging that, because we already know that aboriginal participation in the justice system is too high; we know there are too many aboriginal people in our jails. We already know that from previous databases.

All of which is to say to the honourable member that rather than spending our money at this point to set up a new system to keep records of something that we have not implemented yet—unless you wanted to use such information for St. Theresa Point or something and that information is available already.

Mr. Edwards: I guess that is true, and it solves to a certain extent having to set up a data collection system to review programs, because if you do not implement any programs, then you do not need a data review system.

But moving on, another recommendation, it is page 753, has to do with The Provincial Police Act which is presently before this House being amended. There is a suggestion that the act "make explicit provision for the recognition of any police commission or committee which is established to provide police services in any municipality, unorganized territory or Aboriginal community."

It goes on to suggest that the act "be amended to provide for the establishment of a provincial Aboriginal Police Commission with the authority to prepare and enforce a wide range of regulations," et cetera, for aboriginal police force in Manitoba.

Why have we not got those amendments before us while we are amending The Provincial Police Act in this session of the Legislature? I believe that Bill 86 is before us doing that.

Mr. McCrae: Mr. Acting Chairperson, the standard type of agreement to set up an aboriginal police force, as I understand it, is expected to take anywhere from three to five years, and for us to try to take a picture of what will exist three to five years from today in terms of aboriginal policing, try to fit that into legislation that we are bringing before the House in June of 1992, is just impossible.

For the time being, however, all police forces in Manitoba except for the RCMP could, by regulation, come under the authority of the Law Enforcement Review Agency and the mandate that it has and our present policing arrangement.

No one knows for sure what things are going to look like in the justice system in Manitoba three to five years hence, but we can certainly legislate for the things that we know exist today, and that is what we are doing.

Mr. Edwards: That is not an adequate response, in my view, to the recommendations. The recommendations call for the amendment of The Provincial Police Act essentially as an enabling provision to allow for the recognition of any police commission or committee which may be established in the future to provide police services.

Secondly, the act, which is a provincial act, it is asked that it provide for the establishment of provincial aboriginal police commission. No one suggests that the province can unilaterally establish aboriginal police forces. What is being suggested is that an aboriginal police commission—and we do have an aboriginal police force already in this province. What is being suggested is that The Provincial Police Act be amended to provide for what we have now, which is not enough. We are obviously going to want more, a higher level of aboriginal policing of aboriginal peoples, but also to provide enabling legislation for those future committees or commissions which may be established in the future, essentially showing leadership in the area of policing through amendments to The Provincial Police Act, which would not in any way prejudice or, I suggest, undercut or be too early for this province to move in, given that we already have a provincial aboriginal police force in place and that this is a very clear recommendation of the report which is not made contingent on what may or may not be five years down the road.

Mr. McCrae: Mr. Acting Chairperson, there may well be something in what the honourable member says, and I am going to review his comments to see if I am right about that.

Mr. Edwards: Mr. Acting Chairperson, we have tight time constraints in this House, and I do not blame the minister for that. We have to move on to other departments and we are limited in terms of time. I simply want to put on the record that we wish

we had more time. I am sure the member for The Pas (Mr. Lathlin), feels the same way, but at this point I am going to curtail questioning in order to move on, as I have been instructed to do so, and look forward to some ongoing dialogue in a less formal way, perhaps with the minister, on these issues.

As I indicated earlier, I share the frustration of the member for The Pas (Mr. Lathlin), and I have listened and reviewed the comments of the Minister of Justice (Mr. McCrae). This is an historic period of time, I believe, in this province. I sense it is being lost and that gives me enormous concern and disappoints me.

I encourage the minister to review every one of those initiatives and do what he can. If he cannot find the ability on either side to work together on this, do what he can. It would be an enormous sign of good faith to do, to take some initiatives beyond—I acknowledge the St. Theresa Point, the DOTC. Those were existing, those are good programs. Those are very good things.

They were existing prior to this. It is important that they be continued, but you cannot hang your hat on those programs for too long.

I offer again the suggestion that if dialogue is broken down, if the working group model is not acceptable to the aboriginal, whether the minister feels they are right or wrong to do that, whether the minister feels that they are wrongfully asking for \$250,000 for a starter and that this has caused a breakdown, the way around that, it is my suggestion, given that they have accepted the recommendations in full, on the record to my knowledge of the Aboriginal Justice Inquiry Report is simply appoint the commission.

* (1550)

Go back to square one. Square one was a good idea, and I do not accept that it was administratively inefficient or cost ineffective. I think it could be structured in a very effective and efficient way. The one thing we know today is that nothing the minister has proposed thus far is working. My suggestion is that he go back to the report and make that offer and suggest, put in writing, who his commissioners are going to be and ask them to do the same. I think that is the way to call the aboriginal community back to where we perhaps should have started on this, start anew and start afresh, because the one thing we know today is that it is not working. It is an

enormous cost, not just in terms of human costs but in terms of financial cost, and causes me great distress. I believe most Manitobans are looking for a lot more than what is coming as a result of this report. Thank you, Mr. Acting Chairperson.

The Acting Chairperson (Mr. Reimer): Resolution 129: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,000,000 for Aboriginal Justice Initiatives—pass.

That so concludes the Estimates on the Aboriginal Justice Initiatives.

FINANCE

The Acting Chairperson (Mr. Jack Reimer): We will now continue with the Estimates on the Department of Finance. This section of the Committee of Supply will be dealing with the Estimates of the Department of Finance.

We will begin with a statement from the honourable minister responsible. Does the minister have an opening comment?

Hon. Clayton Manness (Minister of Finance): Mr. Acting Chairperson, I will leave it up to the opposition critics to let them decide whether or not they would like me to read into the record approximately four and a half pages—

An Honourable Member: I think we probably saw it in the budget anyway.

Mr. Manness: —or whether they would prefer I not. [interjection]

The Acting Chairperson (Mr. Reimer): Is it the will of the committee?

Mr. Manness: Mr. Acting Chairperson, thank you very much, and to critics from the other parties, I will certainly save them from all the detail in respect to staff-year changes and all that, provide a copy to Hansard as if it were read into the record.

Opening Remarks Presented But Not Read

Mr. Chairperson, members of the committee, I am pleased to present the 1992-93 Estimates of Expenditure of the Department of Finance for your consideration and approval.

The Estimates Supplement for the Department of Finance has been tabled previously. It provides a good deal of information which should answer most of the detailed questions which are normally asked during the Estimates review process.

Overall, the Department of Finance is requesting approval to spend \$718,475,100 in 1992-93 as compared to \$751,467,000 for the Adjusted 1991-92 Vote, a decrease of \$32,991,900 or 4.39 percent. Most of this decrease is due to an estimated reduction in public debt costs of \$37.8 million from \$493 million in 1991-92 to \$455.2 million in 1992-93, offset by an estimated increase in tax credit payments of \$4.1 million—from an Adjusted Vote of \$236.9 million in 1991-92 to an estimate of \$241 million in 1992-93. Details of these changes can be provided later.

Operating expenditures are estimated to increase \$708,100 from the Adjusted Vote of \$20,267,000 in 1991-92 to an estimate of \$20,975,100 in 1992-93—an increase of 3.49 percent. Department of Finance 1992-93 estimated operating expenditures were subjected to the same stringent Treasury Board guidelines and sectoral review process as applied to all other operating departments. For 1992-93, the Department of Finance was included in the management and reform sector. This sector also included the departments of Legislation, Executive Council, Co-operative, Consumer and Corporate Affairs, Civil Service Commission, Government Services and the Information Resources Division of Culture, Heritage and Citizenship.

In total, Department of Finance staff years are requested to increase from 392.48 as the adjusted figure for 1991-92 to 397.48 for 1992-93—an increase of five staff years. One staff year is requested for the administration division to establish an EDP systems development co-ordinator position, while the other four staff years are term positions for the taxation division, expected to be required for 1992-93 only, to facilitate completion of reorganization arrangements in the taxation division. Requested 1992-93 salaries are increased by \$1,025,000 or 6.6 percent as compared to the Adjusted Vote for 1991-92. Estimated other expenditures have been reduced by \$69,900 or 1.1 percent. Estimated recoveries are increased by \$247,000 or 12.5 percent primarily due to additional allocation of general liability and property insurance premiums to other departments.

Estimates for the comptroller's division include \$50,000 to provide for specialized consulting services and other expenses relating to the Integrated Financial Information System (IFIS) project. This project, led by the Department of

Finance, is being undertaken in response to a growing awareness at all levels of government that our aging financial systems are no longer adequate to meet the increased needs of users. The intention is to establish a strategic direction for future systems development, and ultimately, to put in place a financial information and management system that will streamline transaction processing and enhance the quality and accessibility of financial information for the benefit of all users.

To this point, the project has substantially accomplished the analysis and identification of broad business objectives, current system deficiencies, and general system requirements. The need has now arisen for a technical evaluation of the design of one or more particular system solutions. Our intention is to focus initially on a new software product developed by the federal government specifically designed to enhance financial management and decision making.

I am pleased to report that the reorganized taxation division, effective April 1, 1991, produced significantly improved tax audit recoveries and better relationships with taxpayers as evidenced by fewer taxpayer complaints. Technology improvements, utilizing laptop computers by auditors and tax collection computer assisted systems have improved related productivity. Operational and computer systems developed and to be developed will further improve taxpayer satisfaction through improved delivery systems in tax refunds, as well as in providing accurate and timely information to taxpayer enquiries.

For the first time, tax credit payments are shown on an accrual basis. Previously, the amounts voted in this appropriation reflected the anticipated cash flowing in the fiscal period rather than the entitlements acquired by Manitoba residents during the course of the year. The change in accounting implements the Public Sector Auditing and Accounting Committee (PSAAC) guidelines on obligations incurred in one accounting period.

The Estimates show \$241 million in benefits Manitobans are expected to claim in respect of the 1992 taxation year. Some of these benefits—the Resident Homeowners' Tax Assistance, for example—will be paid this fiscal year, while others will not be paid until Manitobans file their 1992 income tax returns in the spring of 1993. The Manitoba government's liability for these payments, however, is incurred this year.

Members will recall that legislation which made provincial social allowance recipients ineligible for tax credits was passed in the 1991 session. The estimated savings, \$18 million, were transferred to Family Services to fund, in part, offsetting increases in social allowance rates. This initiative added an estimated \$23 million to social allowance rates, over and above normal indexing of benefits.

The initiative ensures that social allowance recipients receive their benefits on a monthly basis during the course of the year. Other taxfilers must wait until the spring of the following year before they receive their entitlements. The initiative provides social allowance recipients with more money in total, and they receive it sooner. It also ensures the public funds allocated for recipients goes into their hands directly rather than through discounters.

Mr. Chairperson, in general, these Finance Estimates are prepared on a basis comparable to last year. Members are advised that many of the "Other Expenditures" amounts have been held to no increase over the Adjusted 1991-92 Vote and in some cases have been substantially reduced.

Mr. Chairperson, I commend the Finance Estimates for consideration by the Committee of Supply. I am pleased to invite questions from the members regarding these Estimates. Thank you, Mr. Chairperson.

* * *

There is one area I would like to talk a little bit about what it is we are trying to do in financial information system. For years we have had a situation not only in Finance but indeed as the Department of Finance relates to all the other departments of government. We have had a hard time as the systems have developed that there is direct communication.

What we have undertaken this year is, within the Comptroller's Division we have provided \$50,000 for specialized consulting services and other expenses relating to the integrated financial information system, IFIS for short, project. This project led by the Department of Finance is being undertaken in response to a growing awareness at all levels of government that our aging financial systems are no longer adequate to meet the increased needs of users. The intention is to establish a strategic direction for future systems development and ultimately to put in place a financial information management system that will

streamline transaction processing and enhance the quality and accessibility of financial information for the benefit of all users.

To this point the project has substantially accomplished the analysis and identification of broad business objectives, current system deficiencies and general system requirements. The need has now arisen for a technical evaluation and design of one or more particular system solutions. Our intention is to focus initially on a new software product development by the federal government specifically designed to enhance financial management decision making. So I only point out to the House, Mr. Acting Chairperson, that we are trying to work towards the adoption of a new financial management system.

I would just like to make one other comment, and that is to report that the reorganized Taxation Division—this is moving on to the Taxation Division now—effective April 1, '91, produced significantly improved tax audit recoveries, and better relationship with taxpayers is evidenced by fewer taxpayer complaints. Technology improvements, utilizing lap-top computers by auditors and tax collection computer-assisted systems, have improved related productivity. Operational and computer systems to be developed will further improve taxpayer satisfaction through improved delivery systems and tax refunds as well as in providing accurate and timely information to taxpayers inquiring.

Mr. Acting Chairperson, I will leave the opening remarks to these few points at this time.

The Acting Chairperson (Mr. Reimer): We will now have the customary reply from the critic of the official opposition, the honourable member for Brandon East.

Mr. Leonard Evans (Brandon East): Mr. Acting Chairperson, I think the minister, from the information he has given us plus the notes I believe he will be sending to us on some of the changes and highlights that he wishes to advise us of with respect to his department—I would say offhand the Department of Finance traditionally has been a very well run department. I can say candidly that I do not have any particular concerns at this point at least about the organization of the department, management of it, and I know they are forever looking at ways and means of being more efficient, cost effective and so on.

My main concern and the concern of the official opposition is with regard to the lack of action on the part of the minister and his department to address key questions of the economy, because this is the one department where we do focus in on economic policy by the provincial government. Without question the major problem facing this province of Manitoba today, we have many problems but the major problem, in my estimation is the very, very high, unacceptably high level of unemployment that persists. We still have well over 50,000 Manitobans out of work. It is not acceptable. I appreciate the fact that there is a recession in Canada, a recession in the United States. I appreciate the fact that there are over one and a half million, or thereabouts, people unemployed across the country, and I am not pretending for one minute that we can live as an economic island unto ourselves.

I will also go on to say that the federal government has the monetary and fiscal capacity that no one provincial government has, and has to take the major responsibility in fighting unemployment and recession. Nevertheless, there is a role for the provinces, and surely there is an important role for provincial-federal co-operation in fighting the recession. My criticism is that neither the federal government nor the provincial government—and this applies to certain other provincial governments as well—has made recession-fighting the No. 1 priority. They have not made the fight against unemployment, the fight to minimize unemployment, their top priority.

There are various reasons that are given. The usual one is a lack of money; the usual one is that we cannot afford any more taxes; the usual one is that we cannot borrow any more, and so on. While we can all share in this House the need to be as efficient as possible in spending, the need to maintain a minimal deficit, et cetera; nevertheless, we believe that this minister and this department and this government have failed in focusing on the unemployment problem that faces us.

The fact that our economy tends to be slow—it has traditionally been a relatively slow-growth economy, but now we have signs of major industrial erosion and, of course, the continuing, cyclical unemployment. We believe that this government and this minister and this department have failed by not trying to address this question.

* (1600)

It could have been done in various ways such as jobs and training programs, such as public works programs, particularly involving municipalities, whereby the government could have given the municipalities, such as the City of Winnipeg or the City of Brandon, some incentive to bring necessary projects forward and in the process help those municipalities undertake major required public works.

Goodness knows there is deteriorating infrastructure in our cities that has to be attended to, but the cities, the urban municipalities do not have the financial wherewithal. Here we could have assisted the cities, and we could have fought the unemployment problem. We could have to some extent alleviated unemployment.

While the government always pooh-poohs the make-work programs, nevertheless they have got into it to some extent. CareerStart—I mean by the government's definition of make work, I guess CareerStart is a make-work program. We do not believe that they are make-work programs, especially if you are involving the private sector, providing the private employer with some incentive. The private employer has to put money on the table. Presumably, they are real jobs.

I say, this is one direct way that a provincial government can stimulate the economy, not through, as some might suggest, tax cuts, because there is too much of a leakage out of the provincial economy by way of tax cuts to provide the necessary stimulus. The way to get at the problem directly is to help put money in the people's pockets who are unemployed, take them off of welfare, and hopefully get them producing goods and services that we all need.

I think back to 1987-88, where we actually signed an agreement with the federal government—I believe the Honourable Jake Epp was then minister—whereby we had a \$6-million program of employment enhanceability for welfare recipients. It was directly targeted at welfare recipients to try to get them trained so that they could leave the welfare roles and become gainfully employed. As I have said before, our major problem is lack of effective demand for the goods and services that our industries can produce, and therefore we are underutilizing our capacity. We are continuing to have this sluggish economy.

I believe that we are still suffering from high interest rates, and we would like this minister to be more aggressive in pressuring the federal government on its monetary policy. Many people seem to think, well, the day and age of high interest rates is behind us, and we do not have to pressure the government as we have in the past, because I do remember this minister complaining about high interest rates a couple of years ago. I would continue to pressure the federal government on this, because we still have in real terms unconscionably high interest rates.

As a matter of fact, the real interest rates have gone up recently. Back in December of 1991 the rate of inflation was 3.8 percent and the official bank rate was 8 percent and the difference between these two numbers is the real interest rate. Therefore the real interest rate in December of 1991 was 4.2 percentage points. Today, that has increased. The rate of inflation has dropped to 1.3 percent. The bank rate, however, has only dropped to 7 percent, so that the difference which is the real interest rate is now 5.7 percent. So we have gone from 4.2 real interest rate level in December to 5.7 today. [interjection] Well, just under 6 percent. This is not my arithmetic; there is an article in a recent issue of The Globe and Mail, so that is my source of information. I just presume that their figures are right, and so on. At any rate, our interest rate levels are still too high.

Having said that, I would acknowledge that the monetary easy money policy is not the way. It is an important condition, but it is not a sufficient condition to get the Canadian economy going. You have to have a positive fiscal policy as well, and that is sorely lacking. As a result, our economy continues to flounder. I know there are some signs, some glimmers of hope through increased exports, for example, with the Americans especially, but, nevertheless, Statistics Canada still refuses to proclaim the recession over.

(Madam Chairperson in the Chair)

Again I blame the federal government for the Canadian dollar being far too high vis-a-vis the American dollar. That is not a radical left-wing position. This is stated by presidents of corporations, CEOs of corporations. I was reading an article today in The Globe and Mail where a particular president of a large corporation was criticizing the high value of the Canadian dollar.

An Honourable Member: Debase yourself to prosperity, that is your

Mr. Leonard Evans: Debase myself to prosperity? I am saying we have to have a realistic value of the dollar so that we can enhance our exports. We want to increase exports so that we can have more jobs, more production in Canada; that is what I say. Ultimately, we will not be debasing our wealth. What we will be doing ultimately is increasing our wealth, and that is surely what it is all about.

Madam Chairperson, I just wanted to put those few remarks on the record. I appreciate we are limited in time. I have four or five points or questions I would like to pursue, areas that I would like to pursue with the minister in due course, however we wish to do so, but I do not have detailed questions on the management of the department. I do not have any major criticisms in that respect. So, with those few words, I yield the floor to, I guess, the representative of the second opposition party.

Madam Chairperson: Does the critic for the second opposition party wish to make an opening statement?

Mr. Reg Alcock (Osborne): Madam Chairperson, no, I do not have an opening statement. I would just as soon get to the questions, because the time is extremely short.

Madam Chairperson: I would remind all members of the committee that item 1.(a) will be deferred for consideration until other items have been considered.

Mr. Alcock: Madam Chairperson, just on a point of procedure, a question to the minister. Given the shortness of the time and the fact that the member for Brandon East (Mr. Leonard Evans) has indicated that he has a few questions and I have a few specific questions—although they are not the specifics of departmental operational lines, they are more policy related—could we deal with the Estimates as a whole and pass them all in one go, instead of having staff jumping in and out of the room and the like. I mean, I do not think we need to go through that.

Madam Chairperson: Is that the will of the committee? Would the minister's staff please enter the Chamber.

Order, please. I believe the honourable minister is trying to determine procedure.

*(1610)

Mr. Manness: Madam Chairperson, I would ask the members whether they would have any Public Debt questions, because I would like to have the ADM of Taxation here. I would like to have the Comptroller here. Would there be any questions of the Comptroller's Division? If not, then I will not bring the Comptroller in. I will bring in Fed-Prov which deals with the transfer payment area. [interjection] Taxation? [interjection] Okay, then we will bring in those three divisions.

So we will bring in somebody from Debt Management, we will bring somebody in from the ADM of Taxation, and we will also bring in fed-prov representatives. [interjection] Well, Charlie will look after that. Okay? So those three divisions?

Madam Chairperson: Agreed? Just for clarification, I believe it is my understanding that there are no questions under Administration and Finance, so shall we quickly proceed to pass this section with the exception of the Minister's Salary and the Resolution?

Mr. Leonard Evans: Madam Chairperson, I did not think we were going section by section. I thought we were just going to have a general discussion, general questions and answers, and then pass the entire list thereafter.

Madam Chairperson: Whatever the will of the committee is, but I was just trying to expedite the process, because at some point we have to pass these line-by-line items.

Mr. Leonard Evans: At the end we will pass all the items.

Madam Chairperson: Okay.

Mr. Leonard Evans: Madam Chairperson, as I said, I have four or five areas that I would like to explore with the minister. If the minister talked about debt management—I do not know if he has his staff here for this item at the moment or not—but my question is: Just what shifts have occurred in provincial borrowing? I know the minister a couple of years back was talking about his desire to minimize offshore borrowing to shift preferably to Canadian borrowing and to a lesser extent to American borrowing. So I am just wondering if the minister can update us on what has been happening to borrowing by this province, and perhaps he can give us a rundown on the situation.

Mr. Manness: Madam Chairperson, I am happy to report that right now we have no non-American denominated debt. In other words, it is all North

American. Of the total across the Crowns and general-purpose borrowing, roughly 38 percent is U.S. denominated. So roughly then, 62 percent of our total indebtedness is in Canadian dollars. As you know, we have undergone a number of swaps through those beneficial periods which provided some very good return to us. We have booked those benefits but we are out of all liability, all exposure, in non-North American denominated debt.

Mr. Leonard Evans: I would thank the minister for that information. I do not think anyone would really wish to borrow abroad if necessary because of the uncertainty that is involved in the exchange rates that tend to fluctuate from time to time and the uncertainty with regard to future burden.

I recall back some years ago, it seemed to be the wisdom within the government—and it was not just political wisdom, it was wisdom with the staff—that it was, as I understand it, suitable and appropriate for the province to borrow in foreign countries because the rates of interest were so different. The rate of interest was so attractive at that time vis-a-vis the Canadian rate of interest that we were minimizing the debt burden, the interest burden on Manitoba taxpayers by doing that at the time.

Now, conditions change and certainly they have changed over the years, so obviously it is not as attractive, if at all, to borrow offshore. So, as I understand it, the only foreign borrowing we have at the present time—I am not trying to put words in the minister's mouth—but as I understand, none of our debt is held by any persons in countries outside Canada and the U.S., 38 percent is held in the United States, and 60 percent is held in Canada. So there is no debt held offshore; 38 percent of the debt is held in the United States, 62 percent is held in Canada.

Mr. Manness: Not quite correct, Madam Chairperson. What we are saying is that we have no liability in terms of currencies outside of the U.S. dollar. That does not mean that individuals wherever they live in the world, wherever they happen to be in the world, may not be investing in Manitoba bonds, but they know when they buy those bonds, they are either buying them in Canadian dollars or in U.S. dollars. So there could be investors from many parts of the world who have purchased our bonds.

Let me say, though, in respect to the minister when he said the collective advice during a different age was to invest in the so-called lower coupon rate, the lower interest rate, that may very well have been the case, but there was still a judgment call by somebody in government, ultimately, as to whether or not to take advantage of that low coupon rate knowing that there still was one whole side unhedged, and that was the value of the Canadian dollar vis-a-vis the currency. Of course, that is what provided the incredible exposure.

So right today, not today so much, but there was a time two years ago when still on the coupon rate it would have been much to our advantage purely to have gone out and got German marks. I know when I first came into office, German marks, I think we still could get for 5.5 percent coupon, when long-term Canadas were in the area of 11 or 12.

Purely then in comparing coupon rates we should have still been in German marks, but the reality was we thought that the Canadian dollar, because it is tied so closely to the U.S. dollar, might slide away from the German mark and, of course, end up the effective rate of interest, no longer being 5.5, but something like 15.5, that we chose not to take that risk. We made a conscious decision.

The former government decided though that they wanted to make the decision, and they thought that the risk was not so great. Well, hindsight is perfect, and there was tremendous cost with that. So it varies from time to time, I agree, but ultimately, unless you can do a perfect hedge, a province, a company, whoever, a nation, will be exposed if they are borrowing in some currency other than their own.

Mr. Leonard Evans: Certainly, the minister and government of the day have to take responsibility and I am not suggesting otherwise. It is a judgment call, but it is a judgment based surely on the facts at the time and some rational approach. I do not think it is a matter of right-wing versus left-wing policy in terms of where you borrow.

Any government surely wants to minimize the burden of debt, the burden of interest rates. Ideally, I am sure what we would like to see is the entire amount of provincial debt held within the province and all those people here, so that we pay out our interest rates to Manitobans, but that is not possible.

Can the minister, and maybe he has not got all the figures with him, but just where is the debt held?

I am not trying to put words in his mouth. I am not trying to confuse the matter, but you have talked about the liabilities in terms of dollars, American and Canadian dollars, but do you have any further detail on where the debt resides or where the debt is held outside of Canada?

Mr. Manness: Madam Chairperson, I do not always know, when we work through our lead managers. I guess, do we ultimately know, who are the bond holders. I know in some cases I do see a list of, particularly, our U.S. bond issues. Sometimes they total, if we do a \$200-million to \$300-million issue, anywhere from eight to 12 purchasers. They cover the gamut, I mean, the spectrum, right—I have used this on the stump many times. I mean, I have always impressed, and have I always enjoyed the responsiveness of the crowd when I tell them that, for instance, the Teachers of Texas Pension Fund are vitally interested in whether or not we are going to pay back our loan or indeed the interest on the loan in time, or the State of California civil servants—equivalent to our superannuation fund—who, I understand, have invested in our funds.

But there are life insurance companies, we know for sure in Japan and in Great Britain—in England—which have invested in Manitoba bonds. So these are the types of institutional purchasers who come forward. Manitoba obviously has been a borrower of some repute for a long period of time. Their name is known. They have always honoured their commitments, seen as a worthy credit risk.

So it is these types of institutions that take into account what it is we are prepared to pay in terms of interest. Making a decision, given their portfolio mix at the point in time, they decide ultimately whether to invest in our bonds. So it covers a wide spectrum of institutional buyers.

* (1620)

Mr. Leonard Evans: Perhaps then we could slip over and discuss the situation of revenues versus expenditures, namely the situation of the deficit. Since deficits translate ultimately into borrowing, I am wondering what is happening to ours—what is our latest estimate of the deficit?

The reason I am asking, the reason I have great concern here is a differentiation in the estimates of equalization payments from the federal government, because in one document—if I read this correctly—this was the Detailed Estimates of

Revenue that was tabled during the Budget Address of the minister which showed Current Operating Programs, Estimated Revenue for the Year Ending March 31, 1992, of \$1,862,827; whereas now, in the Supplementary Information we have been given for this Estimates discussion, I note that the department is showing estimates from the Government of Canada to be \$1,511,900,000.

In other words, we have gone from about roughly \$1.9 billion down to \$1.5 billion, which is a substantial difference; it is a \$400 million difference. Well, first of all, is there any explanation for that difference?

An Honourable Member: What page would that be?

Mr. Leonard Evans: Well, this on page—there is no page numbering. It is first, just inside, yes, the 1992-93 Revenue Estimates, Summary by Department. There is an item here, Finance, and it shows under Government of Canada \$1.5 billion. The other is the first page of the summary of Revenue Estimates in the document tabled with your Budget Address, and as I say, this shows roughly \$1.9 billion—\$1.862 billion, et cetera, and this one is \$1.511 billion, et cetera. So there is a difference of roughly \$400 million.

Mr. Manness: Madam Chairperson, for the sake of time, we will endeavour to find out specifically the difference and the rationale for the differences in those numbers. We do not have them right now, but if the member wants—all I can say for the record is simply this: there is no change in the estimate. Our revenue estimate is from the presentation of the budget. We still are very much on course as far as '92-93. I mean, I am prepared to give greater detail around some of the revenue numbers now that we are into the last month of the first quarter and almost finished the first quarter, but as far as our estimates for revenue for '92-93 global, those that were presented in the budget, which were I believe a little over \$5 billion, those are unchanged at this point in time.

Mr. Leonard Evans: So that, if I heard the minister correctly, the total revenue from all sources including the Government of Canada is still estimated to be a little over \$5 billion, \$5.1 billion. Yes, well, this is what I see on page 3 of the financial statistics section of the budget document. Nevertheless, when one looks at this document, the budget document, the estimate of \$5.1 billion

includes this higher number of federal transfers. So now you have given us a document which has \$400 million less. [interjection] Well, it is the preface—it is 1992 Revenue Estimates. That is a substantial difference.

At any rate, what the minister is saying though—nevertheless he feels, in spite of that, there is some explanation, maybe there is a statistical explanation so that the total revenue is still anticipated to be the same as his budget document showed.

Is the minister now prepared to give us any information as to the estimate of the deficit situation which, of course, requires some consideration of expenditures as well as revenues. In other words, are we still on target for the projected deficit as shown in the budget document?

Mr. Manness: Madam Chairperson, in terms of '92-93, again, we are just too soon into the new fiscal year to give the member anything that might be of value to him. Certainly, when we look at the revenue side, I have got revenue numbers that are sort of bouncing a little bit, and I am talking about our own source revenues that are a little below and a little bit above. I would say, moving into the end of the first quarter, they are probably a little down from what we are forecasting globally or in and around the same number.

We have no reason today, and I talk to Mr. Neumann every two weeks and ask him if we have got any news coming from Ottawa, because that is where I tend to lose a lot of sleep, if there will be a unilateral decision or something else coming down that is going to impact the transfer area. At this point, there is no reason for changing the Estimate that we have in transfer.

So on the revenue side, I am saying as we are just into '92-93, I have no reason to change. On the expenditure side, again, we have no knowledge of where we are at, although to say to the member we will be beginning the '93-94 budgeting cycle sooner in the sense that if revenues begin to change mid-year, we will be in position to react, and we may have to make some expenditure decisions to ensure that the deficit net does not go beyond that forecast.

So that is where we are in this new fiscal year, old fiscal year, '91-92. I guess we are just bringing in the final number, doing the compilations with respect to trying to present an unaudited fourth

quarter, '91-92. We hope to do that within the month, sometime in the month of July.

At this point it looks like the deficit last estimated in the third quarter was, I believe, at \$348 million. Probably we will see a small decrease from that \$348 million. At this point I cannot say how much, because, quite frankly, I do not know. Certainly, we will not surpass the third quarter forecast of \$348 million deficit for '91-92.

Mr. Leonard Evans: Madam Chairperson, looking at these figures further I see that there probably is some sort of statistical explanation here, because the federal transfers more or less correspond if you bring yourself to the bottom line. I guess when I was looking at 1.5, I had in mind that being the total. But the total is down at the bottom. So maybe we can relax a bit. But the 1.8 is—yes, I see that now.

More specifically, dealing with equalization, because that is not broken down here as such, but equalization referred to in the budget document. Last year, that is '91-92, it was roughly \$995 million. This year, according to your '92-93 Estimates, you have projected \$1.085 billion. Can I ask specifically what is happening to this estimate? Is it possible for the minister to enlighten us on that? I am talking specifically about equalization payments now.

*(1630)

Mr. Manness: Madam Chairperson, there are three reasons. First of all, there are purely technical changes which, of course, are ongoing. If the member wishes much greater detail on that, I will ask Mr. Neumann to present that to him at another time. Secondly, because other provinces have chosen to increase their taxes, obviously their capacity to tax is greater, and through that process we then have shared to some extent. It generates more revenue obviously in the tax-sharing pool. Thirdly, other disparities verge on the area of technical change. We have now put a greater definition to some of the tax areas, and we have also benefited from those changes.

I might point out, in this whole area of equalization, as I have pointed out to my colleagues in cabinet, this is a very dynamic area. We have roughly 32 tax areas. I can indicate to you that our province is pushing very hard for the inclusion of a 33rd, and that includes, of course, municipal tax base, comparing that taxing field as across all the provinces of Canada. One would have to imagine the benefit to Manitoba if that were to be included

within the whole equalization area, because certainly there are assessed values as against property in some provinces that would provide again significant equalization monies to some of the recipient provinces.

I might point out that the federal government, at least I am led to believe, in principle is prepared to be part of those discussions and has paid some credence to their inclusion. So this whole area of tax, trying to measure the taxing capacity of various provinces and various tax fields, is certainly dynamic, but to the extent that we have some very good individuals understanding within this whole tax field and this whole equalization field, we try and present always the best case for Manitoba. I would say it is in these technical change areas that we have been rewarded over the course of the last two years, particularly with additional revenues flowing.

Mr. Leonard Evans: I appreciate that this is a complicated area, but I guess what the minister is basically telling us, we do not know what our equalization payments are going to be at the end of this year. You are estimating \$1.085 billion. That could be out quite substantially given the dynamics of the situation, is that correct?

Mr. Manness: Unfortunately, that is correct. On the positive side, as Mr. Neumann just reminded me, one of the taxing fields does include municipal taxes, but now as we go to new assessment systems, a more market-value driven assessment, you can imagine then that there is greater capacity to measure more accurately those values vis-a-vis other provinces.

You have, for instance, in British Columbia, an incredible surge of inflation coming into those tax levies. How would it flow through the whole tax pool, and how ultimately—if you believe in equalization, and we have been talking about it on a daily basis in this House with respect to constitutional reform, you would understand then how ultimately the benefit may flow. That is to the good.

To the negative, of course, is when you have changes, obviously, through the latest census numbers. That is an offset on the negative side, but the member says, well, could you wake up some day and there would be a \$100 million loss? The answer is yes. That is exactly what happened in New Brunswick, exactly what happened in the province of New Brunswick.

They woke up one day and all these changes were factored through, all the technical changes, all the census changes, and bang-bang, they sort of built on top of each other, and the next thing you know they did the tally and they are \$100 million short. Could that happen to us? Theoretically it can, to the extent that we have very good people in our fed-prov branch, constantly watching, trying to get some deeper insight to the hints that come forward from the officials in Ottawa.

We are always trying to build in that degree of conservatism into our estimates so that if there are any surprises, they are on the positive side. It is one of the great difficulties one has when they are developing a budget. It is no different than the municipalities, the school divisions, the universities coming to me and saying they want certainty associated with the level of expenditures or grants that they can receive over the course of the next number of years.

The reality is I cannot provide that unless Ottawa can provide that to me and Ottawa cannot provide that to me until they know how the economy is going to perform over the course of the years. So yes, the short answer, unfortunately, is yes, there could be a surprise.

Mr. Leonard Evans: Well, having recognized that, then the minister has to conclude that it is very difficult, in fact it is almost impossible to say—I think what he was telling us a while back that his deficit projections are pretty well right on. Who knows what will happen throughout the year in terms of the equalization payments? As a result, you could be out quite substantially, even though you have your ears to the ground through your staff, federal-provincial staff and so on.

I guess what you can do, and probably will happen, is that is you will revise your estimate in the quarterly statements. You may have to revise it. You have some control over expenditures obviously. You do not have that much control over other usual revenues, but you have set your tax rates and you can guess fairly well as to what they are going to provide given the state of the economy, but this one area of equalization seems to be the wild card where it is almost impossible to predict with any degree of accuracy what your deficit will be.

Mr. Manness: Madam Chairperson, two points: we will change the estimate if we get new information forward that suggests that we should

change it; and we will try and report that in the quarterlies as they come forward.

Let me say, though, that ultimately it will be measured against that new information and/or ultimately how we did our first estimate as presented in the budget. I can tell the member opposite since I have been the Minister of Finance we have not overestimated equalization. That is because I do not want to have \$100-million bottom-line surprise. So when the department and the division brings to me a range of estimates and they say, well, here, and this is three days before we sent the budget to print, and they say, well, here are the variables; this is what could happen in this three or four areas; we think the swing could be \$20 million on the positive, \$20 million on the negative. Ultimately, somebody has to sit in judgment and decide what number is going to be printed.

I say to the member, I know for sure—and no doubt other jurisdictions have done this—I could have printed a deficit \$100 million less by the interpretation if I had taken all the positives, if I had looked at all the factors and looked at them in a positive way. I have chosen not to yield to that temptation and, consequently, at this point in time, any revisions that we have had in equalization in a revenue sense have surpassed those Estimates we put forward in budget.

I do not know whether that was the practice in place from the former government or not, but I know I would have a hard time with \$100-million shortfall, if I had seen that it might be coming and I had not taken that into account before we put the final numbers to print.

* (1640)

Mr. Leonard Evans: I appreciate the minister is a cautious person and wants to be prudent, and that is fine, but the fact is that this is an area of—I am not trying to criticize, I am just observing what the minister is observing. It is an area of great uncertainty and one should be prudent, I suppose.

The minister has another item there that he can play around with and has really when it comes to balancing the books or estimating his bottom line, whether it be, well, what size the deficit may be, and that is the Fiscal Stabilization Fund transfers. We have had varying amounts in and out of that fund, and we realize that the auditor is still not too happy with the whole concept. If we look at the financial statistics back through the last few years from the

time it was set up, we could see that from setting it up in '88-89 when the minister first took office with \$200 million, right through to '89-90 when it was zero, nothing happened, but then draws occurring in ever increasing amounts since that time: \$67.3 million in '90-91, \$125 million in '91-92 and an estimated \$201 million in '92-93. So I am wondering if the minister could update us on the status of the fund. What have you got in the fund, and are we going to see it terminated or somehow or other is he going to—I do not see any revenues that you have available to throw into the fund. I wonder if the minister could comment on that.

Mr. Manness: Madam Chairperson, as I have said on many occasions to both critics, I guess the Provincial Auditor and I are in a little difference of views as to the value of the Stabilization Fund. I see it—given the uncertainty that the member talks about with respect to equalization and other tax fields—as having a valuable role in trying to deal in an honest fashion with that uncertainty. I do know that the Stabilization Fund is depleting. I do know that one of the greatest criticisms that I enjoyed from my philosophical friends after I brought down the last budget was that there was some disappointment amongst big C Conservatives that seemed to be that I was draining the savings account, and I guess that was legitimate in its own way.

Let me say that we do not play around with the fund to the extent that we do not dip into it during the course of a year, that the only way that we may change our minds with it is in the sense that if we have had savings on the expenditure side, and we do not need to call upon a withdrawal from the fund of the magnitude that we had forecast to meet the budgetary deficit line, we do not take it. We leave it there for everybody to see and so that it can carry forward into the next year.

Let me say in terms of the fund for '91-92, we came in with \$267 million. We have earned interest of \$18 million, giving us \$285 million, of which cash is \$207 million—and these Repap shares that we have talked about many times, not to be redeemed, are valued at \$77.6 million. April 1, '92-93, the new fiscal year, then we will be bringing in \$285 million. We expect to have interest earning of \$16 million. We expect, as I said in the budget, to transfer from the fund roughly \$200 million, leaving us roughly \$100 million at the end of this fiscal year, of which \$23 million is cash, and again \$77 million is Repap shares. As I have said many times, we will not draw

upon them until those shares have some cash value.

So if everything goes, if we do not have big savings on the expenditure side—no, more importantly than that, I have said that savings on the expenditure side in themselves will not preclude us from taking a transfer. But if we were to have significant revenue increases either on the equalization area or other areas, such that we did not need to draw transfer funds out of the fund, then we might not. Given that there are no changes, we would have \$23 million cash at the end of fiscal '92-93.

Mr. Leonard Evans: Well, Madam Chairperson, of course, if the minister had not chosen to set up the fund in the first place he could have had a surplus of what?—roughly \$60 million in 1988-89, because he showed a deficit of \$141 million and that was because he took \$200 million out of revenue to put into what was then the new Fiscal Stabilization Fund. Obviously, approximately, he would have been able to show a surplus of \$60 million.

He would have contributed to reducing the debt by that amount and, of course, the reason he had \$200 million available to throw into the Stabilization Fund, I suppose, is because of some windfall monies from the federal government and certain tax decisions that were made by the previous government that brought in sufficient revenues. Of course, the intent at that time was to help the decision made by the previous government back in that time, '87-88, was to help cope with the deficit and hopefully work into a surplus situation.

At any rate, Madam Chairperson, it is obvious that the minister has less flexibility now, and unless there is some major turnaround in the economy allowing revenues to become much more buoyant, he certainly will not have the capacity to draw on this fund as he has had in the past, because he is left with \$101 million, and as he said, of which only \$23 million is cash.

I would like to, because we are on a limited time scale and while we could pursue this further, pass on to one or two other areas and ask the minister for some answers on initiatives taken in the past budget. Maybe he does not have the answers to these, but in the past budget, he provided a \$3-million temporary manufacturing investment tax credit with the intent of encouraging expansion and upgrading of Manitoba's manufacturing processing

industries. I was wondering whether there has been any action under this new investment-tax strength program, whether the minister could advise the committee as to the impact of this tax credit.

Mr. Manness: Madam Chairperson, because there was not a cost associated within this fiscal year, we would not have up-to-date knowledge from a taxation point of view of the benefits of this program for yet another year and maybe more.

If the member is saying, do companies register with us their intentions now to proceed to do manufacturing investment or make an investment decision leading to increased machinery, they do not give us an indication of their intentions, and the taxation area, we find out about it after the fact.

Certainly, we are led to believe, as I have discussions, as the Minister of Industry and Trade (Mr. Stefanson) does with those various businessmen and women who are considering coming here and/or who are located here and want to make a further commitment to capital, we are understanding. This is certainly an area where there is some interest, and just as soon as the economy turns around in full fashion and/or, in some cases, the profit situation improves a little bit better, we know that full advantage will be taken of this opportunity by businesses here.

So we are very happy to bring forward this taxation measure, and we expect that it will provide a tremendous stimulus over the course of the next number of months.

* (1650)

Mr. Leonard Evans: I am simply going by the minister's own Estimates here, where he indicates a revenue impact of minus \$3 million for the '92-93 year. So this is why I asked the question without knowing the details of the program, just assuming that you intended or there is an estimated \$3-million cost to the government of Manitoba for this tax credit.

Well, that is what it says here on page 2, under Tax Adjustments, revenue impact, minus \$3 million. In fact, there is a summary—[interjection] \$3 million temporary manufacturing investment tax credits, so this was the basis of my question.

So in effect there have been no commitments, no payout thus far, as I understand the minister's statement.

Mr. Manness: Again, my point holds, Madam Chairperson, this is an estimate of foregone revenue in the sense that so many year-ends will close after the close of our '92-93 fiscal year. The greater impact of this tax measure will be in years to come in a total of \$8 million over the life of this program.

Mr. Leonard Evans: There is another area of negative impact on revenue, the cost is half a million dollars for the payroll tax credit for training costs. Now this is a program that has been around a bit longer. It was introduced in the 1990 budget to encourage private businesses to increase their investment in training. I am just wondering if the minister can update us in this area. What is the take-up now of this tax credit? Is he satisfied that this fiscal incentive that he has provided, this tax credit incentive that he has provided, is creating the results that were anticipated?

Mr. Manness: We are aware of roughly 20-plus firms that have taken advantage of the offset as against payroll tax on a training basis. We have expanded the criteria so more can enter. There is no doubt that we are a little bit disappointed that more had not come forward. To this point in time, the cost of the program has not reached the half a million dollars that we directed towards it.

It is a good program that is expanding a little bit slower than we might wish, and we are trying to get additional information out so that those firms that can utilize it and fit the criteria certainly have a direct benefit and immediate benefit if they so wish.

Mr. Leonard Evans: Very briefly, can the minister give us any comment, provide any comment on the Manitoba Research and Development Tax Credit? I know it is only half a million dollars estimated costs for '92-93, but has there been any response to this program which was designed to encourage R & D in Manitoba through a 15-percent nonrefundable R & D tax credit?

Mr. Manness: Madam Chairperson, it did not start until after March 11, '92. I mean, we are just two months after the announcement of the date.

Certainly again, as I said previously, the indication that we have, not only from our firms and, indeed, the associations which are close to taxation measures, is that this is a worthwhile tax endeavour—but also, as a matter of fact, I just had it mentioned to me just this past week when I was in Ottawa-Hull. The federal government indicated to

all Ministers of Finance there assembled as to what Manitoba was doing in its support as an extension of the federal move, and how they had heard that that was being talked about in R & D circles, in the sense that Manitoba was trying to reach a step further than the Ottawa move, and that, ultimately, in time, it would provide benefits. But those benefits certainly cannot be expected to flow in basically three months after the budget.

Mr. Leonard Evans: Well, I appreciate that you cannot expect the benefits to flow in a couple of months, but given the fact that obviously there had been some research before instituting this program, before the minister announced the program, that you would have had some idea of the interest out there and some idea that it would bring about some positive results.

Surely there would have been some research to tell you that, well, if we introduce this program, which is a modest one admittedly, there would be this-and-this type of result. I would have thought the minister would have had some indication from various companies of their interest in it and what they might be doing, not that there would have been money spent by the government at this point.

At any rate, this whole set of incentives that the minister announced in the last budget seems to be very modest indeed. In fact, the total net revenue impact is \$7 million. In other words, a cost of \$7 million, assuming there is a take-up for all of these various tax credits and so on—and exemptions.

I would like to proceed on to two more areas, and then perhaps the member for Osborne (Mr. Alcock) may like to ask some questions, and I know he will. One of my questions—two areas—the first area relates to the Manitoba Data Services, or what used to be called MDS, whatever it is called now. The names seem to be changing very quickly.

I would like the minister, if he could, to update us, because we are still connected, the minister still has representation, I believe, on the board. I would like a report before the committee as to what new jobs have been created in Winnipeg. There were supposed to have been new jobs created from this divestiture by the government to the private sector, and I am wondering if the minister could advise us just what has happened on the employment scene in that corporation.

Mr. Manness: Madam Chairperson, there are deadlines that are fast approaching. I am led to

believe by the firm in question that they will make every effort to honour those commitments, and that there will be, within the course of the next several weeks and months, in spite of the great economic problems that we have gone through over the past two years in this country, every effort made to live up to the covenants of the agreement.

Mr. Leonard Evans: Well, at any rate, we can all be patient, but frankly there has not been any—I am not too encouraged by what the minister says. I appreciate we are in a recession and all that, but there were certain commitments made, there was a degree of euphoria, the minister had his big—[interjection] Okay, the building has been built.

Madam Chairperson, MDS had plans to construct a building. Yes, in fact, I was the minister responsible for MDS for a while, and we were on the verge of approving a building for MDS because it needed one, just for, I mean the reality of the physical requirement meant that you had to have expanded physical facilities. So I do not consider that any big deal, especially when you give a sweetheart deal, as far as I am concerned, to the company in question. You have given them virtually a private monopoly of services to the government—

An Honourable Member: For two years.

Mr. Leonard Evans: For two years, okay, but I expected some new jobs by now. I am sure the member for Osborne (Mr. Alcock) did too, because he was somewhat enthused by what the minister was doing.

An Honourable Member: They are coming.

Mr. Leonard Evans: Well, if they are coming, we are glad. We want them to come, because goodness knows we need the jobs.

The minister is telling me though from his seat, and I guess that is permitted by the rules, that there is a building under construction or is about to be under construction. Does he want to elaborate on that? I do not consider that to be that critical in terms of the value or the benefit of privatizing, because, as I said, there was going to be a new building regardless. There had to be a new building, but he is saying there is a new building. I am not sure if he is saying construction has started or it is just on the verge of starting.

Mr. Manness: Madam Chairperson, I am told that this building is on the verge of being constructed, that there are no more hurdles.

The member wants to take issue with the fact that we have privatized MDS. I am more convinced than ever it was the right decision to take. There are alliances being struck as between the present owners, IBM now, who are the majority shareholders and smaller firms in Manitoba and in Winnipeg which never would have been forged under the old system.

* (1700)

This new company, ISM, has an outlook to the world that there is no way that Manitoba Data Services had the capacity to have. Government is downsizing its systems requirements. It has to. It no longer can afford the global expenditure, and MDS ultimately would have been caught in that scenario, or they would have done what Crowns have traditionally done over the last 30 years, they would not downsize, they did not have to because after all they are owned by the shareholders and the scrutiny was not there. I say we have a much better system.

We have other providers of information who are coming to us on a monthly basis wanting to compete for new government business. We have assured them that ISM does not have a locked-in guarantee. The contract, the five-year guarantee of \$32 million base revenues is over half completed. There is basically two and a half years left on that.

I would have to say, as we have said to the industry, come forward and make your best deals in preparation for the next period of time. There is no private monopoly. I am absolutely convinced, 100 percent certain, we have made the right decision as a government to divest of Manitoba Data Services.

Mr. Leonard Evans: Well, the minister says there is no monopoly, but as far as I am concerned that is the only company that is now in a position to provide those computer services to this government. No other company is doing it as far as I understand. They have a monopoly. They are the one supplier. Now, if I am wrong—

An Honourable Member: For two more years.

Mr. Leonard Evans: For two more years, but at the present time they have been given a short-term monopoly. I hope the minister is correct. It will not go beyond—what is it?—two more years: that will be the end of it, and that you will open it. I mean, if you are going to deal with the private sector, put it on an open basis so that you can get the best possible

deal, just as you are dealing with the private sector with other services.

But you know, it seemed to me that one of the criteria for allowing this divestiture to be maintained—because the minister always talked about the golden share, that he had the power to take this asset back, and I presume he still does—one of the conditions was that the head office remain in Winnipeg. But it seems to me that the effective head office is in Regina. It is not in Winnipeg.

Now, if I am wrong, please stand up and correct me. But it seems to me that if we have got a head office here, it is in name only. It is a facade. The real decisions are being made outside of the province, certainly not in Manitoba.

Mr. Manness: Madam Chairperson, the member is completely wrong. There is a Manitoba head office of ISM Manitoba that is led now by one Doug Onafrychuk. He makes all of the decisions with respect to the service that is provided to the Province of Manitoba and its agencies. The member talks about the head office of the corporate entity being in Regina; he talks about the golden share. I can tell him, Westbridge is no longer even part of its leadership and its guidance, part of Regina.

Now the total corporate entity decisions are being made in Toronto. They were formerly, under STM. So nothing has really changed. With the golden share allowed us, through all of these changes of ownership, every time IBM had to come and see myself and the government for our sanction. If I have ever seen a golden share work, I have seen it through the evolution of the old Manitoba Data Services.

You must imagine how frustrating at times it must have been for IBM, this multinational giant, having to come and deal with Manitoba every time it wanted to take a greater shareholding: first of all, with getting involved with Westbridge; secondly, taking majority ownership; through all of those changes, having to come to Manitoba for their sanction. Indeed, if we evoked that golden share and pulled Manitoba's activity out of it, then obviously a big major component to that whole activity would have been lost.

I have seen the golden share work, and it has worked well. I also can tell the member that still ISM and their involvement with the Manitoba

government is being led out of the Manitoba head office, formerly Manitoba Data Services. Those same senior people are still in place.

Mr. Leonard Evans: How can the minister be sure that we are not paying unduly excessive prices for the data services from ISM? How can we be sure, because we are only dealing with one company, it is a monopolistic situation at the present time? How can we be certain that we are not getting ripped off? What mechanism, what procedure does the minister have to ensure that the prices charged are fair to the taxpayers of this province?

Mr. Manness: Madam Chairperson, just as sure as I was when Manitoba Data Services was in control. I believe that the market today has forced greater economies. I do know that rates have gone down, as they always did previously. More so than that, we have put into place a \$32-million floor, and indeed if ISM does not deal fairly we will direct any activity and revenue beyond \$32 million. We can direct it anywhere we want and we have.

It is the forces of the marketplace that have assured us that ISM has provided Manitoba with as good a deal as would have been the case if we had been served by a Crown, i.e., Manitoba Data Services. There is no doubt in my mind that when you set into place a short period of monopoly for two years, nobody is going to take advantage of you very long if they want to have an opportunity to bid again on a significant revenue base in the systems area of \$32 million. So I say that the forces that guide the marketplace are working very well in this case.

Mr. Leonard Evans: I just have one question in this area, and then I want to explore one other area very briefly. Just one final question on MDS or ISM, and that is: I would like to know if this Legislature can get a copy of a financial report on the operations? I become more and more aware and concerned with the fact that members of the Legislature do not have enough data, do not have enough information on the operations of government, generally.

Compared to the Americans—I am not that fussy about the congressional system, but I give the Americans credit. There is far more openness with regard to data and operation of government and its agencies and so on. In as much as you have, we have a golden share in this, surely the minister has access to financial reports. I am not asking for hidden state secrets or company secrets, but even

a financial report—I do not even know whether they publish a financial report—but surely the minister has access as to how this company is doing in Manitoba. I think that information should be shared with the members of this Legislature. It should be public information because we have a stake in this.

So that is my final question on this to the minister. Is he prepared to make available or to have ISM make available to us a financial statement where we can study and look at what they have been doing, the degree of operations, the employment, et cetera?

Mr. Manness: Madam Chairperson, the member is asking us to go to a corporation privately set up and ask them, as a condition of doing business with the province, to provide all their financials. That is out of the question. What I am prepared to do, as I always have, is to try and lay before the member exactly what services we buy for a certain level of money. That is broken down by department. As a matter of fact, members of Treasury Board have spent countless hours going through the systems plans, department by department, divisions within departments, programs within divisions, and seeing what it is they are buying from ISM. When you add them all up, adding or accumulating to \$32 million-plus, the judgment then is made as to whether or not we are getting value for money. Could we buy this service more cheaply somewhere else? That is a legitimate question; that is all available for debate.

* (1710)

I can determine the advisability of providing that level of detail to the member, but I cannot demand that ISM share their financials. I mean, they do a lot of other business than just for the government of Manitoba in the province of Manitoba. The member thinks that is all they do. That is not correct. They have other alliances. They have other agreements with other companies, and that would be all contained within their financials. I think they would tell me to take a flying leap, quite frankly, if I were to ask them.

Mr. Leonard Evans: I can understand what the minister is saying, but does the company not have a financial report, an annual financial report? Of course, they are dealing with other—hopefully they are dealing with other customers. I would hope—[interjection]—well, it would seem to me that the minister would have access. I do not know to

what extent they make this information public, but it would be useful to see, because I for one would like to see an annual report of the company to show how many employees they have by type of occupation. [interjection] Okay, I am not asking for state secrets or corporate secrets. I am asking for information that should normally be available.

Another area in this final area that I touch on is the announced—well, I am not sure whether it is announced but it has been publicized in the newspapers about a manpower training agreement that Manitoba may engage in with Ottawa, and this is quite a significant shift if it is to come about, involving, as I understand, \$248 million in job training and could revolutionize the way that job training is delivered in the province.

I think I gleaned from the reply given to a question this afternoon in the Question Period by the Minister of Education (Mrs. Vodrey) that this is not necessarily tied into any constitutional change. At first I had thought that this was part and parcel of some constitutional deal that was being evolved in the various constitutional discussions, but apparently that is not necessarily the case, that this could happen regardless of what happens to constitutional amendments.

So I wonder if the minister can—although his department may not be delivering the program, nevertheless, I am sure the minister would be involved in terms of the overall negotiations, because it is in the area of federal/provincial relations and it involves a great deal of money. I know there are a lot of questions as to what extent the federal government would provide the funding for this additional responsibility that presumably the province of Manitoba is interested in taking on.

Mr. Manness: Madam Chairperson, I am sorry to disappoint the member, but I am not closely associated with the development of this agreement. Supposedly it is coming down slowly, and once it reaches some concrete status such that Treasury Board is asked to review it in all its detail and ultimately make recommendation, at that time I will be closer to it. I am not that close right now.

Mr. Leonard Evans: Fine, I accept what the minister has stated. I would just take from that that a lot of this information that has been published in the various newspapers is, indeed, a very preliminary situation, which may never come to pass. I just want to go on record, and in many ways

I hope it does not come to pass because I have concerns about: 10. Standards of Employment Training; 10. Jurisdictions being involved in dealing with unemployed people.

I, for one, feel that we are far better off as Canadians to have national standards, national training programs, national programs of financial assistance to those who want to upgrade themselves and become more employable. At any rate, we will have to wait and see.

So with those remarks, I would yield the floor at this time to the member for Osborne.

Mr. Alcock: Madam Chairperson, perhaps to begin with I can just ask the minister for a few things that I anticipate he will not be able to provide me with immediately, but perhaps he could make an undertaking to have staff prepare it and forward it at a future time.

Just while we are on the whole question of data processing and the agreement with Manitoba Data Services. I should say, to introduce it, that I, frankly, was positive when this deal was proposed at the beginning and I remain so. The fact that IBM is involved is an interesting development—given IBM's tendency to unload operations and to decentralize and downsize the fact they are willing to invest in this province and continue to maintain an interest in the operations—I think, is a very positive sign.

I have been trying to get a sense though—I note as I have gone through the Estimates in the various departments that expenditures for technology/computer services are broken out in each one of the budgets. I presume that in the—and I realize this may be a question for the comptroller, so that is one of the reasons why I am not going to go through it in any detail right now—coding for expenditures there are a series of lines for software, hardware, data processing time, consultant's time and the like. I am wondering if the minister would be willing to undertake to return to me at some point a government-wide expenditure in each one of those areas?

Mr. Manness: Well, Madam Chairperson, I will attempt to give the member everything that I can. Certainly, the system's plans are brought to us in great detail, and it is just over the course of the last couple of years that we have had them compiled in that fashion.

Now, I know there are various codes in place. I do not know whether they would correspond totally

with the member's thinking or totally with his liking. I would ask Mr. Rosenhek in due course to give me a commentary as to—we always have difficulty with some of our coding, because it never ever breaks out so clearly that you can do the coding in the fashion that is in keeping with our various thought processes.

But I will undertake to get back to the member and try and provide what I can on that area.

Mr. Alcock: One other, just an administrative item of the same sort: I note in this Supplementary Information for Legislative Review, the Revenue Estimates, Manitoba Finance, there is no comparative data. It is simply '92-93 information. It is the first time I have seen a book prepared—one of these books prepared—in that way, and I am wondering whether that was intentional or just an oversight on the part of the department. If it was an oversight, in the future could they be provided with comparative data from the previous year?

Mr. Manness: Madam Chairperson, I will look into that change in format.

Mr. Alcock: I thank the minister for that.

I note that over the course of this last year there was a change in responsibility for the Linnet Graphics project. Does my memory serve me right that the Minister of Finance (Mr. Manness) has taken over responsibility for that project because of the concerns that were raised relative to the previous minister? If so, what is the status of that project right now?

Mr. Manness: Madam Chairperson, we have an agreement in place—the Linnet Graphics. We also have an equity position in that corporation. That corporation is also undertaking to do services, I believe, worth \$1.8 million with respect to some mapping, in the two areas, the exurban study, which is going to attempt to map the areas between the northeast city of Winnipeg limits, going through the Selkirk corridor, through to St. Pauls, as one demonstration project.

The second issue is, of course, to try, in an agricultural sense, to map the area in and around, south of Lake Winnipeg, to try and determine conceptually whether or not we can develop a system which will fit into our agriculture programs, GRIP particularly, so that we can do more surveillance, so that we can try and set up a database by that latest technology which has application towards agriculture.

So we are buying those services. Yes, I am the minister in charge; I have assumed responsibility for that file, because of the reason mentioned by the member.

* (1720)

Mr. Alcock: Madam Chairperson, I understand—I am quite interested in the Linnet project. I went down and visited the site and have worked with projects both in the state of Iowa and in British Columbia. Part of the proposal was to build a cadastral map that would be the base map for all future mapping. Frankly, I think, leaving aside the niceties of any other relationship with Linnet, the creation of such a resource would be a very positive step for the province, a very important one.

The question that arose though in the discussions I had with the people at Linnet was that having done so, having undertaken the cost to establish such a map, you then create a barrier to entry for other resources that wish to come in and establish a similar sort of service in the province. That leads to all the questions that have traditionally led to the creation of utilities, basically a monopoly on one sort of service, and the people at Linnet indicated that there had been some discussions with the province relative to treating that like an "information utility," so that they even suggested that pricing for access to that part of a process could be controlled and the pricing set much in the same way we would set it for one of the larger utilities, i.e., through the Public Utilities Board or some sort of publicly controlled process. Have there been further discussions on that?

Mr. Manness: Madam Chairperson, the short answer is no, there have not been. Let me say, that may unfold at some time in the future, but certainly that is not the driving force behind what we have entered into with Linnet. Let me also say that if anybody else wants to come along and have access to public data and build their own value-added data system, whether it is in land-related geographic systems or in any other area, they are welcome to do so. But if there is value added, if a lot of time and effort and resource has gone into taking basic raw data, which is free to the public and available to the public, and manipulating it or changing it into a fashion that now has value, well, then I would say to the people who have done all that work of which we are a shared partner at this point in time, then obviously that is not a public monopoly in itself.

If somebody else wants to come along and have access to the very same public data and come out with a value-added database, which is the same as what we are involved in right now, so be it. It is a free world. I mean, all we are talking, the raw data is free to everybody.

Mr. Alcock: Madam Chairperson, I will pursue that particular question with the minister another time, as I note that time is very short.

Can I refer the minister to page 43 of the 1992-93 Revenue Estimates, the Supplementary Information for Legislative Review, down the page about a third of the way, Social Allowances for Treaty Indians. This is listed as a recovery from Canada of 100 percent of social assistance costs paid by the province of \$20,160,000. Is this being carried on the books as a revenue item because that is still in dispute or are these monies that are not contested and will be paid? Was there a discussion with the Minister of Family Services before that the federal government had refused to pay this? I am just wondering whether or not the part that is in dispute, is it this \$20 million or is it some portion in addition to this \$20 million?

Mr. Manness: I believe some portion of that is in dispute. When we printed the Estimates, a hard decision had to be made at that time. We would not show our hand as backing away from our belief, the status quo system should be maintained.

So, obviously, with the announcement made by the Minister of Family Services (Mr. Gilleshammer) here some several weeks ago, and the fact that we will backstop the municipalities through this cash shortage time, that does not indicate that we will not proceed with court action, and ultimately we expect we will win the case, and this will flow. It may not flow in terms of this fiscal year, but we expect to win the case.

Mr. Alcock: The current status of the forest fire payments?

Mr. Manness: That file is closed. The First Minister (Mr. Filmon) brought home a cheque, roughly \$30 million delivered to him about a month ago, it seems to me. So we have received—yes, the First Minister brought it home in his pocket.

Mr. Alcock: But for a short period of time.

On to a different area: Can the minister tell us the current credit rating for the Province of Manitoba?

Mr. Manness: A-plus, A-1, and a very favourable A-plus and A-1. If there were to be a change today, obviously it would be changed, in my viewpoint at least—and this is an editorial comment on my part—it would be moved upward if it were going to be moved at all.

Mr. Alcock: Given that rating and today's interest rates, what can the government borrow six-month money for?

Mr. Manness: Treasury Bills, three-month money about 5.30, six months 5.83.

Mr. Alcock: Can the minister explain for my education, when we have a credit rating of that sort and we can access six-month money for 5.83 or 5.92 as it was a week ago, why we are paying 7.25 for HydroBonds?

Mr. Manness: I guess the member could ask the same question, why would you enter into a 10-year deal which today would cost us for Canadian money 8.8. The member could ask the very same question. He does not have to focus in on HydroBonds. He can ask the same question: Why would you then go to the Canadian market for 10-year money which would cost you over 9 percent? The question is the same.

An Honourable Member: No, it is not.

Mr. Manness: And I would say to him, it depends on what risk you want to attach to the length of term that you are prepared to borrow money. I can indicate to him, and I know he has been somewhat critical of our 7.25 percent coupon rate. I can indicate that the province of Saskatchewan just came out on a savings bond, and I am led to believe they are prepared to offer to the Saskatchewan investor a coupon rate of 7 percent. During the period since we have come out, of course, I do not have to remind him what has happened to prime rates. They dropped significantly, so I do not know what he is trying to say.

I do know one year when I brought out series No. 2, I offered a rate of 12.25, and I know the series did not fly very well because a week later guaranteed investment certificates moved to a little bit beyond 12, close to 13. I am sorry, I have to make a judgment at one given point in time, Friday afternoon, usually before the beginning of the sale, and I take the best information I have available at the time. I pretty well was provided with a range, between 7 percent and 7.25 percent. I decided that, given what was at risk, even though we were not

looking for a billion dollar issue, quite frankly—we did not have the need for that type of money—and although I certainly was not looking for an all-time record, I had set a target.

I will tell you right now, Madam Chairperson, I had set as my own personal target, I would have been happy with, an issue of \$350 million. Given the information I had at the time, I felt that 7.25 did not represent that great of a risk, given that it was all paid to Manitobans, given that it was all taxable in the province. I still think it was a very, very, good deal, and I, quite frankly, am prepared to answer any criticism.

* (1730)

Mr. Alcock: Madam Chairperson, just to deal with the minister's first comment about long-term money. Any of the analysts that I have discussed this with suggested the HydroBonds have to be compared with six-month money, because they are redeemable in six months, and that statement has been made on several of the discussions that have taken place relative to these bonds. In fairness to the minister, prime rate has dropped, and the 5.83 or 5.92 or whatever the rate for six-month money was at the time that the minister set the rate was somewhat higher than the rate which has been quoted, but I was legitimately interested as to why we have as big a spread as that.

Let me just go on a step further. I understand too we pay a 97.5 cent fee to brokers and banks and the like who sell these bonds for every \$100 worth of bonds that are sold. I further understand that the province of Alberta which had a similar bond program pay a fee of 75 cents, and the fee for Canada Savings Bonds is considerably lower. I am just wondering what the thinking was in establishing a rate at that level.

Mr. Manness: Well, Madam Chairperson, I will gladly engage in debate on that issue. Let me say first of all, though, the point I probably did not make before to the previous question is that five-year money compared to the HydroBonds, which has a floor now of 7 percent—if I were to go to the marketplace outside of Manitoba for that same term, I would have to pay 8 7/8 for five-year money. That is what Hydro would have to pay for five-year money if we had to go to the Canadian domestic market. So I see still an incredible saving for Manitoba Hydro, and of course the benefactor of that is our own bond purchasers.

Now, with respect to the commissions, the member is right, I provide a 15/16ths of 1 percent commission, or 0.9375. Alberta is at 3/4s of 1 percent, 0.75, but I ask the member to bear in mind that their programs, particularly Saskatchewan and Alberta savings bond programs, have been running much longer than that of Manitoba Hydro. They are well established.

I understand in Alberta's case they have been in place since the mid-'80s, with the first rollovers occurring in 1990. As a result of the large base and rollovers beginning to occur, the sales commission was reduced from 7/8, or .825 percent, to 3/4, for their '91 campaign. So they just, too, have made a reduction.

I have to say in all honesty to the member, and this may come as advance notice to the commission houses, that in another year too we may be looking at beginning to shave these commission rates. We had to—you must remember where we came from. We came from the Manitoba savings instrument that had occurred a few times through the '70s, where the total uptake, or the highest one, I think, was \$53 million, but most of them were in the \$25 million range.

Indeed, if we were going to go to the cost of doing the advertising, and the member probably objects to that, we had to make sure to average the cost, that we had to have a pretty successful issue. Part of that was making sure that the commission agents went out and sold the darn thing, because there were some incredibly competitive instruments on the street at this particular point in time, when interest rates were in the realm of 11, 12, and 13 percent.

So this was the incentive, and I say the incentive has worked extremely well. Now that we have the Manitoba HydroBond well established, maybe it is time we begin to look at some reduction in these commission rates.

Mr. Alcock: The minister has already referenced my next question on this which is the advertising costs for this year's program, and in doing so, can he also comment—he makes the point that at the time they issued this, this five-year money was going to cost 8 and 7/8ths of a percent, and yet any of the analysts that I have heard speak on this or that I have personally spoken to about this suggest that it is an unfair comparison to compare these

bonds with five-year money because they are redeemable in six months.

That is not my statement, I have heard that one made on radio and television, and any time there was a discussion of these bonds while they were being sold was that it was wrong to compare them to five-year money because they were redeemable.

Mr. Manness: Well, Madam Chairperson, the member is right, but so what? We expect the bulk of that to stay out for the five-year term. That has been our experience. As a matter of fact, I think I have seen somewhere the level of rollovers in our first number of issues.

Well, Series II, for instance, 2 percent; and Series III, \$11 million at 3.1 percent, rolled out of those issues. So, yes, people can redeem them in six months, but that has not been the history.

Mr. Alcock: Madam Chairperson, and at the risk of revealing how little I know about this—while I have not been adverse to that thus far in this department—I am told, as they attempted to walk me through this, that there was something about an inverted yield curve, and that for the first two issues in particular and up to the third that that was indeed the case. That was one of the reasons why there was not a high rollover, because the rates overall were dropping, but that is not the case with this issue.

Mr. Manness: Well, Madam Chairperson, the member is right. There was an inverted yield curve for the first two issues. There has not been for the last two. Ultimately, if indeed interest rates six months from now jumped up beyond the floor of 7 percent and people saw that they could lock into another instrument, five years at a level beyond the floor, yes, there could be a high level of redemptions. As we survey the scene over the next two or three years we do not see that happening. That is a judgment call, but right now we do not see that as being problematic.

Mr. Alcock: Madam Chairperson, the minister was going to answer the question about the advertising costs in this year's program.

Mr. Manness: The advertising budget for Series IV—\$289,000. Series III was \$338,000. Series II was \$710,000. Series I was \$827,000. What we have done, and I have been very judicious in this, is that I have said that we are not going to redo the ads. We will continue to use more or less the same theme. We do not need to buy the amount of time that we have in the first two issues. So that is why

the costs have come down significantly in the last two.

Mr. Alcock: Madam Chairperson, I thank the minister for that. Perhaps at this point—I notice that time is drawing short and I believe there was a desire to leave a few minutes for Sports. I do have one more area that I want to have a discussion with the minister about, but perhaps we could move to Minister's Salary as this is more in the nature of the broader discussion and leave the—oh, I have one more detailed question before I do that, but then perhaps we could pass some of these and get down to the final area that I would like to discuss on the Minister's Salary.

Now, the telecommunications tax cut that you offered, the 1-800 number sales tax relief: what analysis was done in preparation for that? Are there specific concerns that one is hoping to attract with that?

Mr. Manness: Yes, Madam Chairperson, there was an economic analysis done as such. That was done purely as an economic development measure that was seen as reaching out to those firms with incredible telecommunications demands, recognizing that we probably have a long-distance rate structure in Manitoba which maybe puts us at some competitive disadvantage, and that we wanted to do what we could in terms of the budget to try and reach out to those who are large users of telecommunications to try and entice them to look at Manitoba.

* (1740)

Mr. Alcock: Just looking across at Mr. Puchniak I am reminded of one other question. I should also thank Mr. Puchniak for his very rapid response to some questions I have had on the application of sales tax. The uncollected tax in this last year, are we up, down? How are we doing?

Mr. Manness: Madam Chairperson, before we rush away, first of all, I would like to thank Mr. Charlie Curtis the Deputy Minister, Barry Thomson within the debt division, and Ron Neumann within the Federal-Provincial Division and, of course, Mr. Puchniak, head of the Taxation Division, for helping me today—and members opposite or in the gallery who have helped also.

Let me say, Madam Chairperson, that retail sales tax at the end of the fiscal year—end '92—March 31, '92—our recoveries outstanding: \$8.4 million in sales tax; corporation and capital tax, \$1.9 million;

and payroll tax, \$1.8 million. Those are the levels outstanding. I am led to believe that it is at a level more or less similar to the year previous.

Madam Chairperson: Item 1.(b) Executive Support: (1) Salaries \$342,700—pass; (2) Other Expenditures \$81,500—pass.

1.(c) Financial and Administrative Services: (1) Salaries \$386,800—pass; (2) Other Expenditures \$33,900—pass.

1.(d) Human Resource Management: (1) Salaries \$192,100—pass; (2) Other Expenditures \$21,200—pass.

1.(e) Payments Re: Soldiers' Taxation Relief \$3,000—pass.

Item 2. Treasury Division, (a) Administration: (1) Salaries \$108,600—pass; (2) Other Expenditures \$34,600—pass.

2.(b) Capital Finance: (1) Salaries \$277,400—pass; (2) Other Expenditures \$19,300—pass.

2.(c) Money Management and Banking: (1) Salaries \$394,600—pass; (2) Other Expenditures \$390,000—pass.

2.(d) Debt and Investment Services: (1) Salaries \$448,400—pass; (2) Other Expenditures \$18,000—pass.

Resolution 49: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,690,900 for Finance, Treasury Division, \$1,690,900 for the fiscal year ending the 31st day of March, 1993—pass.

Item 3. Comptroller's Division (a) Comptroller's Office: (1) Salaries \$100,200—pass; (2) Other Expenditures \$3,500—pass.

3.(b) Financial and Management Systems: (1) Salaries \$626,400—pass; (2) Other Expenditures \$120,100—pass.

3.(c) Disbursements and Accounting: (1) Salaries \$2,055,800—pass; (2) Other Expenditures \$984,200—pass; (3) Less: Recoverable from Other Appropriations \$526,600—pass.

3.(d) Legislative Building Systems Support: (1) Salaries \$364,800—pass; (2) Other Expenditures \$653,200—pass.

Resolution 50: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,381,600 for Finance, Comptroller's Division, \$4,381,600 for the fiscal year ending the 31st day of March, 1993—pass.

Item 4. Taxation Division (a) Management and Research: (1) Salaries \$643,000—pass; (2) Other Expenditures \$57,100—pass.

4.(b) Taxation Administration: (1) Salaries \$2,683,900; (2) Other Expenditures \$1,219,600—pass.

4.(c) Audit: (1) Salaries \$4,255,300—pass; (2) Other Expenditures \$453,000—pass.

Resolution 51: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,311,900 for Finance, Taxation Division, \$9,311,900 for the fiscal year ending the 31st day of March, 1993—pass.

Item 5. Federal-Provincial Relations and Research Division (a) Economic and Federal-Provincial Research Branch: (1) Salaries \$917,900—pass; (2) Other Expenditures \$274,900—pass.

5.(b) Manitoba Tax Assistance Office: (1) Salaries \$253,300—pass; (2) Other Expenditures \$42,900—pass.

Resolution 52: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,489,000 for Finance, Federal-Provincial Relations and Research Division, \$1,489,000 for the fiscal year ending the 31st day of March, 1993—pass.

Item 6. Insurance and Risk Management (a) Salaries \$180,000—pass; (b) Other Expenditures \$13,900; (c) Insurance Premiums \$1,870,000—pass; (d) Less: Recoverable from Other Appropriations \$1,700,000—pass.

Resolution 53: RESOLVED that there be granted to Her Majesty a sum not exceeding \$363,900 for Finance, Insurance and Risk Management, for the fiscal year ending the 31st day of March, 1993—pass.

Item 7. Treasury Board Secretariat: (a) Salaries \$2,369,000—pass; (b) Other Expenditures \$287,000—pass.

Resolution 54: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,656,000 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 1993—pass.

Item 8. Tax Credit Payments.

Resolution 55: RESOLVED that there be granted to Her Majesty a sum not exceeding \$241,000,000 for Finance, Tax Credit Payments, for the fiscal year ending the 31st day of March, 1993—pass.

Item 9. Public Debt (Statutory): (a)(1) Interest on the Public Debt of the Province and expenses incidental thereto \$1,237,400,000—pass; (2) Interest on Trust and Special Funds \$89,600,000—pass.

9.(b) Less - Amounts of Interest and Other Charges to be received from: (1) Manitoba Telephone System \$70,800,000—pass; (2) Manitoba Hydro \$325,000,000—pass; (3) Manitoba Housing and Renewal Corporation \$50,100,000—pass; (4) Manitoba Agricultural Credit Corporation \$23,400,000—pass; (5) Other Government Agencies \$7,200,000—pass; (6) Other Loans and Investments \$165,300,000—pass; (7) Sinking Fund Investments \$230,000,000—pass.

* (1750)

Item 10. Expenditures Related to Capital (a) Acquisition/Construction of Physical Assets \$1,300,000—pass.

Resolution 56: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,300,000 for Finance, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1993—pass.

Item 1.(a) Minister's Salary.

Mr. Alcock: Madam Chairperson, I have one relatively simple question for the minister that may lead to one or two other relatively simple questions for the minister.

This minister has been Minister of Finance now for almost four and a quarter years. You have worked away at trying to determine the economic future of this province. You have presented five budgets. The data to date is that the province is not doing terribly well economically, whether it has experienced a recession, we know that, but it seems to have fared more poorly in this recession than other provinces in this country. I would like to ask the minister if he can tell us why?

Mr. Manness: Madam Chairperson, the member has made a remarkable political recovery once he has fallen under this three-letter question, why? Let me say to the member, we are more or less on course in many respects. I will say to him, as I have said to other members of this House, the nation of Canada is not going to come out of its present economic demise unless it is led by an export recovery to the U.S.

As a matter of fact, if one wants to search the record and look at historical trends, we would still be

in the '81-82 recession if the Americans had not pulled us out. That is a reality, and I do not think there is anybody that can argue with that. That is why, I guess, I have said from Day One, I am not afforded the luxury of providing short-term relief.

As a matter of fact, this government is provided with very few alternatives, very few options in dealing with the situation that Manitoba vis-a-vis the other provinces, indeed, Canada as a whole. So I listen very carefully to members opposite who almost on a daily basis ask us to spend more or reprioritize our expenditures. But, of course, when you ask us where to cut back, I never ever get the other side of that request.

So the question is then, what do we do? Do we go and try and create some mid-term stimulus either by—as the NDP would have us do—going and create jobs for the sake of creating jobs, all on the basis of borrowed money? Do we listen carefully to what the Liberals are saying, particularly their Finance critic, who in his latest literature is calling for a three-month moratorium of sales tax or at least a reduction of the sales tax rate for some period of time?

I say, if you know for sure the recovery is coming, and if you really believe that you can have a recovery as a result, purely as a result of bringing forward consumer confidence, and Manitoba as an island as compared to the rest of Canada, the rest of North America. If you really believe that, then I may want to listen to the member. But I do not believe it, and I do not believe he believes it.

Because in reality, if you failed, first of all consumer confidence in itself is not going to bring us into being, because it is going to take the manufacturing industry, newly defined, because it is changing. It is changing radically, it is changing radically in Manitoba. It is changing radically in Canada, it is changing radically in all of the free market world.

So taking that into account, that it is not going to happen, recovery is not going to happen as a result of consumer confidence per se, it is going to have to take into account the new reality of the manufacturing industry. Taking all that into account, then you had better make sure, whatever path you follow, has some future foundation.

That is why I say to the NDP, particularly, make-work jobs have no foundation associated with it. I say to the Liberals, trying to provide tax relief in the

retail sales tax area in itself has no future foundation attached to it.

So the member says, but what have you done?—You have failed over five years. Look at the numbers, particularly the '91 numbers. I acknowledge that if we had been at 1.2 percent negative growth instead of 1.6 percent negative growth, we would not have been 10th out of 10; we probably would have been fifth or sixth out of 10, if not above the national average.

What he is saying is that you miss economic growth by \$200 million over a base of \$22 billion or \$23 billion or \$25 billion. I cannot argue with the numbers. The numbers change. They are a reflection of the point in time. But I do say to him that just like I do not, I cannot, lay all the blame to the former Pawley government, because these situations build over a period of 15 years, I ask for the same consideration from members opposite, that the solution cannot be found in the space of four or five budgets.

I take some satisfaction that we have not increased taxes. I take some satisfaction that we have reduced taxes. I never hear any comment coming from the members opposite, when they said that we would maintain our cascading if we ever went into the preharmonization. We took away cascading. That was a \$30-million reduction in tax revenues. I have to think that there was some stimulation to the economy as a result of that. But I do not hear any and I do not expect tributes from members opposite. [interjection]

Well, the concept was there. I said from Day One, I think it is dishonest to have hidden taxes. The only province in Canada that I know of that has forced the GST federally to be a visible tax—I can tell you, I have taken some heat over that. I have taken some considerable heat over that. But I digress. The member says, what are you doing for the economy?

Well, firstly, I do not necessarily sense that the trickle-down theory that the members say I am so convinced works. I am not a believer that it is going to happen overnight. But I am telling the members opposite, I am trying to find every scarce dollar that we can to put in the hands of my colleague, the Minister of Industry, Trade and Tourism (Mr. Stefanson), so that he has a little bit—a little bit—when he goes and knocks on the corporate board room doors, he and the Premier (Mr. Filmon).

He said: Look, this is what the tax regime has been in the province of Manitoba for five years, and we now have dropped in rank from 10th, the 10th highest taxation regime, to somewhere in mid-range to lower.

We have done that, so at least he can get into the corporate board room door, which we could not do before; and that is the truth.

They say: Yeah, but this is a competitive bid. There are a lot of people knocking on our doors these days. You know, we believe in free enterprise, but a little bit freer, the better. What have you got to help?

At least the minister has a little bit; he does not have much, but he has a few dollars in his pocket.

He said: Well, on the infrastructure side, we will consider this; and on the regulation side, we will consider that; and if we can help with some moving, we will do what we can. No way we compete against Alberta. He cannot. In our view, that is the process we are trying to follow, because the alternative to that is for me again to borrow. I can go out—I know we have established enough credit with the province—I can probably go out and run the deficit up another \$200 million or \$300 million and we could borrow it and we could try and buy some big industry. I can tell you that is not going to work, and a fast quick fix as far as put a moratorium in some tax field is not going to work either.

* (1800)

So when you look around at a list of options there are not very many, there are not very many at all. So I ask the members opposite, I ask Manitobans, to follow the course on which we are embarked. It is maybe slow. It is slower than we would like, but I can tell you it will change a year from now. It will have changed a year from now if the Americans brought us out of this problem because of importing Canadian goods and Manitoba goods. We must remember, our economy takes 70 percent or 80 percent of its lead from the national economy. That is a fact. We will never get away from that. So I am sorry, Madam Chairperson, I talked about a number of issues, but I have tried to bring them all together in answering the member's problem.

Mr. Leonard Evans: Well, just very briefly. I thought the member for Osborne (Mr. Alcock) was going to make some sort of a comment. I just want to make a clarification, just one minute. I have not dragged this out. I finished 40 minutes ago. I just

want to make this—when we urged the government to engage in job training programs and so on we are talking about a stimulus for the cyclical problem. We are not talking about the long run. That is another, that is a structural problem, and we have a very serious set of structural problems in this province. We are seeing an erosion of our industries. We are seeing depopulation of rural Manitoba; there are some long-term structural problems, and when we talk about job training and so on surely we are talking about, hopefully, a short-term period. We are talking about an anticyclical problem. We are not suggesting for one minute that job training programs and so on are for the long-term 20-, 30-, 40-year development. So I just wanted to clarify that.

Unfortunately I would say, I agree with the minister: a lot of what happens here depends on what happens to the American economy. A lot of what happens to Canada's economy depends on what happens to the American economy, and that is a problem we have. We are far too dependent on the American economy. Unfortunately, we have not diversified, which we have all talked about in the past, but we have not done so. It is just the fact. So it seems to me that we really are sort of throwing up our hands and saying, well, we will just roll with the waves, roll with the punches and that is about all we can be. So having said that, I think these people want to go on to some other departments, so we will carry on some other time.

Madam Chairperson: Item 1.(a) Minister's Salary \$20,600—pass.

Resolution 48. RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,081,800 for Finance, Administration and Finance for the fiscal year ending the 31st day of March, 1993—pass.

This concludes the Estimates for the Department of Finance.

ENVIRONMENT

Madam Chairperson (Louise Dacquay): The Estimates for the Department of Environment. We are on item 2. Environmental Management for reference for committee members, page 53.

Item 2.(a) Environmental Operations: (1) Salaries \$3,461,800—pass; (2) Other Expenditures \$608,800—pass.

2.(b) Environmental Management: (1) Salaries \$3,313,600—pass; (2) Other Expenditures

\$1,104,900—pass; (3) Less: Recoverable from Other Appropriations \$110,000—pass.

2.(c) Legislation and Intergovernmental Affairs: (1) Salaries \$135,500—pass; (2) Other Expenditures \$95,000—pass.

2.(d) Manitoba Hazardous Waste Management Corporation \$2,000,000—pass.

2.(e) Joint Environmental Assessment Review: (1) Salaries \$109,900—pass; (2) Other Expenditures \$443,600—pass.

2.(f) Alcohol Beverage Container Recycling Program \$600,000—pass.

Resolution 39: RESOLVED that there be granted to Her Majesty a sum not exceeding \$11,763,100 for Environment, Environmental Management, for the fiscal year ending the 31st day of March, 1993—pass.

Item 3. Environmental Advisory Organizations (a) Clean Environment Commission: (1) Salaries \$232,400—pass; (2) Other Expenditures \$123,400—pass.

3.(b) Manitoba Environmental Council \$50,000—pass.

Resolution 40: RESOLVED that there be granted to Her Majesty a sum not exceeding \$405,800 for Environment, Environmental Advisory Organizations, for the fiscal year ending the 31st day of March, 1993—pass.

Item 4. International Institute for Sustainable Development.

Resolution 41: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,375,000 for Environment, International Institute for Sustainable Development, for the fiscal year ending the 31st day of March, 1993—pass.

At this time, I would request that the minister's staff please leave the Chamber so that we can deal with item 1.(a) Minister's Salary.

1.(a) Minister's Salary \$20,600—pass.

Resolution 38: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,933,300 for Environment, Administration and Finance, \$1,933,300 for the fiscal year ending the 31st day of March, 1993—pass.

This concludes the Estimates for the Department of Environment.

FITNESS AND SPORT

Madam Chairperson (Louise Dacquay): We will now consider the Estimates for the Department of Fitness and Sport. Does the honourable minister have an opening statement?

Hon. Eric Stefanson (Minister responsible for Fitness and Sport): Thank you, Madam Chairperson. I have an opening statement on both Sport and Fitness, but I am more than prepared to table it with unanimous consent.

Madam Chairperson: Does the critic for the official opposition wish to make an opening statement?

Mr. Cliff Evans (Interlake): No, Madam Chairperson.

Madam Chairperson: Does the critic for the Second Opposition Party wish to make an opening statement?

Mr. Paul Edwards (St. James): No.

Mr. Cliff Evans: Just a few questions with the time allowed. Could the minister just indicate what policy the Sports and Fitness Directorate has for the upcoming year and are there any changes that he perceives, any additions, deletions that we can work with?

Mr. Stefanson: Again, because of the limited time, I would be more than prepared—if the honourable member has not had a chance to see it yet, I would provide him with copies of the Sport policy that we brought in last year which is good stuff, as mentioned by my colleague, in terms of outlining the value of Sport in all respects. So I certainly will provide the honourable member with those documents.

That led to the establishment of a task force in conjunction with the Manitoba Sports Federation that is mandated with the responsibility of developing, I will use the expression, an action plan for Sport. That task force has seven representatives, three from the Sports Federation, three appointed by the province, and with our joint chairman, Mr. Al Macatavish, who was the chair of the very successful World Curling Championships we held here in Manitoba, they are now taking that policy and turning it into much more of a working plan. I anticipate that their report will be ready sometime during 1992. So I look forward to that report, and I will certainly share that with my honourable colleague, as I will with all members.

In terms of the Fitness policy, once again the Fitness Directorate was very active during 1991-92. Their biggest strength is their ability to network with communities, with municipal governments, with community organizations, with other government departments and as part of that, continue to work on programs such as Fit Week, which is held in May of each year, Fit-4-Fun program, Active Living, also co-ordinating a pilot project in the community of Gimli having to do with the national fitness programs.

* (1810)

So once again, they have been very active in terms of networking, and that is the greatest strength that they bring is the ability to network with communities, as well as the support we provide to the University of Manitoba in terms of the delivery of fitness programs.

We provide a grant of some \$60,000, and we also provide \$10,000 to the Manitoba Fitness Leadership Development organization for the development of standards. Once again, both departments, both directorates were very active in '91-92.

Mr. Cliff Evans: With the involvement of government with the Winnipeg Jets and the formation of the committee on the new arena, can the minister indicate to us the meetings and consultations, when they are going to become in effect? Are they going to be public, and if not, why? If they are, when can we see foresee some action on this committee?

Mr. Stefanson: Certainly, the findings of the committee will ultimately become public. In terms of how they function, that remains to be seen. The committee, as I believe everyone in this House knows, has been appointed jointly by the Premier (Mr. Filmon) and by the mayor and is chaired by Mr. Art Mauro.

Unfortunately, they have not been all that active to date because they have been waiting for an actual agreement to be reached between the Winnipeg Jets, between the private sector group that is going to raise \$10 million in capital between the City of Winnipeg, Winnipeg Enterprises and the Province of Manitoba. That agreement has not been finalized and signed to date. My understanding is, if you recall it has to go back to City Council under their original approval, and it is scheduled to go back to Winnipeg City Council sometime in the next week or two, I believe.

Mr. Cliff Evans: The minister then is indicating that there is no specific time limit as to the committee. Because of going back to the City of Winnipeg, there is no specific time schedule to get the committee on the move. It is just open right now, nobody is making any moves?

Mr. Stefanson: There are time lines in terms of reporting, and the committee is to report by January of '93, I believe. There are time lines in terms of a decision being made whether or not a new arena is to be built in the province of Manitoba. I believe that date is—and I would stand to be corrected, I can provide the details later to honourable members—but I believe it is July of 1994.

So there are time lines in terms of the committee reporting, but a major part of the process is the raising of \$10 million in capital from the private sector. The private sector has been awaiting the actual signing of a formal agreement, which to date has not been finalized for several reasons, but my understanding is that it is imminent.

Mr. Edwards: Madam Chairperson, Schedule 12 in the book indicates that the province's commitment with the City of Winnipeg for major sports facilities terminated March 31, '92. Can the minister indicate whether or not that is being renewed, or is everything on hold pending some kind of conclusion to the new arena proposal, or what is the status of negotiations with respect to a new agreement?

Mr. Stefanson: As the honourable member points out, that was the final year of a five-year agreement whereby the City of Winnipeg put in \$5 million, the Manitoba Sports Federation \$5 million, and the Province of Manitoba \$5 million. That fund still has approximately \$4 million of unallocated funds.

Originally they were earmarked for a training centre, but the decision was made that there were probably more important aspects, other facility requirements in the city of Winnipeg. With that in mind, with \$4 million still to allocate, a decision was made that there was no need to certainly extend this agreement at this point, particularly keeping in mind that the city of Winnipeg is bidding on the 1999 Pan-American Games, and it remains to be seen what will happen with that bid and what the facility requirements will be as a result. That decision will be made in November of this year.

Manitoba has also been awarded the 1997 Canada Games, and it remains to be seen which

communities will end up hosting that. The community of Brandon has expressed interest; Selkirk has expressed some interest; the city of Winnipeg has expressed some interest. So, again, depending on what happens with those particular games, it will impact on facility enhancements in the province of Manitoba.

So recognizing that \$4 million is still remaining to be allocated and these other issues outstanding, a decision was made that there was no need to extend any agreement at this particular point in time.

Mr. Edwards: Madam Chairperson, I note in the notes, as well as the bid where the 1999 Pan-American Games, it indicates that presentations will be made to the Canadian Olympic Association in May and October of 1992. That is with respect to the 1999 Pan-American Games is it?

Mr. Stefanson: My apologies. I missed the date that was referred to, Madam Chairperson.

Mr. Edwards: The indication in the notes is that the presentation will be made to the Canadian Olympic Association in May and October of 1992 this year. I assume that presentation is with respect to the 1999 Pan-American Games?

Mr. Stefanson: Yes, the member is absolutely correct, a preliminary presentation was forwarded in May of this year. The site selection committee from the Canadian Olympic Association was here just a couple of weeks ago looking at our facilities, as they are doing in all of the cities that have put in proposals for the 1999 Pan-American Games.

The final submission has to be in this fall, September, October, with a decision—I might have said '93 when I referenced the date. The decision will be made this November in terms of which Canadian city is awarded the rights to be our designation for the 1999 Pan-Am Games.

Mr. Edwards: Is there any assurance that Canada will get the 1999 Pan-American Games? Is it allocated by country?

Mr. Stefanson: That decision has not been made, but all indications are that the 1999 Pan-American Games will be coming to Canada. But a final decision has not been made, and that will not be made until some time in 1993, I believe.

Mr. Edwards: Madam Chairperson, on an unrelated issue, the boxing commission has come under some criticism from a gentleman by the name of Martin Boroditsky, who has written extensively to

our party, and I think the New Democratic Party as well, and probably the minister. He has many complaints about the way that the association has functioned in the past.

In particular, Mr. Matiowski he makes many complaints about. He has put those in writing repeatedly. I wonder if the minister has had an opportunity to review his most recent concerns as expressed in writing, and whether or not there is a response which has gone out to Mr. Boroditsky or an internal investigation flowing from the report of the Ombudsman which did exonerate to a certain extent the commission, but not totally.

Mr. Stefanson: Madam Chairperson, for the sake of time, some time ago, I met with Mr. Boroditsky. The honourable member is correct that we had an audit done of the Boxing and Wrestling Commission. It made some, what I would call, fairly minor recommendations for changes. But, certainly, some recommendations for changes which we will be acting upon fairly shortly.

I recently received subsequent correspondence from Mr. Boroditsky which I have not had an opportunity to reply to yet. I would certainly gladly sit down with the honourable member for St. James (Mr. Edwards) or the Sport critic from the Liberal Party and share additional information on that issue.

Madam Chairperson: The honourable member for St. James (Mr. Edwards) for one very quick question.

Mr. Edwards: With respect to the new arena, I recently met with a group promoting an arena site at The Forks. I know the minister has heard from this group as well; there seem to be a few proposals out. I heard some of the answer to my friend's question commenting on this. Can the minister indicate what state these negotiations are at? Where are we going, in a nutshell, from here with respect to the new arena?

Mr. Stefanson: Very briefly, Madam Chairperson, the committee I referred to, chaired by Art Mauro, has two fundamental responsibilities. One, is the whole operating administrative side of the operations of the Winnipeg Jets and being sure that all of the conditions and criteria are met.

The other one is the issue of reviewing the entire issue of an arena for the province of Manitoba in terms of the economic impact, the costs, the locations, what the benefits might be to the economy, how self-sufficient an arena can be and

so on. That committee has been awaiting the finalization, the signed agreements which I indicated had not been signed to date. I anticipate that will be occurring in the next couple of weeks, reflecting the terms as outlined I believe in last December of '91 when the issue first was ultimately agreed to. So until that agreement is in place the committee we refer to has been holding off having the meetings with all of the groups that have put forward ideas and concepts for arenas and multipurpose facilities.

* (1820)

Madam Chairperson: I am interrupting the proceedings of the Committee of Supply because the total time allowed for Estimates consideration has now expired.

We will now proceed to pass Resolution 57.

Resolution 57: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,943,900 for Fitness and Sport, Lotteries Funded Programs for the fiscal year ending the 31st day of March, 1993—pass.

I would just like to take this opportunity to thank all members of the House for the courtesy and consideration shown this Chairperson during this lengthy Estimates process.

Committee rise. Call in the Speaker.

IN SESSION

Mr. Jack Relmer (Acting Chairperson of Committees): Madam Deputy Speaker, the

Committee of Supply has adopted certain resolutions, directing me to report the same and asks leave to sit again.

I move, seconded by the honourable member for Ste. Rose (Mr. Cummings), that the report of the committee be received.

Motion agreed to.

House Business

Hon. Clayton Manness (Government House Leader): Madam Deputy Speaker, before we recess, I would like to, on house business, refer certain bills to the Law Amendments Committee. I would like to refer Bills 86, 87, 93 and 97 to the Law Amendments Committee, and the committee itself will decide at what time they will hear them, whether that is tonight or tomorrow.

Madam Deputy Speaker: It has been moved by the honourable government House leader (Mr. Manness), seconded by the honourable Minister of Environment (Mr. Cummings), that Bill 86, 87, 93 and 97 be referred to the committee of Law Amendments. Agreed?

Some Honourable Members: Agreed.

Madam Deputy Speaker: Okay. As previously agreed, this House will recess and reconvene at 7:00 p.m. this evening.

* * *

The House took recess at 6:24 p.m.

Legislative Assembly of Manitoba

Monday, June 22, 1992

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