



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

41 Elizabeth II

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Speaker*



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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
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
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALLOWAY, 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
PALLISTER, Brian	Portage la Prairie	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 Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 26, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I beg to present the petition of H. Lindblom, Darwin Massey, Barry Flett and others requesting the Family Services minister (Mr. Gilleshammer) consider restoring funding for friendship centres in Manitoba.

Ms. Marianne Cerlill (Radisson): Mr. Speaker, I beg to present the petition of William Collins, Howard Almdal, Leanne Urbanski and others requesting the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

Mr. Leonard Evans (Brandon East): Mr. Speaker, I beg to present the petition of Keith Sparvier, Lydia Sparvier, Trent Sparvier and others requesting the Family Services minister (Mr. Gilleshammer) consider restoring funding for the friendship centres in Manitoba.

READING AND RECEIVING PETITIONS

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

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

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

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

WHEREAS the United Nations has declared 1993 the International Year of the World's Indigenous People with the theme, "Indigenous People: a new partnership"; and

WHEREAS the provincial government has totally discontinued funding to all friendship centres; and

WHEREAS the provincial government has stated that these cuts mirror the federal cuts; and

WHEREAS the elimination of all funding to friendship centres will result in the loss of many jobs as well as the services and programs provided, such as: assistance to the elderly, the homeless, youth programming, the socially disadvantaged, families in crisis, education, recreation and cultural programming, housing relocation, fine options, counselling, court assistance, advocacy;

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Family Services minister to consider restoring funding for the friendship centres in Manitoba.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Cerilli). 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? [agreed]

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

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Friesen). 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? [agreed]

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

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the student social allowances program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the student social allowances program; and

WHEREAS eliminating the student social allowances program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the student social allowances program.

TABLING OF REPORTS

Hon. Darren Praznik (Minister responsible for The Civil Service Act): Mr. Speaker, I would like to table today the 1991-92 Annual Report of the Civil Service Commission of the Province of Manitoba.

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I would like to table the Annual Report 1991-92 of the Department of Natural Resources, along with the Supplementary Information for Legislative Review copy for the year '93-94.

* (1335)

INTRODUCTION OF BILLS

Bill 28—The Manitoba Intercultural Council Repeal Act

Hon. Bonnie Mitchelson (Minister responsible for Multiculturalism): Mr. Speaker, I move, seconded by the Minister of Labour (Mr. Praznik), that Bill 28, The Manitoba Intercultural Council Repeal Act (Loi abrogeant la Loi sur le Conseil interculturel du Manitoba), be introduced and that the same be now received and read a first time.

His Honour the Lieutenant-Governor, having been advised of the contents of this bill, recommends it to the House. I would like to table that message also.

Motion agreed to.

Bill 27—The Environment Amendment Act (2)

Hon. Glen Cummings (Minister of Environment):

Mr. Speaker, I move, seconded by the Minister of Northern Affairs (Mr. Downey), that Bill 27, The Environment Amendment Act (2) (Loi no 2 modifiant la Loi sur l'environnement), be introduced and that the same be now received and read a first time.

Motion agreed to.

Bill 212—The Dauphin Memorial Community Centre Board Repeal Act

Mr. John Plohman (Dauphin): I move, seconded by the member for Flin Flon (Mr. Storie), that Bill 212, The Dauphin Memorial Community Centre Board Repeal Act (Loi abrogeant la Loi sur le Conseil du Centre commémoratif de Dauphin), be introduced and that the same be now received and read a first time.

Motion agreed to.

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 from the Sargent Park School eighty-six Grade 9 students under the direction of Mr. Robert Forrester. This school is located in the constituency of the honourable member for Wellington (Ms. Barrett).

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

ORAL QUESTION PERIOD

Farmers Alfalfa Products Government Assistance

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the First Minister, chair of the Economic Development Board of Cabinet.

Mr. Speaker, in 1991, the Deputy Premier (Mr. Downey) announced that video lottery terminal revenues would be used for initiatives to complement rural economic development. Again, this last week, on April 22, 1993, the Premier

announced funds to be available from video lottery terminals, not all the funds as was first announced in 1991, but funds would be announced for rural economic development to provide for value-added jobs and to allow for business ventures to survive in rural communities.

Mr. Speaker, on the weekend I had the honour of visiting the alfalfa plant in Dauphin. The people in that community, the people who are working directly in the plant, the producers who produce the raw material and the people in the coffee shops in the Parkland region cannot understand why the government cannot find a way to provide leadership to bridge the tough economic situation the alfalfa plant is facing this crop year.

I would like to ask the Premier: Of all the announcements they have made to support rural economic development, is there not a way to help the alfalfa plant in Dauphin and the producers of alfalfa in that community? It is one of the largest private employers in that community. It produces economic benefit of some \$800,000 per year to that Parkland region. Can the Premier not find a way, with all these programs, to bridge this very challenging situation?

* (1340)

Hon. Gary Filmon (Premier): Mr. Speaker, without addressing, because it would take too long to correct all the inaccuracies within the preamble of the question that the Leader of the Opposition put forward, I will say to him that even during the time of the government of which he was a part, they steadfastly took the position that operating expenses on behalf of businesses that were failing were not something any government could get into, that the operating side of the expenses of a business was the responsibility of that business with the commercial lenders—the banks, the credit unions, the various financial institutions. They were the ones who had to take the responsibility for that.

We have statements on record by members of the Pawley administration that there was not enough money in government to do that, that there are businesses which get into difficulty day after day after day, that if government was to guarantee their operating line of credit or get into their operating expenditures, there just simply would not be enough money to go around.

He is the first person, Mr. Speaker, to get up and talk about us supporting business and giving

support to business. I can give him dozens and dozens of examples that come through week after week of people who say, there has been a change in my trucking business because of deregulation; I just need government to guarantee my line of credit for the next six months or a year or whatever.

Mr. Speaker, it is not possible. No government in this country has taken on that kind of responsibility.

Mr. Doer: Mr. Speaker, I guess last Thursday, people in the Parkland region and people across Manitoba thought there would be some helping hand from the video lottery terminal revenue that was reannounced by the Premier last week, some close to two years after the Deputy Premier (Mr. Downey) announced all money from video lottery terminals would go back to rural economic development. I would refer the Deputy Premier to his original press release.

That kind of nitpicking does not help the people in Dauphin and Parkland. The bottom line is, Mr. Speaker, they have been in business for 20 years. They had a tough crop year last year. It is a business that takes raw products and value-adds them in Manitoba. It is one of the largest operations on the private side in the Dauphin-Parkland region. The producers themselves have pledged between \$80,000 and \$100,000 to keep this plant going.

Is there not any way in this very difficult time to find a way to keep this plant going so we can have these jobs and these opportunities in Manitoba for another 20 years, rather than have them proceed to an auction which is scheduled on May 22?

Mr. Filmon: Mr. Speaker, this is not nitpicking to say that the government cannot take on the responsibility of the operating expenses of companies that are in difficulty.

If the member opposite wants to have examples of it, examples that demonstrated to his own government when they were in office, he only needs to look at King Choy Foods, at the aircraft manufacturers, Saunders Aircraft, at all of those enterprises that the Schreyer government took on by virtue of, firstly, getting into loan guarantees just simply to guarantee their operating lines of credit that ultimately resulted in them taking on the ownership and millions and millions of dollars of losses for the public of Manitoba.

It is one thing to put in investments from video lottery terminals for start-up costs; it is one thing for setting in place kinds of guarantee programs for the

initial expenditures or for particular job-creating activities in the beginning. It is another thing to take on the responsibility for guaranteeing their operating line of credit when they are in financial difficulty. There are literally dozens, if not hundreds of firms in Manitoba that would make the same call tomorrow on the government of Manitoba. I can assure him of that, Mr. Speaker.

* (1345)

Mr. Doer: Successive governments have attempted to try to work with private companies, co-operative companies, with producers to diversify our crops in western Canada. I think we were involved in the Carnation plant, as I recall, Mr. Speaker, to get Carnation located here for potato producers so that we could be exporting across the world in terms of that production—a very major investment.

Now this, admittedly, by scale, is much smaller. Mr. Speaker, I do understand that 27 jobs that have been there for 20 years are in jeopardy right now for want of a loan guarantee from the provincial government. I understand that 20 producers have signed \$5,000 loan guarantees themselves to try to make this company operate. Is there not any way that the Premier and his government can find a way to bridge this difficult situation based on the last year's very, very moist crop situation and poor grade of product, so that we can see these vital jobs maintained in Manitoba and primary produce value-added with the kind of operation we see in the alfalfa plant? Is there not any way through this to provide some leadership to keep these jobs going for another 20 years in Manitoba?

They paid taxes for 20 years. We need these people and these jobs in this province.

Mr. Filmon: Mr. Speaker, if this is indeed just a short-term problem, banks and financial institutions evaluate that. They do not want to go and lose their equity in a company, their loans, their operating lines of credit. They do not want to lose that. If they saw an opportunity for getting out of it, then they would be the first ones to say, okay, your pro forma statement says that within six months or nine months or a year, you will be out of this, and they exercise that kind of logical analysis.

They are not in the business of wanting to lose whatever share of money they have in it. The fact of the matter is—I repeat for him—that this is the kind of thing that has been looked at by previous

governments, including New Democratic governments. If you were to go and guarantee the operating line of credit for every business that, because of some change in market or climate or anything else, got into difficulty, you would have hundreds on your doorstep tomorrow.

You would have printing companies, trucking companies, all sorts of companies that are in this time of difficulty, Mr. Speaker, there saying it is the government's responsibility. I can guarantee him that I have had contacts from many, many businesses in many different fields who ask for the same thing.

Personal Care Homes Rate Structure

Ms. Judy Wasylycia-Lels (St. Johns): I would like to ask the Minister responsible for Seniors some questions about a growing concern being expressed by many people in this province, particularly the senior citizens of Manitoba who are currently in personal care homes and are very worried about the increases in rates they are facing.

This concern has been exacerbated by the lack of information from the government itself. In fact, the government has made matters worse by repealing the regulation covering payments under The Health Services Insurance Act.

I would like to ask the minister: When will this government be releasing the regulations which outline the changes to the rate structure for personal care homes in this province?

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, how we have been handling the concerns that have come forward, we have asked the people to bring their examples until those regulations come forward, and the minister responsible in Health has expressed in questions in the House that he will be getting to the regulations shortly.

Ms. Wasylycia-Lels: Mr. Speaker, to help the minister do his job in terms of speaking up for seniors, I will table a letter that went to all personal care home residents, dated April 6, from the Assistant Deputy Minister of Health indicating rate increases for personal care homes as high as 74 percent.

I want to ask the Minister responsible for Seniors if he can tell us today how many people will be affected by this government's changes to the rate

structure. How many people will have to pay the maximum, and how many will see their fees increase and by much?

Mr. Ducharme: I do not have to be lectured by that member across the way on seniors issues.

Mr. Speaker, the people involved are based on the ability to pay, and as expressed to the member just in my first response, the minister responsible for Health will be getting those regulations through, and those questions will be answered by that minister.

* (1350)

Ms. Wasylycia-Lels: Mr. Speaker, we are talking about senior citizens who have worked all their lives—

Mr. Speaker: Order, please. I remind the honourable member for St. Johns, this is not a time for debate. The honourable member, with her question, please.

Ms. Wasylycia-Lels: I would like the minister to give some information to us and to the seniors in this province. Specifically, what definition of income will be used in determining the level at which personal care home residents will be billed? Will family income be taken into consideration? How is the income level derived?

Mr. Ducharme: Mr. Speaker, as expressed in my two previous responses, the Minister of Health (Mr. Orchard) will have those regulations available to the public, and any inquiries that we are getting through our Seniors secretariat, we are taking down examples that they have laid out to us, and we carry them forward and get them back to those individual people.

So someone who has some questions in regard to personal care and is at that standstill right now, we ask them to phone our Seniors office, and we will get back to them on what the costs are on May 1.

Endangered Spaces Manitoba Protection Record

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

The minister was one of the first signatories to the Endangered Spaces Campaign administered by the World Wildlife Fund whereby 12 percent of the land from representative areas was to be set aside and preserved in its natural state. With much fanfare, this minister signed on in September of 1990 and very quickly proved himself worthy of a D grade from

the World Wildlife Fund with the notation, unfulfilled expectations.

Mr. Speaker, Endangered Spaces has now produced a map and sent it to the minister last week, which shows that he is in line for another D or worse.

My question for the minister: Why has this minister, after two and a half years of this program, of having signed on to it, only adequately protected 2 percent of Manitoba's land mass which is one-sixth of what he was supposed to protect and said he would?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, the honourable member and I think all members ought to be aware that the designation of land, particularly under this designation, to be set aside for all time, is a very serious business. We have in the course of these two years undertaken extensive public hearings under the Natural Lands Strategy sponsored by the round table that asked Manitobans throughout the province about their thoughts and views on this and other subjects.

Mr. Speaker, I am also well aware that when I signed that document committing this government to the principles of the Endangered Spaces Program it was, in fact, a goal to be achieved by the year 2000.

I am satisfied that, very shortly, with the introduction of new park lands legislation into this Legislature and other initiatives, we will demonstrate to the satisfaction of certainly those who are watching the province on this regard, that we are prepared to keep our commitments.

Government Initiatives

Mr. Paul Edwards (St. James): Mr. Speaker, the minister says he needs more time.

My question for the minister: Why, when he got his report card last year, did he tie for second-last place? He tied with Alberta which was not even committed, which had not even signed on to this. The rest of the country is doing far better and far more than this minister.

My question for the minister, Mr. Speaker, is: Between now and when the next report card comes out in September, what is this minister going to do to warrant a better mark than second-last place in this country, a D?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I am prepared to

operate within the principles of the Endangered Spaces Program and set aside and designate very substantial acres of land in the province of Manitoba to the Endangered Spaces Program.

Provincial Parks Protection

Mr. Paul Edwards (St. James): Mr. Speaker, my final question for the minister: Will the minister commit today to giving his words in his press conferences some credibility, by putting some protection into the meaning of a park or a wildlife management area, given that currently of Manitoba's nine provincial parks, all but one allow logging and the designation of a wildlife management area effectively excludes nothing because this minister has given himself an override for any use on any land?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I would invite the honourable member to await the introduction of new park lands legislation into this Legislature. That would be the appropriate time to debate these issues.

Assiniboine River Diversion Clean Environment Commission Hearings

Ms. Marianne Cerilli (Radisson): Mr. Speaker, the Clean Environment Commission hearing dates have been set for June 14 to 30 on the Assiniboine Diversion. We were shocked to see that none of the dates are in Winnipeg and in fact there are no sites downstream of the Assiniboine Diversion set for Clean Environment Commission hearings even though, logically, the downstream effects are going to be some of the most important effects to study.

Can the Minister of Environment confirm that these dates have been set and that there are no downstream sites for the Assiniboine Diversion project Clean Environment hearings?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, in setting the dates, the commission looked at the various areas where both proponents and opponents would have an opportunity and a good logical setting for them to appear and make their feelings known. While very often we have meetings in the city of Winnipeg and expect rural Manitobans to drive in, this is one of those situations where largely the interest that has been expressed up to this point, both opposition and in favour of the project, is largely centred in the Portage la Prairie

and up to the Shellmouth area, and it seemed like a reasonable compromise that the commission recommended.

* (1355)

Ms. CerlIII: Mr. Speaker, does the minister have any environmental explanation or rationale for not having downstream communities sited?

Mr. Cummings: Mr. Speaker, I answered this same question last week from the member for Selkirk (Mr. Dewar) about asking for additional sites for the hearings. I suggested to him, as I would suggest to this member, that if there are significant interests that are expressed and concerns that cannot be answered by the present format, then I hope the public will let the commission know.

Frankly, Mr. Speaker, it seems to me that the locations are all within a very short driving range of those who have expressed interest and concern, and we have accepted the commission's recommendation.

Addendum

Ms. Marianne CerlIII (Radisson): Mr. Speaker, the City of Winnipeg Council passed a resolution on behalf of all the citizens of Winnipeg—

Mr. Speaker: Order, please. This is not a time for debate.

Ms. CerlIII: Does the minister have a legal opinion on the addendum proposed for the Assiniboine Diversion so that we can be assured that these hearings are not for a project that is illegal because it is changing the project in the middle of the environmental assessment?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the staff who are reviewing the proposals have been very conscious of the fact that there was an addendum brought in in the middle of the setting of the guidelines, and they have been very conscious about making sure that the public was made aware of this and that they had an opportunity and will have continuing opportunity to comment on it.

I am quite concerned that the member would suggest that there has been, in any way, an attempt to cut off debate or a lack of encouragement for people to attend at the hearings. I suggest if there are others out there who concur with her, they should let the commission know.

Autopac Auto Repair Estimates

Mr. Leonard Evans (Brandon East): I have a question for the Minister responsible for the Manitoba Public Insurance Corporation.

Mr. Speaker, there is evidence that runaway costs have led to exorbitant premium increases under this government, and I now have evidence on Autopac repair assessments being substantially higher than estimates of autobody shops.

A citizen came to me with five written estimates on a 1989 Toyota Camry which received damage to front and rear doors and the rear bumper. These estimates range from—the cheapest was \$353 and up to \$510.72; the next was \$605.34; \$776.29, and the highest private autobody estimate was \$1,105.44.

He then went to Autopac, and they gave him an estimate of \$1,449.16. That is over \$300 higher than the highest private estimate and four times higher than the lowest—

Mr. Speaker: Order, please. The honourable member for Brandon East, put his question, please.

Mr. Leonard Evans: Mr. Speaker, members opposite may be impatient, but we have to put the information on the record.

Mr. Speaker: You did. Order, please. Put your question, please.

Mr. Leonard Evans: This gentleman is very upset, and my question to the minister is: Why is there such a dramatic difference between the private estimates and the Autopac estimates?

Hon. Glen Cummings (Minister charged with the administration of The Manitoba Public Insurance Corporation Act): Mr. Speaker, first of all, I hope he intends to table that information so it can be reviewed in detail. Secondly, I presume that the member is unaware that in terms of the cost of repairing the autobody repair side as compared to the cost of repairing the human bodies in damage that occurred, the autobody repair side, the tin and the plastic, the cost of increases there in the last three years have been and are running at or below the rate of inflation.

I would presume that the member has researched this and found out that Manitoba's autobody rates that the corporation pays are certainly well within the same rates that are paid across western Canada.

Mr. Leonard Evans: I have another question of the minister.

I would ask the minister if he would undertake an investigation of the methods and procedures now being used by Autopac with a view to stopping what appears to be an overly generous estimating procedure by Autopac, because another citizen came with the same story, \$375 for the private and \$524 for Autopac.

* (1400)

Mr. Cummings: Mr. Speaker, it is quite obvious that it has been some time since the member has been reviewing some of the work that is associated with autobody repair.

I will be glad to invest some considerable amount of time in providing answers and the details he is asking for, but I should remind you that it is very interesting that I get a lot of letters in my office asking us why we are using recycled parts. People out there are of two minds when they have their vehicles damaged, whether or not it should be repaired to the absolute new condition or whether the cost-saving practice of using recycled parts is allowed. I would be interested in that member's opinion.

Mr. Leonard Evans: Incidentally, this gentleman went to the autobody shop that would do it for \$600—

Mr. Speaker: Order, please.

Mr. Leonard Evans: Will this minister acknowledge that there appears to be a two-price system that has developed, one through Autopac estimation and one through private autobody shop estimates? Will he take action now to stop what appears to be a rip-off situation?

Mr. Cummings: Mr. Speaker, I asked the member to table that information. I presume he will. That will be appropriately investigated and answered. I would remind the member that it was since this government came into office that we moved to eliminate the rebating for replacement of windshields, which he thought was okay when he was in office.

Stubble Burning Enforcement

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, my question is to the Minister of Environment.

On April 15 the minister, along with the Minister of Agriculture (Mr. Findlay), issued a statement and a policy with regard to stubble burning. I asked the

question to the minister on Friday, because I had noticed some fires coming back from Dauphin on the previous evening, and I got the following response from the Minister of Environment. He said: "If there were complaints that were registered, we would respond to them." That sounded like a very positive statement about what the Department of Environment was prepared to do. Several hours later, as I was driving in my vehicle to the lake, I listened to an interview conducted by Jim Rae with Carl Orcutt, the ADM of the Environmental Operations Division, who responded to a question that there was no enforcement policy in the department with respect to stubble burning.

Now, what are the citizens of this province to believe—the minister who says that they will respond or the assistant deputy minister who says they do not have a policy?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I presume that my comment will be the one that will be correct.

Mr. Speaker, the Leader of the Second Opposition referenced the fact that she saw some fires that were burning two hours after dark. I would ask, did she turn in a report? She did not. Secondly, the only call that I have had in my office was from a person who said they saw a fire, and they were given the number to call. They said, well, it is no problem, and they hung up. So, if there are concerns out there, the response will be available from the department.

The time of year in which we are presently living is when we are basically allowing daytime burning unrestricted. We have the power that if that burning is being done in such a way that it is causing difficulties for an urban area or fires are left uncontrolled after dark, we have the authority to deal with them and we will.

I really am concerned why the member is not supporting this policy. It would seem to me that this is the kind of approach that goes beyond the approach that the Liberal Party ever asked for.

24-Hour Response Line

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I just want the policy enforced. The minister says I did not report it. Well, I thought I reported it to the highest authority, the minister himself, at the earliest possible opportunity. But, just to make sure that it was done properly, I

looked up in my directory. I could not find the 24-hour response line, so I phoned information, 2211, and I was referred to 5017. That, I was told, was a wrong number, so then I was referred to 8132. I was then told that was not the right number. Then I called Mr. Orcutt's office, and I was told there would be no such number until September.

Can the minister tell the House today, what is the 24-hour response line that I am supposed to call to report?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I would be interested to know the question that the member put to the people on the other end of the line. If she asked if this was an emergency line for stubble burning, the fact is, that line, the 1-800 line is to be established in the fall. If she has a complaint about a specific fire that is out of control, then all she needs to do is say so when she is on that line.

Mrs. Carstairs: Mr. Speaker, I was just following the minister's advice. On Friday the minister said, we have a 24-hour response line at the department. So we called all of these numbers to find out just what was the 24-hour response line. That is what we wanted to know.

Can the minister stand in the House and tell me, as well as all the other citizens of the province of Manitoba, what is the number? [laughter]

Mr. Cummings: Mr. Speaker, while this elicits some laughter on our side, this is a serious situation, because she is misrepresenting the information that I gave her. She also misrepresented the information that she was receiving.

Mr. Speaker, the 1-800 line for responses to stubble burning complaints will be in position to deal with the controlled period, which is starting the 1st of August this fall. If they have a problem with a fire that is out of control today, call the 24-hour line that is in existence, but do not phone them and ask them if they are the stubble response line—dumb.

Aboriginal Farmers Government Assistance

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I have questions for the Minister of Agriculture about several farm groups.

The Minister of Agriculture on Friday indicated that he did not have any interest or responsibility for the aboriginal farmers who are not able to get

operating loans this spring, through no fault of their own. However, they are Manitoba farmers.

Has the minister lobbied the federal government, or has he made contact with the Department of Indian Affairs or the Department of Industry, Science and Technology to assure that the necessary loans are in place so that rice growers and the rice processors can operate this year? They are a vital part to Manitoba's agriculture.

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, I regret the member says I have no interest. That is absolutely wrong. It was never said. I wish she would apologize for that misrepresentation.

I told her the process that is in place is federal money for funding aboriginal farmers. Aboriginal farmers, in addition to that, have access to all the existing plans and programs in the Department of Agriculture in the province of Manitoba.

Ms. Wowchuk: Mr. Speaker, I assume from that answer I received, the minister is saying that aboriginal people can go to MACC for loans.

Sugar Beet Industry Future Status

Ms. Rosann Wowchuk (Swan River): I want to ask the minister about another group of farmers.

Has he made any decision, or has he taken any action on the sugar beet farmers who are waiting for his decision on an agreement? Can he tell us whether the workers at the sugar beet plant will be working this year, or is that something else that he does not care about—

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

* (1410)

Hon. Glen Findlay (Minister of Agriculture): That member knows so little, she thinks she has all the answers.

I have had in the vicinity of a dozen meetings on this issue with the company, with the Alberta government, with the federal government, with the growers in Manitoba, with the growers in Alberta. Our offer is very clearly on the table, I will tell the member. She knows that very clearly. It has been on the table for some time.

It is an increase in the expenditure in my department for stabilization from \$375,000 to \$626,000 involving Agriculture and Industry, Trade

and Tourism. That offer is on the table. The federal government has made an offer in Alberta. I would assume they will match it here in Manitoba, and nobody has seen fit yet to accept that offer.

Ms. Wowchuk: But, Mr. Speaker, the Alberta government has signed an agreement—

Mr. Speaker: Order, please. I remind the honourable member for Swan River, this is not a time for debate. The honourable member, kindly put your question now, please.

Alfalfa Industry Interlake Plant

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I want to ask the Minister of Agriculture, if this government is not prepared to support the alfalfa plant in Dauphin where they have the expertise and they have established markets and people who are prepared to support the industry, can he tell us why his government is encouraging the people in the Interlake area to proceed with an alfalfa plant?

If there is no work—

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

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the alfalfa industry has been developing in Manitoba over many years. Last year we sent a mission to places like Japan.

Mr. John Plohman (Dauphin): It really helped.

Mr. Findlay: The member for Dauphin does not care that we are trying to help the alfalfa producers in Manitoba.

Mr. Speaker, we sent the mission to Japan involving two individuals from the Interlake who are investigating the possibility of setting up dehyd plants. I will tell the member there is a very good market in Japan for high-quality alfalfa, long-fibred, cubed instead of pelleted. Those people went over and investigated that market opportunity and are continuing to explore it and looking towards making their investment.

There are many, many companies in the province of Manitoba presently in the alfalfa business, and many looking at getting into it. I would remind the member that it is very complex. It requires very high quality, but the market is out there and we are working with the growers across this province in order to be able to access the opportunity.

Seven Oaks Concerned Community Rally Government Representation

Mr. John Plohman (Dauphin): Mr. Speaker, this evening at 7 p.m., the Seven Oaks Concerned Community, consisting of parents, teachers, employee groups, daycare workers and children, and others are staging a rally at the Legislature to protest the government's insensitivity towards education and programs for children.

They have asked the Minister of Finance (Mr. Manness), the Minister of Family Services (Mr. Gilleshammer), the Minister of Education (Mrs. Vodrey), and the Premier to explain themselves to those assembled and yet have received no response from this government. I want to ask the Premier to indicate who from his government will be explaining the government's policies to those assembled, those concerned people at the Legislature tonight?

Hon. Gary Filmon (Premier): Mr. Speaker, this administration has, through the course of the Budget Debate, put on the record a great deal of information and all the various rationale and thought that went into the budget, the priority choices, the difficult circumstances we face, have all been aired very publicly.

I am sure that most Manitobans who are interested are well aware of it, Mr. Speaker.

Mr. Plohman: Well, Mr. Speaker, in light of the fact that the Premier played ostrich when 4,000 people came out to the Legislature in a rally to protest his cuts, will he now ensure that there is someone from his government at the rally tonight to explain to those concerned people precisely what the reasons are for the cuts that he has made to children in this province?

Mr. Filmon: Mr. Speaker, the member knows full well that he has with him the luxury of irresponsibility of being in opposition, and fomenting these kinds of demonstrations and encouraging all this. The fact of the matter is that reductions in expenditure are taking place in every administration across the country, including New Democratic administrations, to a much greater extent in some other provinces.

Mr. Plohman: Mr. Speaker, that does not provide the answers. If the Premier is so sure that he is doing the right thing and he can explain it, why will he not go out on the steps and meet the people and explain the actions of his government face to face?

Mr. Fillmon: Mr. Speaker, being in government is about responsibility and taking serious actions. It is not about political grandstanding that the New Democrats like to participate in. The political grandstanding will gain them exactly what they deserve.

Universities Impact of Workweek Reduction

Ms. Jean Friesen (Wolseley): Mr. Speaker, my question is for the Minister of Education.

I wanted to ask the minister: Has her ministry or the government conducted any inquiries into the potential impact of its reduced workweek on the quality of education at Manitoba's universities? Could she tell the House what the result of those inquiries are?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, we did ask the universities to look at a version of the workweek reduction and suggested to them that some of the time that might be used at the university level was the time of the Christmas holidays.

Ms. Friesen: Mr. Speaker, could the minister confirm then that under the proposed cutback plans of the University of Manitoba there will clearly be lost laboratory days, possibly up to a week, and that this will have an impact on accreditation and upon the quality of education?

Mrs. Vodrey: Mr. Speaker, again, there are a number of optional time periods in which the university may like to look at the workweek reduction and what the member is now saying in the House. I think she should look at not necessarily putting that information on the record unless she is absolutely sure that is what has been put forward, because there are a number of other options which are available to the universities.

Ms. Friesen: Mr. Speaker, could the minister then undertake to review the universities' plans with the universities in order to ensure that the quality of education and the quantity of education at Manitoba's universities is not undermined?

Mrs. Vodrey: Mr. Speaker, again, the quality of education within our universities is of great concern and of interest to this government, and we have in fact commissioned the Roblin commission to look at university education in this province and the universities. I have spoken about a possible application of the workweek reduction, but in every

case, this government has said that where it is applied we should make sure that the quality of education is the first and foremost importance as it is applied.

Budget

Manitoba Mineral Resources Reserves

Mr. Jerry Storie (Flin Flon): Mr. Speaker, when Manitobans started reviewing the budget document tabled by the Minister of Finance (Mr. Manness), I think they became concerned about fudging of the figures. Another example of that is the decision by the government to raid Manitoba Mineral Resources to the tune of some \$16 million and include that as government revenue so that the government would look good by reducing their deficit on a one-time basis some \$16 million.

My question to the minister responsible for Manitoba Mineral Resources is: Was there any discussion with the mining companies, the mining communities, the board of directors of Manitoba Mineral Resources, about the potential impact of taking some \$16 million out of the reserves of the Manitoba Mineral Resources on the corporation and potentially on the communities which are involved on a joint venture basis with MMR?

Hon. James Downey (Minister of Energy and Mines): Mr. Speaker, the question, I believe, specifically is raised as to whether there were discussions prior to the budget being brought down with the mining companies as it relates to that type of budget decision. I think the member should be well aware of the fact that those kinds of budgetary decisions are not communicated extensively publicly. It is my understanding that there were discussions with the chairman of the board of MMR but not with the industry at large.

Mr. Speaker: The time for Oral Questions has expired.

* * *

Mr. Speaker: Order, please. I believe the honourable member for Brandon East (Mr. Leonard Evans) wants to table his documents.

Mr. Leonard Evans (Brandon East): Yes, I would like to table the documents I referred to on the autobody estimates.

* (1420)

Mr. Speaker: I would like to thank the honourable member for Brandon East.

ORDERS OF THE DAY

Hon. Darren Praznik (Deputy Government House Leader): Mr. Speaker, I would move, seconded by the honourable Minister of Natural Resources (Mr. Enns), that Mr. Speaker do now leave the Chair, and that this House resolve itself into a committee to consider of the Supply to be granted to Her 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 St. Norbert (Mr. Laurendeau) in the Chair for the Department of Family Services; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Highways and Transportation.

COMMITTEE OF SUPPLY (Concurrent Sections)

FAMILY SERVICES

Mr. Deputy Chairperson (Marcel Laurendeau): Will the Committee of Supply please come to order.

This afternoon, this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates of Family Services. When the committee last sat, it had been considering item 1.(d)(1) on page 54 of the Estimates book.

Mr. Doug Martindale (Burrows): Mr. Deputy Chairperson, I would like to follow up on some of the questions that were asked by the member for Crescentwood (Ms. Gray) on the Social Services Advisory Committee.

First of all, I wonder if the minister could give us the names of the current members—not necessarily now, but a list of the members.

Hon. Harold Gilleshammer (Minister of Family Services): Mr. Deputy Chairperson, yes, I can give you those names: Caroline Sopuck, Judy Slaughter, Elsie Janzen, Orma Graham, Arlene Crabbe, Natalie Dobrowolski, Marnie Skastfeld, Nadia Davage, Clare De'Athe, Penny Fraser, Josie Lucidi, Eileen Forsyth, Tara Brousseau, Hal Sveistrup.

Mr. Martindale: Could the minister tell us if any of those people are social assistance recipients?

* (1430)

Mr. Gilleshammer: I do not believe they are.

Mr. Martindale: Would the minister give consideration in the future, when there is opportunity to make an appointment, to appointing someone who is a social assistance recipient or perhaps someone who has experience working for an organization that provides service to recipients, particularly a nongovernment organization such as the Manitoba Anti-Poverty Organization?

Mr. Gilleshammer: I would say to the member that I think government is always looking for good people to appoint to boards and commissions. I know one of the member's seatmates was very active in this area before. I am sure she would tell you the same thing, that it is incumbent on government to have a broad cross section of people serving on advisory boards and committees and commissions, and government is always looking for members who will make a valuable contribution.

Mr. Martindale: So I take it, the minister would at least be open to appointing a social assistance recipient.

Mr. Gilleshammer: I guess one of the things is, I would have to check with the legal department of government to see whether there is any perceived conflict in doing so. Other than that, my answer stands that government is always open to finding citizens of the province who can make a valuable contribution to boards and commissions.

Mr. Martindale: Thank you for that offer. If the minister does consult with the legal department, I would be interested in knowing the answer.

Were these people, for the most part, appointed at the same time, under the same Order-in-Council? If so, were they provided training before they started sitting as panelists? If so, what kind of training and for how long and how much training?

Mr. Gilleshammer: The answer to the first question is no. The answer to the second question is yes, that training is provided. There is a basic orientation given to board members as they come on board and the orientation is ongoing as they learn their responsibilities.

Mr. Martindale: My concern is that since this is a very important board, I think there should be training or that people should be recruited who are knowledgeable in this area or who have experience on other boards or commissions. Now I think there is an inherent problem here, and that is that this is not a high-profile board. It may be difficult in fact to recruit people for it.

We are not talking about the board of Manitoba Hydro. We are not talking about a board where the per diem rates are high. We are talking about a board where the per diem rates are quite modest. I think that is a bit of a problem because it seems to me that, because of that, the panelists are very open to being influenced by the staff on the panel.

Of particular concern then is who the chairperson is of the appeal panel, although I suppose, since they are sitting in panels of three, at each meeting, one person must act as chair. My understanding is that with many government boards and commissions, the chairperson is often a lawyer or someone who has previous experience being chair of a board or commission.

Can you tell me if any of the people on this panel are lawyers or have had previous experience chairing boards or commissions?

Mr. Gilleshammer: I am not absolutely sure if any of them have had experience as a lawyer, but as far as chairing other organizations, the answer is yes. Some of them have had that experience. Again, with boards and commissions that government is responsible for, I think by and large you are looking for a cross-section of Manitobans to serve in some capacity.

The member references the fact that on some, what he calls, high-profile boards, you need specific types of individuals. I presume lawyers is what he is referring to. I would hope that does not become a prerequisite for people to serve government on boards. I think, as I indicated in my first answer, government is always looking for a broad cross-section of Manitobans who are prepared to serve on these boards across all departments.

My experience, since I have been involved as an MLA, is that there are hundreds and hundreds of people who accept these appointments for a period of time, and by and large they work well. I will concede that there are specific boards that call for specific criteria and backgrounds, and I am sure those things are taken into consideration.

Mr. Martindale: I think it would be helpful if at least one panelist was a lawyer, since the decisions that are being made are very critical to the recipients, and therefore, I think legal training would be helpful. I would assume that some of the decisions that are made become precedents. I know that only matters of law can be appealed to the courts, so I think legal training would be helpful.

Also, it seems that there is a very low rate of success. If one looks at the statistics that were provided on Thursday—I am just going by memory, but I think there was a very small percentage of something like, was it 65 successful appellants out of over a thousand? So a very small number are successful.

If it is in order, I would like to ask a question about the notice given to people saying that they can appeal. This may more properly fall under Income Security, but they are appealing to the Social Services Advisory Committee, so if the minister will accept a couple of questions on that.

I had occasion to help one of my constituents who received a notice saying that she was cut off provincial social assistance, and there was no date on the notice. Can the minister tell us if that is standard practice or if this was an anomaly?

Mr. Gilleshammer: Mr. Deputy Chairperson, in reference to the first part of the member's comments, the board does have legal advice available, that if they should require the services of a lawyer, that is at their disposal. On the question of notice, my understanding is that the normal way of doing business is to have a date on the letter, and I believe they have 15 days in which to launch an appeal if they so wish. That is 15 calendar days.

Mr. Martindale: So the fact that there was not a date on this particular letter was an exception, not the rule.

Mr. Gilleshammer: Yes, that was an error, and all of the information, as the member, I am sure, is aware, that is sent out should have a date on it.

Mr. Martindale: It is my understanding that notice requirements are to be in writing and give reasons for why people are being cut off, not just the date of termination. However, I understand that quite often what happens in fact is that people are contacted and told, we are holding your cheque; please come in, we would like to talk to you, or, we want you to do this and this. Therefore, it is conditional whether or not they continue to get social assistance rather than legal. Either they are getting it or they are not. If they are not, then they should get a proper termination notice.

Can the minister tell us if in fact that is the practice? If so, why is that happening? What are the circumstances which lead to that?

Mr. Gilleshammer: Mr. Deputy Chairperson, the individual circumstances of clients can change. If,

in those circumstances, they no longer are eligible for particular benefits, then they of course have to be notified.

I have said to the member before that if people qualify for social allowances and they come within our guidelines, we will be sure that they get fair treatment. As far as notification, it is important that notification be in writing, and that the clients have an opportunity to fully understand what it is about their circumstances that no longer would qualify them for a certain level of assistance or whether they no longer are able to get assistance at all. I think it is important that individual clients do get reasons, and that the department does try to provide those reasons.

Mr. Martindale: The minister says that it is important. My understanding is that frequently appellants do not find out the reasons until the date of the hearing, which seems quite unfair to me. I would like the minister to comment on that, if it is correct. I would be happy to be informed that it is not correct, but I understand that occasionally or sometimes appellants do not find out the reasons until the hearing.

Mr. Gilleshammer: Mr. Deputy Chairperson, the member has to appreciate that a good percentage of the clients also are part of the municipal system, where if they have some question about whether they should be accessing social allowances or whether they are discontinued, the actual administration, the actual work of dealing with that particular client, is done by one of 200 municipalities. Similarly, we have about 26,000 to 27,000 cases at the provincial level.

The person who perhaps is having their benefits adjusted or having them terminated will be given, in writing, the reasons for that termination or that adjustment. I would believe that it may be possible that written documentation does not give an explanation in a way that may be acceptable to the client, and further discussion of that could well take place at the hearing.

* (1440)

Mr. Martindale: Does the Social Services Advisory Committee have a procedural manual or directive for appellants for them to consult so that they know what their rights are and how the appeal proceeds? I guess I am asking if they are given advice on the appeal procedures.

Mr. Gilleshammer: Yes, there is a brochure.

Mr. Martindale: Could I get a copy of the brochure?

Mr. Gilleshammer: Yes, we will provide that.

Mr. Martindale: Thank you.

I understand that there is also a medical review panel. Could the minister tell me what kinds of cases go to the medical review panel and how they are handled?

Mr. Gilleshammer: Mr. Deputy Chairperson, the member is referring to provincial clients who are disabled and go on the provincial system. To qualify for that designation, clients are panelled and their circumstances are presented to a medical review panel consisting of a number of people, including a medical practitioner, a doctor, the director of a district office and a counsellor.

Mr. Martindale: Can decisions of the medical review panel be appealed, and if so, to whom?

Mr. Gilleshammer: The answer is yes. It can be appealed, and it is appealed to the Social Services Advisory Committee.

Mr. Martindale: In the Activity Identification, it says that the Social Services Advisory Committee acts in an advisory capacity to the minister on matters of policy. Can the minister tell us if, in the last year, the Social Services Advisory Committee has raised policy issues with you, and if so, what kinds of issues and what response has the minister made to them?

Mr. Gilleshammer: The answer to that is yes that I have met with the chair of the committee on a number of occasions, and I have also met with the entire committee. On the previous day we had Estimates, I was able to go through a list, just half of it, mind you, of a number of the reforms that we have brought into the whole area of economic security of social allowances. The member could either read those in Hansard or if he likes I would be pleased to go through them again. You have them? Okay.

Government calls on many groups in society for advice. I have also had the opportunity to meet with the staff and the board from MAPO, from the SACOM and from WORD, and all of them have had an opportunity to provide government with input.

Mr. Martindale: The minister said that he listed half of the initiatives. Are there other initiatives that the minister would like to discuss now?

Mr. Gilleshammer: Well, if you would like to take the time, I just have to get my book here. I thank you for the opportunity.

We did discuss the annual increase in rates and the work that goes into rate setting. I just had the opportunity on Friday, and I would like to thank the member for the pair that he gave me to allow me to go to a conference with western colleagues, where we talked about rates, not only in the western provinces but across the country. Rates, of course, are just one of the considerations in the total package, and I am pleased the member is interested, because I think more and more you have to look at the total package of exemptions and benefits that go into this area.

I did have a chance to spend a few minutes on the Income Assistance for the Disabled, which was a new program we started last year, and we have been able to enhance with about a 16 or 17 percent increase in that particular benefit. We also talked about the introduction of the Supplementary Benefit, and I certainly complimented the member for his support of government in that area. I know, from time to time, the member has some ideas on that that perhaps are kind of a moving target, but I remember at the time the endorsement that he gave to that particular benefit.

The exemption of a children's trust assets is one that does not apply to a lot of cases, but in June of 1991, an exemption of \$25,000 was established for a children's trust assets held on behalf of a child 18 years of age resulting from some significant loss in the circumstances of the family of that child.

The assistance for school supplies was announced in August of 1991, where dependent high school students of Social Allowance households were provided an allowance of up to \$80 for the purchase of school supplies. I mention, too, the flow-through of the GST benefits that came from the federal government with the adoption of the GST, and again, it brings to mind all of those exemptions that come from various levels of government and I know we used to all access the children's allowance for our children when they were in their younger years.

One of the things I learned this past Friday was that Saskatchewan has never exempted family allowance and always made a deduction from social allowances in that province. So one of the benefits, I suppose, about meeting with colleagues is that you

hear more about their programs, and again, this is a changing dynamic in all provinces as they cope with their budgets, and again an issue that they have to deal with from time to time.

* (1450)

Probably one of the changes that had the biggest impact on some recipients is the increase in the liquid asset exemption levels, and I know the member is very supportive of that. The previous government, of course, did not see fit to make that change and the level was at \$400 for a person and \$2,000 for a family. This was dramatically increased for disabled people. It went up to \$2,000 for the first person; for nondisabled it became \$1,000. For the second person, disabled, it was an additional \$1,000, and for nondisabled, another additional \$1,000. Each additional dependent was \$500, and new family maximums in the disabled community rose to \$4,000.

In the nondisabled, it rose to \$3,000, and this allowed a tremendous amount of flexibility with those families to retain some of their income whether it was exempted income from government or from other sources or perhaps money they accessed through part-time work or savings that they were able to accumulate for whatever reason. So that was a significant change.

Another change was the head-of-household policy. Provincial social allowances eligibility guidelines have been changed to eliminate gender discrimination in that area. Effective September 1, 1992, couples applying for assistance can now have their eligibility based on either adult in the household. I noticed the member praised that move at this time, and I know he has in the past. I appreciate his consistency there. This is an issue that had been around for decades that governments knew about and chose not to make the change, and I appreciate it does take time to change the regulations and look at the impact that they have.

Another reform has been the municipal assistance regulation where the 200-odd municipalities within the province that had rates that truly were different from one municipality to another, where access to social allowances varied from one jurisdiction to another, through the passage of legislation last year we were able to move to a common rate and a common eligibility.

We also have made some changes in wheelchair transportation for social reasons. This policy was

changed November 1, 1992, to allow some increased flexibility in the use of wheelchair transportation. The allocation of two trips per month using private transportation has now been changed to provide for 24 preauthorized trips per year which can be used at the discretion of the client. I can tell you that many of the members of the WORD organization, whom I met with on a number of occasions, have been very pleased with this change, so that they can now more fully determine some of their travel, and as you can well expect, they may choose to use more of that in the winter months than in times of the year when they can get around a little better on their own.

Perhaps the final one I will mention is the extension of health benefits to clients who are leaving the system. This is one that one of the other provinces is currently looking at. I think maybe it is British Columbia. Again, it is too early to provide any data on this particular initiative to say whether it has been a tremendous impact or whether there has been just a moderate impact. We will be monitoring that, but on January 1 of this year, Social Allowances Health Services benefits to sole support parents and disabled clients who leave the program due to employment are extended for a period of up to one year.

So these are reforms that have come into the system basically in the last two years, and again I certainly thank all of the people who have brought information forward to government to allow us to better understand the issues and to allow us to make these changes.

Mr. Martindale: Those changes are a very interesting list, and I am familiar with most of them from previous announcements and press releases. I wonder if the minister could tell us if he has discussed with the Social Services Advisory Committee the numerous recommendations that he has received, for example, in correspondence from the staff at St. Matthews-Maryland Community Ministry in briefs from the Manitoba Anti-Poverty Organization.

In the United Church brief to government committee, for example, I know that numerous groups have talked about the earnings exemption or work incentive. I am wondering if any changes have been considered there and, if so, what the minister decided and why.

Mr. Gillieshammer: All of the groups the member has mentioned have brought information and ideas before government which are currently being considered. Specifically, the work incentive is something that I am very much interested in, and the member may be aware that there are pilot projects that are currently underway in New Brunswick and British Columbia which are looking at new ways to get people back into the workforce.

I look forward to a meeting early this summer whereby those provinces will be represented, and hopefully the federal government, to discuss this whole issue of work incentives and having people transition back into the workforce.

As I said the other day, and I am not sure the member read it, when you look at the comments made by Premier Bob Rae in talking about the caseload growth in Ontario, when you listen and see the reports and comments made by my colleague in British Columbia where she has said that the system is nearly ready to collapse because of the tremendous growth rate, when you read what the new President of the United States, President Bill Clinton, is saying, I think there is a climate across North America to say, we need some new thinking on this whole area of flowing dollars to recipients who are able to access jobs.

I know last year with the City of Winnipeg we entered into a small pilot project on the Dutch elm disease whereby we flowed something like \$375,000, and there were some funds from the city and from the federal government to put people back to work from the city caseload.

Some of those would later access unemployment insurance; some perhaps would learn skills which would take them into the job market. I think it is fair to say that every government in North America is looking at new and different ways of getting people back into the workforce.

Mr. Martindale: Those remarks are very interesting, because I think what your government is doing is moving in the opposite direction of flowing funds to clients who can access jobs. For example, last year the Human Resources Opportunity Centre in Selkirk was closed. This year the centre in Dauphin is being closed.

The changes to child care are going to force people to lose their spot in child care and then out of the workforce or out of education. I just had someone come to see me today, someone who was

on social assistance, a single parent who went back to school and finished school, took computer training, got a job, was laid off and now has two weeks instead of eight weeks to find employment. She is making a very good effort to find a job. She was at five places this morning with her resumé, and she has been to Canada Employment. They agree with her that two weeks is very unrealistic in terms of the time period to find employment. So although the minister talks about flowing money to clients who can access jobs, I think many of your policies are going in the opposite direction.

I would like you to explain to us how you think that it is encouraging clients to get jobs when you are cutting off educational opportunities through eliminating the student social assistance program by reducing the number of weeks that people can search for work and keep their child care place. How does the minister rationalize or justify these as decisions which encourage people to access jobs?

Mr. Gilleshammer: Mr. Deputy Chairperson, I just indicated to the member earlier that the tremendous impact of caseload growth in provinces such as Ontario and B.C. and caseload growth here in Manitoba, although not as large, does have an effect on our ability to maintain some of the programming that has historically been there.

* (1500)

The member references the human resource centres. These now have been transferred to the Department of Education, but I do not mind spending a minute talking about them. In some cases, that training is available nearby. In other cases, the Department of Education will be making provision for training through another delivery system.

The child care funding, again, I have said to the member that our expenses there last year were in excess of \$50 million. I know, talking to the minister from Saskatchewan, where their budget is around \$13 million, our commitment is very strong. We overspent our budget last year by some \$5 million, and we have had to take some steps in this current budget year to address the overexpenditures.

Our printed line for daycare is still in excess of what our print was last year. So we will be dedicating, through the budget process, additional funding for child care. I can tell you, in meeting with my colleagues, it is well recognized that Manitoba has the highest standards for child care in the world,

and Manitoba relatively spends more on child care than most other jurisdictions in North America.

Having said that, we are not able to completely meet the demand that is out there, but that is the case with a lot of programming that we are responsible for. We will, through our daycare staff, make the best efforts we can to accommodate individuals who need daycare. We have an additional 3,000 spaces today, on this anniversary of our election in 1988, a tremendous increase in the number of licensed spaces that are available. In addition, we have many thousands more individuals who are accessing subsidies. Those subsidies go to those people who most need that support.

The member referenced the student social allowances program. Again, unfortunately, this was one of the decisions we had to make in spending less in this department. It is a program that existed nowhere else in Canada. At this time, we simply were not able to proceed with it. There are solutions for some of those students that they will find. I realize it does place a bit of a hardship on some but there are programs that are there to assist them. I say when we started talking about work incentives that there are experiments going on. We do allow our recipients to retain some of what they earn. If the member has suggestions in that area we would be pleased to hear them.

Mr. Martindale: I would like to ask the minister if you have decided as a provincial government that you would like to participate in a program like B.C. or New Brunswick involving work incentives or whether you are still collecting information from those provinces. Secondly, is it not correct that this is cost-shared 50-50 with the federal government under CAP? I will let you answer those two first.

Mr. Gilleshammer: The experiments in B.C. and New Brunswick are not shared under CAP, but there are federal funds under Employment and Immigration which are being put into those provinces. We are in contact at the officials level with other governments and if we are able to access programs that make sense for Manitoba, we would certainly be interested in further discussions to move in that direction.

Mr. Martindale: Is your government interested in taking part or is it conditional on being able to access the federal government money?

Mr. Gilleshammer: Well, our preference would be to have federal input into any programs here in

Manitoba. I told you earlier this is a very dynamic area where Premiers and Presidents are speaking out on their concern that government is unable to provide the funds fast enough for growing caseloads in some areas of the country. If there are innovative ways and new thinking that can be applied to social allowance recipients who have the ability to work, we are certainly interested and at the officials level there are discussions that are taking place to try and get a better understanding of what is happening in other jurisdictions.

Mr. Martindale: I am not sure what the minister's position is now. I think it is conditional on getting federal funding.

Going back to the minister's remarks on child care, I would agree that Manitoba has had the highest standards. I think the problem we are faced with now is that those standards are being eroded by this minister's decisions. You know, the people who are phoning and writing us as opposition critics, and I hope they are writing to their government MLAs as well, are very, very concerned that they are going to lose their ability to go back to school in September, or they are going to not be able to find a job and take their children out of child care and they are going to be on social assistance.

I mean, that was the predicament of the person who came to see me this morning, that she is afraid that she is going to fall back into social assistance. She was on social assistance. She had two children. She used the adolescent parent program of Winnipeg School Division No. 1 to finish her high school and got further training in computers, got a work placement, was laid off, and now she has two weeks to find a job. She is very concerned that she is not going to get a job because it is not long enough for a job search, and she is going to be back on social assistance.

In fact, I would suggest that it is going to cost the government more to support this single parent with two children on social assistance than to have children in subsidized child care. I am not positive about that. I would like to sit down and actually figure it out first, but I think this minister and his government would rather see people working and in the paid workforce and paying taxes than staying home and collecting social assistance.

So I would like the minister to try and justify this decision of reducing the number of weeks of child

care that are subsidized in order to find a job from eight weeks to two.

Mr. Gilleshammer: The member uses the past tense when he says that we had the highest standards in North America. That legislation has not been changed. The standards of daycare in Manitoba remain exceedingly high, and we have also matched that with a tremendous input in the dollar resources that we have put into that program.

As a result of demand, we are now in the position where we have to put some limits on that and, as a result, have capped the licensing, frozen the licensing for daycare spaces. I would remind the member that this was a request last year from the daycare community which felt there were too many spaces coming on stream. We unfroze that for a while and have again frozen it, but are looking at some new ideas in that area.

* (1510)

We have also had to cap the subsidies, simply because we have to stay within a budget there. As a result, while good cases, I am sure, will come forward while the system is forced to pause, the alternative is to put millions more dollars into an already high Manitoba child care budget, and we simply do not have the ability to do that.

Mr. Martindale: My understanding is that there are people in the community who want to be licensed and they meet the standards, but now, because of the capping, they will not get a licence. According to the Estimates, they can appeal a decision not to be given a licence to the Social Services Advisory Committee.

What is going to happen if someone applies for a licence and they are turned down and they appeal the decision? What will they be told are the reasons for being denied the licence?

Mr. Gilleshammer: The freezing of the spaces, I told you we were looking at something there, but at the moment, they are frozen. The appeal process is meant for people who felt that, for some reason, they did not get fair treatment from an application to access child care. If spaces are not available, centres cannot produce those spaces at this particular time, and it may be a question of accessing that service at another daycare if that one is full or going on a waiting list. Waiting lists are not a new situation in Manitoba. When we came to government in 1988, there were lots of waiting lists to access daycare. We have addressed that by

making changes in the daycare system and now waiting lists are far less prevalent.

Mr. Martindale: I have a similar question, and that is if someone applies for a subsidy and they are turned down, they have the right to appeal. If they appeal to the Social Services Advisory Committee, what will they be told?

Mr. Gilleshammer: The Social Services Advisory Committee will have to weigh their arguments. If the licensing has been frozen and the subsidies have been capped, there simply is no additional money that we can put into the system. In many parts of our department, we do have waiting lists, particularly in the Community Living. The one statutory obligation we have is in the social allowances area, where we have to meet that demand, but if spaces do not exist and if subsidies do not exist, then individuals will have to go on a waiting list.

Mr. Martindale: The minister spoke about the student social allowances program earlier. What are these students going to do in September? We know that they can apply for city social assistance. We also know that they will not be able to go to school because, if they are on city assistance, then they are considered employable and they must be available for work and looking for work.

Is that scenario correct? Will these students be forced to drop out of school and look for work while they collect city assistance?

Mr. Gilleshammer: There probably are a number of answers to that question. I have indicated in the case of some of those students they may be able to remain with their parents and access assistance there. Some students will do what students have always done and that is to work part time and go to school part time. Municipalities in framing their by-laws may have within those by-laws the opportunity for students to access some assistance and, at the same time, attend an educational institution on a part-time basis. If they are able to access work, then that work placement would support them.

Mr. Martindale: How much does your department anticipate that they are going to save by offloading this expense to the City of Winnipeg? Was that the primary reason why this was done? It seems to me that this is another example of offloading to another level of government that is going to save your government money.

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

Mr. Gilleshammer: Well, the member perhaps did not listen to my answer. I said there were a number of solutions to that. It will depend on what solution the recipient chooses to take.

We have always had people who have worked part time and gone to school part time. I indicated that there will be some who have the opportunity to return home and live with family. I indicated municipalities will have some flexibility in framing by-laws which may allow for part-time education and still access some social allowances.

Mr. Martindale: Under the former or soon-to-be-terminated student social allowances program, what were the eligibility requirements to be on the student social assistance program?

Mr. Gilleshammer: The program was primarily there for people 18 years of age and over going to school on a full-time basis and making satisfactory progress.

Mr. Martindale: Is it not correct that people on city or municipal social assistance who are employable must be available for work and looking for work?

Mr. Gilleshammer: What the member says is correct. I indicated that municipalities, in framing their by-laws, will have some latitude to have students pursue on a part-time basis some education and at the same time have some assistance from the municipality, again depending on how they frame their by-law.

Mr. Martindale: I think we will have to revisit this when we get to Income Security so that I have some time to consult with people from the City of Winnipeg and see if we can verify what the minister is saying.

Can the minister tell us how much money his department anticipates they will save as the result of eliminating this program?

Mr. Gilleshammer: I would answer that by saying that the budget line last year was \$4.3 million, but it will depend on the solutions that are found by individuals who were accessing that program, some of whom will be graduating.

Mr. Martindale: So the minister does not have a precise figure on how much money you think you will save.

Mr. Gilleshammer: Well, I am saying to you, it will be a portion of that amount. We will have to monitor

it, and I would suspect a year from now we could give you a precise answer.

Mr. Martindale: I would like to go back to some questions more specific to the Social Services Advisory Committee. Could the minister tell us what changes there were in the number of appeals from the statistics that were given last Thursday in Estimates and the previous year? Were the number of appeals up or down? Were the number of successful appeals up or down? What sort of changes were there from year to year?

* (1520)

Mr. Gilleshammer: There has been an increase in the number of appeals. We just have a partial number for '92-93. Until the end of December, there were 887, which would put us probably pretty close to being on target of the previous years where there were close to 1,200 appeals. In 1990-91, there were around a thousand, so the number of appeals have increased, but then the number of cases have also increased. The number of appeals that have been successful do not show a great difference year over year.

Mr. Martindale: Do we have the specific numbers for '90-91?

Mr. Gilleshammer: Mr. Acting Deputy Chairperson, the member is asking for '90-91. There were 973 cases; 66 of them were allowed; 333 were dismissed. The balance was disposed of by having them withdrawn, and that was 455. These are cases where a satisfactory explanation has been given after the appeal has been filed and close to 50 percent of them then are dealt with in that way.

Mr. Martindale: What are some of the reasons given for appeals being withdrawn? Does this mean withdrawn by the client?

Mr. Gilleshammer: Yes, the client has withdrawn because in the interim has received a satisfactory explanation or found another way to address the situation. Some may have achieved employment, others may simply have moved, but basically it is people who have a satisfactory explanation.

Mr. Martindale: I have some of the statistics for changes in caseload by Income Security division social allowances program. I assume that some people whose cases are closed appeal the decision so I guess we could discuss this now under Income Security. Do you have a preference?

Mr. Gilleshammer: Whatever you like.

Mr. Martindale: Okay. I have the monthly caseload, and it says, reason for case closure by category. I have from May 23, '92, back to January 25, 1991. I would like to ask specifically about one category of people whose case file was closed, and that is disabled. If you look at the numbers, it is very consistent. For example, 55 cases were closed in June 1992; previous month, 61; previous month, 56; previous month, 51. All of these numbers are right on 50 or slightly over 50. The highest is about 64. The lowest I have here is 46. What it appears is that there may be some kind of informal quota.

I had better put that in the form of a question. I am wondering if people who are disabled, who normally are on provincial social assistance because they are disabled and unable to work, are routinely being cut off or their benefits discontinued so that they are forced to apply for city assistance, whether that is happening for a reason. There seems to be a pattern here. What is the reason for the pattern? Why these particular numbers?

Mr. Gilleshammer: Your conclusion has no basis in fact. If you would like to table the documents that you are referring to, we will get you an explanation.

Mr. Martindale: I will table the documents because I am very interested in an answer, and perhaps at a future time during Estimates, the minister can come back to this and provide us with an explanation.

Would the minister give consideration to extending the length of the appeal period from 15 days to say 30 days? For example, the constituent who asked me for assistance brought me a letter that had no date, so I did not know when the person was cut off the benefits. This individual did not have a telephone, so it was difficult for me to provide assistance other than relying on the individual to keep returning to my office.

First of all, does the minister think that the appeal period is too short, and if so, would you give consideration to extending the appeal period?

Mr. Gilleshammer: In the almost three years that I have been here, nobody has raised that as an issue before, that I recall. The reason for the time period, in my mind, would be to see that recipients can get their situation adjudicated as quickly as possible. If they require assistance, then assistance can be given in a timely fashion and those decisions rendered.

Again, I am prepared to talk to staff about that, and other stakeholders who may have an opinion, but I would think that it was weighted on behalf of the client so that they did not have to sit and wait for an entire month before their appeal is dealt with.

Mr. Martindale: Could the minister tell us the name of the manager or acting manager of the Social Services Advisory Committee and also the second person in command in that office?

Mr. Gilleshammer: The manager is here with us at the table today, Tim Herkert, and the person who is second in command there is Isabel Furtado.

(Mr. Deputy Chairperson in the Chair)

Mr. Martindale: Well, I know Mr. Herkert, and it is a very good appointment.

My concern is that people from the department are coming into the Social Services Advisory Committee, and I am wondering if that means that they are as objective as they could be. It may depend on the person's background before they started working for the department, but I guess my concern is that they may feel that their job or their duty or obligation is to defend the interests of the department or to defend the public purse because some of the decisions that are made may decrease the cost to the provincial government. So I am wondering on what basis the decision is made to appoint a manager and what the qualifications are that the minister is looking for when he appoints that person.

Mr. Gilleshammer: Well, the member perhaps does not know that the civil service has a process by which positions are bulletined, then applications come in, interviews are held by a board, and decisions are made. So the selection of managers and others into civil service positions is always within the guidelines of the Civil Service Commission, that the process that has been in place for many, many years is followed.

Mr. Martindale: Mr. Deputy Chairperson, I am finished with my questions for this page. I would like to give the other critic an opportunity to ask questions.

Mr. Deputy Chairperson: 1.(d)(1) Salaries \$117,700—pass; (2) Other Expenditures \$149,600—pass.

1.(e) Management Services (1) Financial and Administrative Services (a) Salaries \$1,885,700.

* (1530)

Mrs. Sharon Carstairs (Leader of the Second Opposition): I would like to get into a discussion of the function of this department which is listed in the Detailed Estimates as administering the Social Allowances Health Services program. What aspect of that program remains?

Mr. Gilleshammer: That entire service still remains. There was some downsizing of it in terms of benefits being delayed and some reduced benefits, but we still have a substantial budget in that area.

Mrs. Carstairs: Would the minister like to give us a detailed role now for this particular function? The announcements that we had were that dental and optical services were no longer to be provided. What is being provided from this department, from this section of the department?

Mr. Gilleshammer: There is \$14.7 million dedicated to optical, dental and pharmaceutical services to social allowance recipients.

Mrs. Carstairs: Who qualifies for the optical, dental and pharmaceutical services provided by this department?

Mr. Gilleshammer: Any clients who qualify for social allowances will get a health card which qualifies them for optical, dental and pharmaceutical. There were some changes made to that program, which, I think, took some \$3 million out of the program, but we are still going to be spending, to have an anticipated spending of \$14.7 million; of that, some \$11.1 million on pharmaceuticals, a little less than \$1 million on optical and almost \$2.8 million on dental.

Mrs. Carstairs: Well, perhaps, I will make it easier. Exactly what were the \$3-million cuts? Who has been taken off? Who is still there? Why were some taken off, some still remain? What was the basis of the decision making here?

Mr. Gilleshammer: Mr. Deputy Chairperson, I will give you some more detail on that. In the reduction to dental benefits, there was some elimination of restorative services for all adults on social assistance, and there were some limits put on restorative to other recipients. In dental and optical, there was a deferment of dental and optical benefits for the first three months for all new enrollments and re-enrollments, and in the drug area it reduced the drug benefits available to social assistance recipients, limiting them to those that were covered by Pharmacare.

Mrs. Carstairs: There has been a 20 percent reduction, approximately, of this program, and yet there is not a 20 percent reduction in this department in terms of personnel or anything else. If one sees this kind of cutout, if you are not going to be dealing with these people, why do we not see a similar reduction in the administrative costs?

Mr. Gillehammer: We did have a staff reduction of one in this area, but the amount of processing of paper for the 27,000 cases on the provincial system still remains. If our experience is that the workload is reduced further because of this, then it will be a consideration to make those adjustments.

Mrs. Carstairs: Can the minister tell me, what is the average length of stay of a person on social assistance?

Mr. Gillehammer: Mr. Deputy Chairperson, on the municipal caseload, the recipients are now on the municipal social allowances longer than they were before. It is going upwards of a year. On the provincial caseload, we have long-term recipients in terms of the disabled, some of whom will be on for the remainder of their life. With the single mothers, again, some of them will access jobs in short order; others stay on for longer periods of time. I do not have an average there, but part of the reason of giving the health card for a year to that group and the disabled was to make their transition into the workforce easier for them.

Mrs. Carstairs: Can the minister tell us, if he does not have the average of length of time, and I realize that provincial people tend to be there long term, is it 20 percent who are on for less than three months, or 40 percent who are on for three months and would therefore never qualify for any of these benefits?

* (1540)

Mr. Gillehammer: The single parents, probably an average of about five years; the disabled, again, in many cases, for a lifetime.

Mrs. Carstairs: Well, the minister cannot have it quite that way. He said people on municipal assistance were on there up to a year. Now he is telling me that single parents are on there for five years.

Point of Order

Mr. Gillehammer: The single parents are part of the provincial caseload.

Mr. Deputy Chairperson: The honourable minister did not have a point of order. It is a dispute over the facts.

* * *

Mrs. Carstairs: The question then is exactly the same as it was before. You said that up to a year people were on municipal assistance, and I am asking you: What is the percentage of those who would be on less than three months and therefore would never qualify for this program?

Mr. Gillehammer: I thought the member was asking of the provincial caseload, where we have the long-term clients. The length of stay for people on the municipal caseload is truly a moving target, as people access it when their UI expires. They access it because they have been unable to find work.

We are saying that the average stay for people on the municipal rolls now is about a year, and this is an issue that municipalities bring up with us, that the definition of long-term is an issue at the municipal level. When does a long-term recipient move from a municipal level of assistance to the provincial? Again, there is a paneling process that takes place to determine that.

So we do not have an average of how many access the system and stay less than three months. There has been no need to compile that in the past, but we will gain some experience in this current year and be able to give you an answer to that.

Mrs. Carstairs: If you have no information of that type, what was the decision and what were the factors in the decision to say that people should not get any of these benefits for three months?

Mr. Gillehammer: Clearly, the decision is a budgetary decision to allow us to spend less money in that area, but it is also consistent with people who access the civil service program. It is consistent with programs in the private sector. Unfortunately, we are not able to be as generous in the coming year with this program as we have been in the past.

Mrs. Carstairs: Surely, the minister recognizes, though, that people who turn to social assistance have usually turned there because all of their options have been closed to them, other than that.

They have run out of UIC, which is now going to be 57 percent of what their previous income was. They cannot find employment, which means they have probably put off discretionary spending of any

form whatsoever, and that may well include the purchase of new eyeglasses if that is what they require, yet the minister has said, well, they are going to be treated exactly like a civil servant who has to wait three months for their benefit package to chip in, but the person who has been hired into the civil service rarely has been on his last legs in terms of other programs available to them. I really want to know if the minister considers this a fair initiative with respect to those who require eyeglasses or drug care or, in fact, dental restorative work.

Mr. Gilleshammer: Perhaps some additional information would give the member more comfort. Emergency service will continue where necessary during the waiting period. I have indicated that waiting periods are common in private health plans, and this brings the plan more in line with private plans. Essential pharmaceutical products and services will continue to be provided, and exceptions can be made in consultation with a physician where individual circumstances warrant it. The coverage of the pharmaceuticals still will exceed that available through Pharmacare. As I indicated some months ago when we made this announcement that there is the ability of clients to use exempted sources of income if they wish.

Mrs. Carstairs: The minister indicated, I thought, and perhaps I was incorrect, that the drug benefits had been cut to those pharmaceuticals no longer listed under Pharmacare, but he just seems to have said that they exceed those available under Pharmacare. Perhaps I could have a clarification.

Mr. Gilleshammer: Yes, I am sorry, and I understand the confusion there. It was reduced in coverage. It does cover everything that is covered through Pharmacare plus some additional products. I could maybe give a few examples of that: prenatal vitamins for expectant mothers; most children's cough and cold mixtures; Extra-Strength Tylenol and pediatric Tylenol drops; children's vitamins and some others.

Mrs. Carstairs: Mr. Deputy Chairperson, I am pleased with the ones that he has listed, because those are all necessary products. There is just one area, and maybe he just did not list it, and that is the whole issue of antihistamines for children and social assistance recipients who suffer from severe allergies. I have a personal interest in this because I know how much I spend in the spring and fall.

Mr. Gilleshammer: I am told that all children's products are covered.

Mrs. Carstairs: Mr. Deputy Chairperson, can the minister tell us, what is this "Other"? I mean, it has gone from \$135,000 to \$121,500, obviously a substantial portion of the Other Expenditures. What is this \$121,000 for?

Mr. Deputy Chairperson: Could I ask the honourable member which page she is on in the supplement?

Mrs. Carstairs: Yes, in the Detailed Estimates, I am on page 31.

Mr. Gilleshammer: If I have got the right line here, there is a reduction from \$135,000 in '92-93 to \$121,000. The majority of that budget line is for computer services—\$113,000 of the \$121,000.

Mrs. Carstairs: Is that computer services strictly for financial and administration, or would it also be the computer services for the Social Allowances Health Services program, and anything else that is in this department?

Mr. Gilleshammer: I am told it is for the accounting procedures.

Mrs. Carstairs: Does this involve the purchase of new equipment, or is it now all just payments that have to go out for the actual computer work?

Mr. Gilleshammer: No, none of that is capital.

Mrs. Carstairs: So is this monies now being paid out to what used to be Manitoba Data Services?

* (1550)

Mr. Gilleshammer: That is correct.

Mrs. Carstairs: Thank you.

Mr. Martindale: Mr. Deputy Chairperson, I have a letter from Mr. Nick Atkinson, Executive Director, Ophthalmic Dispensers of Manitoba. I think he was writing also on behalf of the Opticians Association of Canada. He refers to a meeting that he had with the minister and the deputy minister on February 11. It has to do with social allowance provisions which pay for optometrist costs. It seems that there is an agreement between these two organizations to, I guess, standardize their rates and he points out that this could save the province \$250,000 a year.

I am wondering if the minister is familiar with these two organizations and their proposal, and if the minister could tell us if there has been any policy change in this area? Would it be helpful if you had the letter? No, you are familiar with it. Good.

Mr. Gilleshammer: I would confirm that this is an issue that is before the department.

Mr. Martindale: I wonder if the minister could tell us if you find this an attractive proposal since it says they could save the province of Manitoba \$250,000 a year? Are you still negotiating, or are you about to make a decision? Where is this decision currently?

Mr. Gilleshammer: This is an issue that is currently before government.

Mr. Martindale: I am ready to pass this line.

Ms. Avis Gray (Crescentwood): This section deals with finance and administration, and the minister had said in his previous remarks the other day about asking for suggestions about how to reduce, perhaps, expenditures in the Department of Family Services. I am wondering if the minister could tell us what suggestions came forth from his department, his staff, through finance and admin, in regard to suggestions for reducing expenditures. Which suggestions came about that were not acted upon?

Mr. Gilleshammer: When you craft a budget and have these budget deadlines, you gather information from all sources, some of it from within your department, and other from the community and the private sector. In many cases there are ongoing discussions that are taking place to consider ideas that come forward from those sources. It is difficult to identify them now as many of them are still in process.

Ms. Gray: When the minister says they are still in process, surely there must have been some suggestions that came forth in the crafting of the '92-93 budget that were either found to be not workable or felt that they were too complex to implement at this time. Were there any suggestions that were not dealt with—and I do not have any in mind; I am just asking the question—that were really not done for a variety of reasons?

I would be interested to know what kinds of suggestions your department brings forward to you in regard to how to proceed with any given budget and what suggestions there are for changes.

Mr. Gilleshammer: I think it is fair to say that every department takes the time to examine their initiatives and examine how they do business, and major players in that, of course, are departmental staff. Sometimes there are suggestions to expend additional dollars, and we have to weigh that against

the total budget. Other times there are suggestions of how we can spend less money and make major program cuts. Government, in making those deliberations, has to balance all of these things against the service that is absolutely required.

So some of the things that have come forward perhaps need further clarification and further work. Some of those discussions are ongoing.

Ms. Gray: I can see I am not going to get any specifics, and I will not pursue it just in the interest of time, but just to clarify, with this particular section, I would imagine this section controls monies that go to regions, that go to directorates, that go to the Child and Family Services directorate, and then go to the agencies.

I would wonder if the minister could tell me when the amount of money is decided upon and apportioned out to the various divisions, or the various directorates and regions, et cetera, once they are aware of what that amount of money is, do they then have the authority within their own branches to actually proceed and spend that money, providing, of course, there are not any new regulations that might come forth in the middle of the year such as a freeze on hiring or something like that? Do they have the authority once they are given their budget to actually use those dollars?

Mr. Gilleshammer: If I could rephrase what the member, who has some valuable experience in government, is asking: Do the managers have the flexibility within their branch to take dollars committed for one program and move it over to another program? I guess the answer to that is, in a very limited way.

Ms. Gray: Even more specific than that, rather than moving dollars from one program to another, my question would be, when a directorate, as an example, is given a specific salary line, they know how many dollars they have to spend on salaries over a given year, can they then manage within those salary dollars, i.e., not spend more than what is indicated? Are they able to proceed and make decisions based on the dollars that they have available to them in that salary line?

Mr. Gilleshammer: I know the member has said to me in the past that there are many excellent, excellent servants of the government there with ideas. Sometimes these ideas do not bubble up to the top as quickly as she would like, but there is a

limited amount of flexibility pursuant to regulations and directions that may be given by government.

There are times when some of those decisions can be revisited. I would say in our department we do that from time to time. If it appears there is a better way of expending those dollars within that budget line in just a little different fashion, we have some opportunities to discuss that.

Ms. Gray: I will be more specific. Let us say, hypothetically, someone runs one of the directorates, program and planning. They have three administrative secretaries. Two secretaries decide to go on maternity leave. They have the salary dollars to replace because those people are on maternity leave. Do they have the authority to go ahead and do that providing they are in within the regulations of Human Resources?

* (1600)

Mr. Gilleshammer: These hypothetical questions are, of course, difficult to answer because they are hypothetical, but again, dependent on departmental needs—and there have been times when a hiring freeze has existed. Of course, then it becomes more difficult in that you have to make a case for that.

I think it is fair to say that within the budgetary parameters that we have, when people leave the workplace for whatever reason, if they need to be replaced, then they are. If the member is saying that maybe there is a better way of spending those dollars and hiring someone somewhere else, there is a limited ability to do that.

Ms. Gray: If there is a vacancy, whether it is for maternity leave or someone resigns, and you want to replace that person, and it is the middle of the fiscal year, does the staffing submission have to be prepared? Who has the authority? My question is, who has the authority? Can it be done at that level when there is already dollars in the Salaries line, or does it have to go all the way up the line to the minister and/or to Treasury Board?

Mr. Gilleshammer: There are a variety of answers to that. I think, as the member knows, if there is in fact a hiring freeze in place, which happens from time to time, then it requires the authority by the direction of more people. If there is not a hiring freeze, depending on the position, it can be dealt with at various levels.

Ms. Gray: Mr. Deputy Chairperson, all I want to know is, is it general procedure, regardless of hiring

freezes—let us assume they are not in place at whatever time—that staffing submissions, do they have to go to Treasury Board for approval even if it is someone who is at an AY2 level making \$18,000 a year?

Mr. Gilleshammer: Not necessarily.

Ms. Gray: Can the minister tell me, is that the norm or is that the exception when he says, "not necessarily"?

Mr. Gilleshammer: Well, it depends on the case the member wants to bring forward. In the hypothetical case that she raised before, it depends on the position. Of course, with a hiring freeze in place then it does require more authority. If the question now is if there is no hiring freeze, then it depends on what latitude the managers have within their hiring parameters.

Ms. Gray: Can the minister tell me what latitudes do they have within their hiring parameters?

Mr. Gilleshammer: Mr. Deputy Chairperson, in almost all of the cases, it does come up to the deputy minister level so that we can see if the staff year could be reassigned to another area of the department.

Ms. Gray: Does the staffing submission go beyond the deputy minister level, and if so, where?

Mr. Gilleshammer: It would go to the minister.

Ms. Gray: Does it go beyond the minister?

Mr. Gilleshammer: No.

Ms. Gray: Mr. Deputy Chairperson, so the minister is telling me that by and large, even in the normal routine, day-to-day decisions that occur in the department, where there are salary lines and various managers and directorates that know how much money they have, and given there is a hiring freeze, still there has to be paperwork that is done that goes all the way up to the various levels to the minister for approval? Is that correct?

Mr. Gilleshammer: Yes, to see that the needs across the entire department are met, that is correct.

Ms. Gray: Does the minister believe that that is really a good way to do things, that that is an efficient way to do things in regard to having those decisions? Is it common practice in the Department of Family Services that all decisions are made at the top as opposed to delegating those decisions to management?

Mr. Gilleshammer: A lot of the staffing that the member is referring to does come up through the system so that senior managers and, in some cases, the minister can look at what the priorities within the department really are. There are many times when managers want to make a case for additional staff for programming. It is not very often that the opposite occurs where people come forward and say, you know, we can do with less staff in this area, but in order to be able to address some of the real needs that come to the department, it is important that from time to time staff can be reassigned to address those concerns.

Ms. Gray: The minister might be surprised that if managers were allowed to have the authority to make the decisions that they get paid to make, they might come up with suggestions and ideas on giving up staff years.

My further question to the minister is, do the assistant deputy ministers and people at that particular level not meet with their managers on a regular basis to look at what the managers' goals and objectives are for the year? Do they not get an understanding of sort of the priorities of the department through those mechanisms, as opposed to dealing with it through staffing submission?

Mr. Gilleshammer: Yes, that is correct that senior management do meet on a regular basis to review the needs of the department, and I think the member, who has a passing knowledge of Family Services, I believe, would recognize the changing dynamics out there, where information is shared by senior staff members and that staffing can take place accordingly. But I recognize the member is bringing up a valid point that managers sometimes, when they have more freedom to manage, are able to find those solutions, and I think as a management team the team has to find a way in which those ideas are brought forward.

Ms. Gray: Mr. Deputy Chairperson, could the minister tell me, getting onto a different subject, where is the space plan at right now for Winnipeg Region, Family Services and Health?

Mr. Gilleshammer: The space plan that the member is asking about is still before a number of departments, and as the member is aware, the Department of Government Services is involved in allocation of space. The issue is still within our department and two others.

Ms. Gray: Does the minister have an idea as to when there might be a resolution of that particular project, particularly in light of the fact—I do not think he has any staff who are outside of the catchment area of St. Boniface in particular, but certainly the Department of Health does, so there is probably less accessibility of mental health staff and Family Services staff to work with each other because some are downtown and some are within the community.

Mr. Gilleshammer: I would hope that we would be able to deal with that in the coming months, especially after we finish Estimates and have more time to liaise with other departments involved, but probably it will be longer than we want.

* (1610)

Mr. Deputy Chairperson: Item 1.(e) Management Services (1) Salaries \$1,885,700—passed; (b) Other Expenditures \$547,700—pass.

1.(e)(2) Program Budgeting and Reporting (a) Salaries \$336,700.

Mr. Martindale: Mr. Deputy Chairperson, it is my understanding that from time to time people on social assistance find themselves in emergency situations and approach the department for, I guess, a duplicate issue is the best way of describing it, and that some people find themselves in that circumstance because they have spent their money on various kinds of gambling, for example, bingo, VLTs and lotteries of various kinds. I am wondering if the minister can tell us if this is a very serious problem, if there are very many people who are coming forward for assistance because of this problem, and how do the staff respond. Do people get a duplicate issue or how are they dealt with?

Mr. Gilleshammer: The whole issue of emergency situations, of course, is something that the department has to take very seriously because you want to be able to have the resources to deal with the true emergency situations. As a result, these are looked at on a case-by-case basis, and when there in fact is a genuine emergency, then the department will respond in a positive way to that.

I know we got into this discussion once before, whether government should flow the money to the recipient or manage the money for them, and by and large the philosophy is to flow the money and allow the recipient to manage it as they see fit. There are cases where we do flow the rent directly. There are

cases where resources are flowed every two weeks to help manage it.

I think, in terms of dealing with the majority of our clients, we do flow it on a monthly basis and they make their own decisions. The liquid assets standard that we raised last year allows the ability for a number of those clients, particularly with their exempted income, to retain more of that.

Specifically, you asked if there are people who are involved in bingo games who are spending their resources there and as a result asking for emergency money. I do not think that we have heard anything to this effect in our district offices. However, informally and unofficially, it is something that I have heard about in the community.

Mr. Martindale: So the minister is not aware of particular cases where people, say, have a gambling addiction and have spent their money on gambling and then had to ask for a duplicate issue. I think this is an emerging issue in our society, and I am told that people have come forward for duplicate issue for this reason.

Mr. Gilleshammer: I think the member can appreciate that many of the more active and more ambulatory cases are on the municipal caseload, where that issue may well be brought back to the municipality. I have not heard from either UMM or MAUM or any of the major cities that that is an issue, but it is something we can check with them to see if in fact, at their level of assistance, it is an emerging issue.

Mr. Martindale: Would the minister also check with the directors of the Income Security branches to see if it is a problem in the provincial system? Secondly, if it is a problem, would he talk to the minister responsible for the Manitoba Lotteries Foundation and recommend that there be a program to help recipients who are addicted to gambling?

Mr. Gilleshammer: Perhaps the member was not listening to my previous answer. I have indicated that we have checked with our district office directors, and that has not been an identified issue.

Mr. Martindale: Since one of the expected results is to identify emerging financial and program management issues, could the minister tell us why so little notice was given to child care centres, family daycare centres, before- and after-school programs, nursery schools, et cetera, about the changes in the rates, basically the increase in fees, because what those centres are telling me is that

they were not given adequate notice, and the result was that they had to redo their budgets, which was very time consuming. They were very distressed at the lack of notice and the amount of work that this required.

Could the minister tell us why there was such a very short notification period?

Mr. Gilleshammer: The length of notice, I suppose, might be too short or too long, and it may be in the mind of the member. We did write to all of our groups last fall and indicated that there was a strong possibility that government would not be able to maintain the levels of funding that they had the previous year and that they should not budget on the assumption that they were going to get more but that they might get less.

Further to that, because the budget was going to be delayed somewhat, we made an additional effort to get those funding announcements out early, with the hope of starting the Estimates process early. As a result, instead of waiting for the budget to come down, we in fact as soon as I was able to table that information in the House for the honourable members, communicated with the stakeholders to let them know what our funding decisions would be.

So I think every year there are decisions around the budget, that it is very difficult to communicate on a timely fashion to everybody, but we made a real effort to notify them in the fall. I have met with the daycare community specifically a week before or two weeks before the budget came down and indicated to them verbally that we had some tough decisions coming and that we would communicate that to them as soon as we could. So, on the day that I tabled the information and my Estimates in the House, we almost simultaneously tried to talk to all of the people who were being affected by our budget so that they would know at the first possible moment.

Some governments are already into this particular budget year and have not tabled a budget yet, so it is not a situation that exclusive to Manitoba. The federal budget, I understand, is coming down today. Some provinces have not yet tabled a budget, but in an effort to let Family Services grant decisions known, we specifically let that information out prior to the budget, as the member is aware.

* (1620)

Mr. Martindale: I can assure the minister that this is not an imagined problem in the head of this

member, as he alleges. There is a very real problem that is being faced by child care centre directors and others who are telling us that they went to great lengths to have to redo their budgets. I also think there is a difference between notifying people last fall about a possible change and actually having to redo budgets this spring. I think there is a difference between telling people two weeks in advance that the government has to make tough decisions and getting the actual notice and having to redo all their budget calculations.

I am wondering if this is a problem every year or whether it was only this year because of increases in fees, and if it can be done differently next year.

Mr. Gilleshammer: Mr. Deputy Chairperson, I am not for a moment taking lightly the very difficult job of budgeting that groups have to do, particularly when they have volunteer boards and where they have to come together with their directors in many cases to plan on expenditures. Similarly with the school divisions, that the Minister of Education (Mrs. Vodrey) does announce school division funding by a certain date, and recognize that any group that relies on government for funding has to wait on an annual basis.

The only solution I could see to that is if we went to multiyear budgets, but with such little knowledge of what government revenue would be from year to year with changes in funding that move from the federal to the provincial level, with the changes in tax income, it is very difficult. I suspect that problem is always going to be there and always has been there, that you cannot guarantee your grant level from one year to the next.

I know in many departments those decisions are anxiously awaited, and then the budgeting process goes from there. School boards, hospital boards, daycare boards know they cannot finalize a budget until they get the final word on their grants, and then they have to look at whatever surpluses they have and whatever other money they can access that becomes part of those difficult decisions.

Mr. Martindale: Did the Minister of Finance (Mr. Maness) not promise multiyear budgeting, and whatever happened to that promise?

Mr. Gilleshammer: Well, certainly governments do plan for many years ahead of time, but when you come down to the fine decisions that are made within that budget, you have to be able to determine

your income for that particular year and your expenditures.

Now, there are many ways of dealing with that, and in recent meetings I have had with my colleagues from Saskatchewan and British Columbia, one of the ways they did that was to increase the sales tax and bring in many hundreds of millions of dollars from the sale of goods and services in some cases. Those are the decisions that you weigh and, of course, we have decided not to raise the sales tax, not to raise personal taxes, not to raise the corporate tax. Governments have those decisions to make, but all governments make those on an annual basis.

Mr. Martindale: Pass.

Mrs. Carstairs: I just have one question, and that is, from the detailed Estimates book, it looks as if this particular function is primarily internal. What does an internal department like this spend \$20,000 worth on communications?

Mr. Gilleshammer: That is for the printing of our Estimates book, our Supplementary Estimates and also the annual report.

Mrs. Carstairs: Well, considering we now only do Detailed Estimates books of—what?—maybe ten maximum, since there are only four distributed in the Legislature, two to each side of the House in opposition, how many copies of this do we distribute?

Mr. Gilleshammer: The actual volume has not changed that much. Of our annual report, we publish about 500 of those to go to all of the municipalities, all of the groups that we fund. Similarly, with our budget supplement, we have a demand from a number of groups, and I think it is fair to say that it probably runs into almost 100 people that we distribute that report to.

But the member's point is well taken. If there is a savings there that we can make in future years by printing fewer annual reports, fewer budget supplements, and if that demand decreases, there is a potential to reduce that amount.

Mrs. Carstairs: I just like to make the comment that I think it is pretty expensive. Most of that can be done, I am sure, by word processing today, so you are looking at a printing cost—by my estimate, you are spending \$3.50 a copy. That is about the cost of a hard-covered printed book of some 80,000 words. I am aware of those printing costs right now,

so I think that is amazing those are the only two things it goes for.

Mr. Gilleshammer: Yes, it is mainly printing costs, but there are also some postage and telephone costs involved. Again, the member's point is well taken.

Mr. Deputy Chairperson: 1.(e)(2)(a) Salaries \$336,700—pass; (b) Other Expenditures \$80,600—pass.

1.(e)(3) Human Resources Services (a) Salaries \$805,400.

Mr. Martindale: Mr. Deputy Chairperson, I wonder if the minister could tell us what the affirmative action goals are of his department.

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

* (1630)

Mr. Gilleshammer: Mr. Acting Deputy Chairperson, the departmental affirmative action planning process has set objectives in six major areas, and the major objectives are in recruitment and selection, in development initiatives, in education, awareness, training and communication, in program and policy, in integration with the management process and reporting and monitoring results.

Having said that, I can give you the number of people employed under the various categories for the previous year and the year before that. In 1991-92, the total employment complement was 1,893. Of that, 68.41 percent were female; 5.76 percent were native; 4.01 percent were physically disabled; and 2.27 percent were visible minority.

In the most recent fiscal year, the total number of employed was reduced to 1,835; 68.61 percent were female; 6.43 percent were native; 4.25 percent physically disabled; and 2.18 percent visible minority.

Mr. Martindale: Can the minister tell us if there is also an affirmative action goal of putting more women in senior management? In many organizations, including government, that is frequently a problem. Could the minister tell us how he is doing in his department?

Mr. Gilleshammer: We are doing exceedingly well. The deputy minister of this department is here at the table, Roxy Freedman. We also have an assistant deputy minister in the room, Tannis

Mindell, and we have many, many senior management people who fall into that category.

Mr. Martindale: Could the minister tell us how many positions would be identified as senior management and how many of those would be women?

Mr. Gilleshammer: Mr. Acting Deputy Chairperson, do you want a real detail on this?

Mr. Martindale: I think I asked for the number of positions and the percentage filled by women.

Mr. Gilleshammer: We have one deputy minister in the department and she is female. We have three ADMs, and one of them is a female. In Management Services executive directors, we have six, and one of them is female. Central Directorate, total of four, and two of those are female. Professional officers, this is a number of directors, there are six, and three of them are female. Going through to the bottom line of the total employed, there would be some 55 and 19 of those are female.

Mr. Martindale: Is there an affirmative action program to try and increase the number of women in senior management positions?

Mr. Gilleshammer: Yes.

Mr. Martindale: Is the minister and his department making progress?

Mr. Gilleshammer: Yes.

Mr. Martindale: Since the Estimates speaks of affirmative action goals, what is the goal for women in senior management positions?

Mr. Gilleshammer: Well, the goal is that we achieve a 50 percent level there, looking at the intermediate to long-term situation.

Mr. Martindale: I would like to go back to some of the other categories. How do each of these categories compare with the percentage of people and the population of Manitoba? For example, you said 5.76 percent of your staff are aboriginal. Does the minister know what the percentage is in the population?

Mr. Gilleshammer: The provincial target, I am told, for women is 50 percent, for natives 10 percent, for visible minorities 7 percent, and for the disabled around 6 or 7 percent. So in some cases we exceed that, and in other cases, we still have some room to go there.

Mr. Martindale: Well, it looks like the minister's department is exceeding it in only one case; that is

women at 68.41 percent. You have quite a ways to go in some of the others particularly visible minorities. Could the minister tell us how you are working on those goals? Is it done, say, by attrition when people retire or resign and they are being replaced, or how do you go about achieving these goals?

Mr. Gilleshammer: Well, there are civil service processes which we follow, and on the bulletins, there are times when that expectation or that particular agenda is listed on there. I think the member can appreciate that you cannot simply move there without taking into consideration that you want to be fair to everybody, that there is a process when applications are received, and that you make every attempt to move in that direction. I think within this department you will see that our numbers are moving in the right direction, but you have to balance off the number of capable people that apply for these positions, and the board that sits in on that makes those determinations.

(Mr. Deputy Chairperson in the Chair)

We attempt to develop contacts with outreach agencies offering employment and referral services for the aboriginal, disabled and visible minority target groups. We provide work experience opportunities for external target group members with the possibility of eventually hiring into the department's workforce. We have recently been working with Sturgeon Creek and some of the clients that they have at their particular training facility. The employees of the department attend affirmative action awareness and training offerings. So there are initiatives underway, but there always is that balance that you have to have in considering people for employment.

* (1640)

Mr. Martindale: I would like to ask about one particular area, and that is Income Security offices and the hiring of aboriginal people. It seems to me that since, particularly in the city of Winnipeg, we have quite a few people on provincial social assistance who are aboriginal, I would like to see more aboriginal people serving those social assistance recipients.

I would like to ask the minister if, in this area, you have met your goal or exceeded the goal or are still working on it.

Mr. Gilleshammer: With aboriginal hirings, we are still short of the government targets. But you have

to appreciate the parameters that the civil service hiring brings to the process, where I guess it sort of works like a union, and you have seniority rights and bumping that takes place. It is not quite as simple and straightforward as sometimes you would like in meeting those targets, but we are aware of the targets that the government has set and are working towards them.

Mr. Martindale: I am glad to see that the minister supports affirmative action and that he and his department are working on achieving these goals, since I know that not everybody in the cabinet that he is a part of supports this. So I would commend the minister for supporting affirmative action and working on achieving it.

Mr. Gilleshammer: Well, I know, given this member's background and training, he would not want to leave anything on the record that is not absolutely true. I would say that my colleagues and I are all committed to those targets and work towards that. I would offer him the opportunity to withdraw that.

Mr. Martindale: I have had discussions with the minister's colleagues, so I will not withdraw that because I know that not 100 percent of his cabinet agrees with him.

I have one final question, and that has to do with education and training and affirmative action. I assume that this is education and training and cross-cultural awareness, but I would like to ask the minister for some specifics, if he can tell us what kind of education and training goes on with staff in his department, particularly with regard to affirmative action and cross-cultural awareness?

Mr. Gilleshammer: Mr. Deputy Chairperson, we access that education and training through the civil service program that offers the training in affirmative action and cross-cultural awareness.

But I again have to go back to the member's previous comments. I would caution him from reading into his conclusions some of the private conversations he has had with members on affirmative hiring, that we are committed to the targets that have been set and are working towards those goals.

I can tell you we talked about boards and commissions earlier, and the member's colleague who was here at the time who was active in working on boards and commissions, we have far surpassed

the whole concept of affirmative action in the nominating of people to boards and commissions.

Similarly we have exceeded the record of the previous government in putting some of the groups referenced into major positions within government. Again, I would offer him the chance to retract that because I think I have not heard colleagues say that. I believe that we are all committed to that. If the member in some private conversation believes he heard something else, he maybe should go back and check that out.

Mrs. Carstairs: Mr. Deputy Chairperson, if we are going to have affirmative action as a viable policy, then nowhere should it better be reflected than in this particular section.

Can the minister tell us how many of the managerial, professional and technical people of this particular section are women? There is one managerial, and there are nine technical people. Of that 10, how many are women?

Mr. Gilleshammer: Five out of the 10 staff in this area are women.

Mrs. Carstairs: Can the minister tell me, again in another internal department and one—and by the way, I should say that the cost of these documents according to the figures are \$33.35 each, if you take 600 copies by \$20,000, but that is just interesting. What would this department spend \$16,000 on in communications?

Mr. Gilleshammer: Obviously the figures that the member is calculating are not correct. We will find you further information on that \$20,000 that you asked about and give you a more comprehensive breakdown.

In this particular area, all of the advertising, all of the bulletins and the telephone costs are quite high. It would account for that figure.

Mrs. Carstairs: Is the minister saying then that the civil service department does not pay the costs of the bulletins of civil service positions?

Mr. Gilleshammer: They pay for the bulletins; we pay for the newspaper advertisement.

Mrs. Carstairs: So if it is an internal position then, obviously, there is no cost to this department, but if it is going to be hired from outside of the civil service, there is a cost to this department. Is that correct?

Mr. Gilleshammer: On the advertising portion of it, that is correct.

* (1650)

Mrs. Carstairs: Can the minister tell us how many positions in this department, and I just want a percentage figure, of new hirings would be done from outside of the Civil Service Commission?

Mr. Gilleshammer: An estimate I am given is that 10 percent of the hirings are from outside the civil service and 90 percent from within.

Mrs. Carstairs: Can the minister tell us what would be included in Supplies and Services for the Human Resource branch?

Mr. Gilleshammer: The majority of that is costed back to rent, and the rest would be normal office supplies.

Mrs. Carstairs: What kind of rent would this particular branch be involved in?

Mr. Gilleshammer: These figures used to be lodged in Government Services for office space. Now they are lodged here within the department.

Mrs. Carstairs: So this would be the location of any individuals who are not within the departmental office itself, and there is alternative space for them that is not in government offices?

Mr. Gilleshammer: This line refers to all of the space that Human Resource has. Some of it is within government space, other of it is contracted from outside.

Mr. Deputy Chairperson: 1.(e)(3)(a) Salaries \$805,400—pass; (b) Other Expenditures \$138,900—pass.

1.(e)(4) Information Systems (a) Salaries \$1,006,400.

Mr. Martindale: Mr. Deputy Chairperson, I would be interested in asking some questions particularly about how Information Systems—and I presume that it is probably a euphemism for computers by and large—are used particularly in Income Security and particularly with regard to approvals by staff for rental premises.

I know that when the City of Winnipeg was running the CARUMP program, Core Area Residential Upgrading and Maintenance Program, when staff were finding new accommodation for tenants who were forced to move because of housing inspections, they were able to access City of Winnipeg information in the health department and inspections branch in order to check on whether there were outstanding work orders or health orders.

I would like to know if it is possible for especially front-line staff in Income Security offices to check on

whether or not premises that are going to be rented by social assistance recipients have outstanding health orders. For example, a place might be placarded insanitary, in which case no one is allowed to live there, or other kinds of work orders requiring repairs.

The reason for my question is that I believe a great many people are living in substandard accommodation, and we know that many of those people are on provincial social assistance, and so there is a very large amount of rent that is being paid to landlords in the private rental market. I do not think taxpayers would want this money to be going to substandard accommodation. I think the money should be used to buy decent housing wherever possible.

So my question is, is it possible for staff to find out if there are work orders or health orders against rented properties?

Mr. Gilleshammer: I am able to report to the member that we have a system in place with our department, the City of Winnipeg and the Department of Health regarding placarded accommodations so that we are aware of it.

We do not have a listing for what the member termed substandard housing.

Mr. Martindale: Are the staff able to access information about premises that may have outstanding work orders against them?

Mr. Gilleshammer: Yes.

Mr. Martindale: Do the staff routinely make use of this information, and if so, how?

Mr. Gilleshammer: That is correct, they do.

Mr. Martindale: I would like to ask the minister if it makes a difference. Do the staff turn down certain addresses and refuse to pay the rent for those addresses?

Mr. Gilleshammer: Yes, they do.

Mr. Martindale: I would like to ask if that is creating any hardship for clients, or given that the vacancy rate is about 6 percent, if there is still enough flexibility for people in the private rental market that they can find accommodation within the rental allowance guidelines?

Mr. Gilleshammer: We have not had any problems with that.

Mr. Martindale: Could the minister tell us if the Child Day Care office procedures are computerized?

Mr. Gilleshammer: I am told that there is a minimum level of automation in that area.

Mr. Martindale: Could the minister expand on that answer, please?

Mr. Gilleshammer: Yes. It means that it is an area of our department that has not had automation to the extent of a number of other areas of our department.

For instance, on the social allowances, the SAMIN system is regarded as being one of the real quality systems that we have. We have expended considerable dollars in the service information system for child welfare. One of the areas which I think needs to be addressed in coming years, in coming budgets for automation, is child daycare.

Mr. Martindale: Is there a goal or a time line for achieving computerization in child daycare?

Mr. Gilleshammer: Well, there is room for improvement, and we hope to be able to do some of that this coming year.

Mr. Martindale: Could the minister tell us what sort of progress has been made in the area of Child and Family Services agencies, particularly, the Winnipeg Child and Family Services agency, since in the past, the minister has talked frequently about computerizing their operations and the improvements that this will make, particularly in being able to track children from one area of the city, or families from one area of the city to another?

Mr. Gilleshammer: Yes, I would be pleased to talk about that. It may be easier to do that in another appropriation, but I could give you a general update on it.

We have spent millions of dollars designing a system which enables the line social workers to access immediate, up-to-date, comprehensive information on clients that come into care and families that are involved with the system. I think I mentioned it once before, but I will mention it again, that not that many months ago, I visited the Child and Family Services office in Portage la Prairie, the central Manitoba office, and had a demonstration of this.

I understand we are running out of time, and maybe we can get back into this when we come back this evening.

Mr. Deputy Chairperson: The time is now 5 p.m. and time for private members' hour. I am interrupting the proceedings of the committee. The Committee of Supply will resume consideration at 8 p.m.

HIGHWAYS AND TRANSPORTATION

Madam Chairperson (Louise Dacquay): Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Highways and Transportation.

We are on item 3. Planning and Design and Land Surveys. Would the minister's staff please enter the Chamber?

Item 3.(a) Planning and Design (1) Salaries \$1,993,000.

Mr. Daryl Reid (Transcona): If the minister's staff is able to enter the Chamber—

Madam Chairperson: Yes, I have called for them, and it is my understanding that they will be here momentarily. The minister said you could proceed with your first question.

Mr. Reid: Okay, if we could just wait a few moments, Madam Chairperson, and then I will ask the minister my first question.

Madam Chairperson: We are on item 3., page 89 of the Main Estimates manual, Planning and Design and Land Surveys.

Mr. Reid: I cannot recall if I asked the minister this question on Friday. If not, I will ask it again and the minister can indicate to me if he has indicated the number of permits and the value of the permits that were issued under Planning and Design.

Hon. Albert Driedger (Minister of Highways and Transportation): I had tried to clarify the process in terms of issuing permits. First of all, on our PTH, provincial trunk highways, any applications for access get made through the Highway Traffic Board. On the provincial roads, the PR system, the applications go directly to the district who by and large then decide whether it is justified or not and try to work something out for the people.

In terms of the details, there were other questions that the member had asked me where I said that we will get more detailed information and we will try and see whether we have some of that today. If not, I had given the indication that the information is going to be coming.

Because this is relatively detailed information, I will see whether we have it available.

Mr. Reid: There was a significant amount of discussion, at least for a short period of time last year, when the minister through his department had decided, or it has been past practice to remove certain portions of the road network in the province from the provincial map.

Has the minister's department looked at or had discussions with the various LGDs and municipalities throughout the province to see if there is a way in which we can incorporate all of the road systems on the current provincial map so that when tourists come to this province or Manitobans travel that they will be aware of all of the roads that are contained within the province of Manitoba so that they do not become confused when they are travelling? Have there been any discussions and is the reason why these roads are not included basically one of legal concerns?

Mr. Driedger: Madam Chairperson, I am pleased to give the member the assurance that new maps are coming out and that we will be addressing the roads that were removed as provincial responsibility in last year's map because of the concern that was expressed, and we will be identifying those roads on the new map when it comes out. They will not be identified as provincial responsibility, but they will be identified as roads.

So when the new map, in the final throes of consultation in terms of developing a new map—and I would expect that within probably six weeks to two months maybe, hopefully sooner, we will be having the new maps out, and they will be having that road system on there.

Mr. Reid: Is there some concern, or has the concern regarding legal responsibility for the roads shown on the map been discussed or determined within the minister's department in any discussions they might have had with LGDs or municipalities?

Mr. Driedger: Madam Chairperson, we have not approached it from the legal perspective. What we have done, based on the requests that came forward at the time when we had deleted those roads from the provincial map—and it is a provincial map not a municipal map—but through various discussions with the municipalities involved and other people who raise the concern, I repeat, we have identified those roads that used to be PRs in the province on the new map as municipal roads.

However, we have to be sensitive with that because we are just basically identifying those roads that used to be provincial responsibility. It will show on the map as municipal roads—other roads. So it will show on the map. Now we have the PTH system, the PR system, and there will be other roads which will basically identify—a fainter black line will identify other roads which are not the responsibility of the provincial government.

Madam Chairperson: Item 3.(a) Planning and Design (1) Salaries \$1,993,000—pass; (2) Other Expenditures \$717,000—pass.

3.(b) Land Surveys.

Mr. Reid: Under the Activity Identification: "Declarations and Abandonment Orders of Provincial Trunk Highways and Provincial Roads," has the department or the minister effected any plans in the past year for any abandonment orders, and are any abandonment orders or declarations for such in the works for the current year?

Mr. Driedger: Madam Chairperson, this is an ongoing thing that comes forward from our survey people and from land acquisition people, where through changes of the road system, changing alignments, that invariably we have areas where we want to close off or return some portion of that land. I dare say that I probably sign anywhere from up to a dozen a month sometimes on these things, where we have certain portions where we close off or change certain things, so that is a very normal process that we go through.

Mr. Reid: It shows that there are seven positions eliminated due to program reduction. I take it that is because the level of projects is down for this year. Can the minister indicate if that is the case and, if so, these seven positions, were they under contract or are they full-time staff to the department? If so, what happened to those people?

* (1430)

Mr. Driedger: Madam Chairperson, earlier on I made the statement that there was reduction in my department and that there were very few places where—actually it was mostly vacant positions that were affected. However, in our survey crew, these were actually live bodies who were affected in terms of reductions. I might add that these individuals have all been basically placed within the department and other positions.

The reason for the seven staffperson reduction under Land Surveys is that the nature of the work

has changed to some degree where we have more sophisticated equipment, and we do not need as many crews. So we have basically cut back to three crews because, I repeat, the nature of the work has changed in such a way that we have more sophisticated equipment. We do not need that many crews out there. We still feel that we can adequately serve our requirements.

Mr. Reid: I may not understand then the full duties and functions of the survey crews. I have had the opportunity to use transit equipment over past years. What type of technological changes there that would have come forward that would have meant the elimination of seven positions? I am not sure what technology changes would, in surveying, which is basically a labour-intensive type of duty, indicate that there would be a change in employment levels of that magnitude.

Mr. Driedger: Madam Chairperson, I have to apologize for continually interrupting the advice given by your Clerk.

To the member on his question, it is not just equipment. It is the nature of the work and the fact that we do not have the need for that many at the present time. The system of the work has changed. We do more overlays. We basically have the required right of way where we do repaving, so basically our crews were more required when we did a lot of new construction.

In cases where we do reconstruction now, even that has changed to some degree where we do not need as many people doing that because we already have the system in place. If we do shoulder widening, for example, it is not the kind of requirement as when we used to build a new road. Our system is, by and large, in place.

Mr. Reid: I do not mean to belabour the point, but when I have seen road maintenance or construction projects ongoing, I have always seen survey stakes. So obviously there have been surveyors there who are doing the work. I do not see how, even with the maintenance program, unless it has to do with the \$10 million decrease in the overall capital budget, which would mean that we had no necessity for surveyors as a result of that reduction in the capital program.

That would be the only thing that I could see. I mean, maintenance programs still require survey for their construction crews to function as a guideline. I do not see how that change—I do not understand

how the minister's statements wash with the normal procedure.

Mr. Driedger: Madam Chairperson, maybe to further try to clarify it, we have two sets of surveys that are undertaken. One is the legal survey to establish the property lines, and then we have our engineering surveys which basically are on the site when construction takes place. Those are under the construction component, the capital program in terms of our construction. This is basically the legal survey in terms of establishing the property lines and requirements of property.

There are two components to the survey. This is only one component here.

Mr. Reid: If I understand the minister correctly, then the construction survey is undertaken by the construction crews themselves under employ of the construction company, not under the minister's department then.

Mr. Driedger: No, that is not the case. What happens is that we have the group here that we have identified do our legal surveys in terms of establishing the property line requirements that we need. Then we end up having survey crews that basically during the course of construction under my department, paid by my department under the capital program that do—you know when the contractor is working to see whether we have enough A base, and they do the design as well. These just do the legal survey lines, and we do not have as much requirement for that.

In my mind, it is very clear, but I am having trouble maybe explaining exactly what is happening. When we do the construction end of it, we have a different type of crew that basically works under construction.

Mr. Reid: Madam Chairperson, maybe I am not phrasing my questions correctly for the minister to draw out the information that I am looking for. If that is the case, I am sorry for that, for not explaining clearly enough. I was just trying to get an understanding of the function there and whether or not, because of the reduction in the expenditures, through the maintenance and the capital programs, if that is the reason why there has been a decrease in the surveys.

If it is only for legal, most of the projects start off with a legal definition and legal boundaries that are attached, and if we are seeing a reduction in the maintenance and the capital programs, then I guess it would stand to reason that there would be a

decreased need to have the legal surveyors go out and do their job.

Mr. Driedger: Madam Chairperson, first of all, there is not a decrease in my capital. We have an increase in my capital program to the point where this is the biggest capital program that this province has ever seen, regardless of whether it is cost-shared by the province or not, but it is the biggest program ever. So that is not the case; that is not why there is a reduction.

I might also add, to the member, that over the years—maybe I should just back up a step and say that when we get into road construction, for example, and we prioritize a project, the first thing that we do is do a survey and design. Once it is prioritized, that is the first step that takes place. Our surveyors go out and see exactly the type of road that we want to construct and do the legal survey in terms of how much land we need, if we need any, and they also do the design under this, right? No, these do not. [interjection]

Maybe to further clarify it, what these crews under this jurisdiction do, they basically establish—once the design is done to some degree, they do the survey as to how much property we need from each individual if we have to buy property or expropriate, whatever the case may be. So that is what they do. Establish alliance and say, from this individual we need two and a half acres, from the next one it is 1.3, depending on how much frontage they have. That is the responsibility of this crew.

Madam Chairperson: Item 3. Planning and Design and Land Surveys (b) Land Surveys (1) Salaries \$864,000—pass; (2) Other Expenditures \$246,300—(pass); (3) Less: Recoverable from Other Appropriations (\$1,110,300)—pass.

Resolution 15.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,710,000 for Highways and Transportation, Planning and Design and Land Surveys for the fiscal year ending the 31st day of March, 1994—pass.

Item 4. Engineering and Technical Services (a) Management Services (1) Salaries \$143,000.

Mr. Reid: The Activity Identification states that this department monitors the effectiveness of services and facilities. Can the minister indicate how effective have been the services in the facilities?

* (1440)

Mr. Driedger: Madam Chairperson, just great. The member opened the door for that one. Basically, the description is there and it, if the member reads,

"Provides management direction for the functional branches of the Division.

Provides administrative support to Branch Managers.

Monitors effectiveness of services and facilities within the jurisdiction of the Division."

What we expect from that is: "Effective delivery of Divisional services and programs in accordance with Government and Department policies and objectives."

I do not know how further I can explain the effectiveness of the department.

My apologies, I would like to introduce John Hosang, who is the individual in charge of this department here.

Madam Chairperson: Item 4.(a) Management Services, (1) Salaries \$143,000—pass; (2) Other Expenditures \$30,500—pass.

4.(b) Mechanical Equipment Services.

Mr. Reid: I know the minister has said this over several occasions on the last two sittings on Estimates about the change—he is going to provide some information for us with respect to the changes in staffing levels.

Will that description or that information the minister is going to provide give us an indication here of changes that we are seeing in the staffing years from 238 down to 230? Obviously, eight positions were eliminated in the maintenance program. Can he give me an indication why the changes in those eight positions? Are we doing less maintenance?

Mr. Driedger: Madam Chairperson, I have a sheet here that I am prepared to give to the two critics which outline what has taken place—I am prepared to table that—where it shows exactly the amount of total staff years that have been eliminated in the '93-94 Estimate process. I have one for each critic.

Just further to that, if I could maybe explain the reduction of the eight positions in the maintenance program. By and large, from the time that we turned back the 2,000 kilometres to the municipalities, we have been revising our maintenance beats, et cetera. There has been a downturn on the requirements in terms of equipment as well as

maintenance personnel operators. This is still the ongoing changes from the time that we implemented the turn back of the 2,000 kilometres to the municipalities.

At that time, it was expected that we would be reducing people and reducing our maintenance program. That is why we paid the money upfront there initially, half the first year, half last year. It has just been completed. These are the ongoing changes in terms of as we revise and revisit our system of operations and our beats that we do in terms of maintenance.

Mr. Reid: I am not sure what the minister meant when he said half this year and half next year. Can he elaborate on that, please?

Mr. Driedger: Madam Chairperson, going back—and I think we have covered this virtually for two years now—when we turned back the 2,000 kilometres to municipalities, we, at that time, offered compensation based on the quality of road that we turned back so and so much, and that was paid out over two years. The last payment was made in the last fiscal year. So that is what I meant by paying out over two payments, the compensation for the term backup roads.

In terms of the elimination of positions, since that time, we have been revisiting whether we can provide maintenance as capably as before, more efficiently. We actually have municipalities, since the time we turned back to two thousand clicks, some of them have expressed interest in terms of maintenance and snowplowing for us.

We are making provision for that because in some cases where we have turned back road they maybe required another half a machine or something like that, work for half a machine. This whole process has been taking place. In some cases we have reduced the beat. We use the equipment from municipalities. We lease it from them or rent from them. In other cases we have adjusted our maintenance program in such a way that we have the most efficient method of operation through that. That is what has happened here.

Mr. Reid: Can the minister explain: Does his department do the purchases of either specialized equipment or standard equipment as part of the maintenance equipment function? Does his department do the purchases of that equipment, or does that come under the Government Services?

Mr. Driedger: Madam Chairperson, we indicate to Government Services what our requirements are in terms of equipment, and then Government Services does the tendering process on behalf of the Department of Highways and Transportation.

Mr. Reid: Does the minister have any historical data or statistics on the equipment purchases that we have put forward from his department versus what we are putting forward or anticipate putting forward for this year?

Mr. Driedger: Madam Chairperson, I do not have that precise information comparatively, but I could maybe give the member some indication that is part of the budgetary process.

There is more pressure on us all the time in terms of how much equipment we replace. Our equipment, by and large, is getting older every year, and actually is costing us more to keep it in operation through our garages, et cetera. It is a matter of discussion with my colleagues on Treasury Board in terms of trying to hit certain objectives and targets. We have reduced in the highway maintenance equipment replacement by almost a million and a half this year.

I have grave concern with that. This is an issue that in discussion with my staff I have said that we have to build our case a little stronger so that we can try to get better replacement or more replacement within the department. I repeat again, our equipment is getting older. As it gets older, it costs us more to keep it operating, so that is an internal matter that we have in terms of trying to sell our case.

Mr. Reid: That was leading to my next question. The minister indicated that there was a reduction in the Supplies and Services for the maintenance equipment. I think it is close to half a million dollars. Are we not, by postponing the decisions to replace portions of our fleet where necessary, robbing from Peter to pay Paul? In essence, if we would normally replace equipment now, as difficult as it may be, will we be paying the price somewhere down the road by having to replace a larger number of the pieces of equipment that may ultimately fail and have to be replaced?

Mr. Driedger: Madam Chairperson, invariably that is what it is going to amount to that, if we keep on the trend that we have been on the last few years in terms of reducing our capital for replacement equipment, ultimately we will pay the price. That is

the argument that I put forward, that staff put forward to me, and I have relayed that information to Treasury Board. Those are some of the decisions that we face as you move through this process. So I am hopeful that, as things change, ultimately we have to address this again and bring it back onto this level that we would want to be.

The same thing applies in terms of other areas within the department. Our maintenance—as I talked before, we will not do the kind of roadside mowing. We will not do the kind of calcium application. All these things are ultimately things that are going to come back and will have to be dealt with. So those are things that we agonized over in the decision making as to how we achieve certain targets and try and still provide the kind of service, and still have equipment operating properly. But I think, if this trend continues and we do not level off and start getting it back, in my view, ultimately, it is probably going to be more costly to operate that way than we do right now if we keep this up. It is my hope that we can reverse this trend somewhere down the line.

* (1450)

Mr. Reid: I am just worried here, Madam Chairperson, maybe a little tongue in cheek here, too, that when I take over from the minister I will have to replace all of the decrepit and decaying pieces of equipment that he will have left the department that is falling down around him and create some problems for others in the future. It is probably one of the reasons why we ask these questions because we want to see where the department is headed for the future as well as what they are doing currently. I know the minister wants to respond to this.

Mr. Driedger: Let me just—I want to give the member the assurance that heaven forbid it should ever come to that that he should be responsible for the department, but by the time that happens, I want to assure him that the department is going to be in great shape because I cannot foresee this happening for a long time yet.

Mr. Reid: I am not sure if I—maybe I neglected to ask the minister if he can give me an indication—he may not have the information here, but if he has, in the near future, the opportunity to bring information back with respect to the number of pieces of equipment we would look at changing now or to upgrading our equipment for his department under Maintenance Services.

Mr. Driedger: Madam Chairperson, because we replace it as we go along, we have an allocated budget and then depending on what kind of breakdowns we have, what happens to some of this equipment, I do not know whether we can—I would not be able to give him the information for what we project to do. We have a pot and then as, let us say our trucks break down or motor graders go, the decisions get made as to whether we should replace or not. I do not know whether we—hang on half a second.

I am going to try and see whether we can get a list. We have a blueprint of what we want to replace in the coming year, and I can try and get the information of what we replaced last year just to at least give a snapshot to the member of what is happening.

Madam Chairperson: 4.(b) Mechanical Equipment Services (1) Salaries \$7,267,200.

Mr. Paul Edwards (St. James): Madam Chairperson, I notice from the handout, staff years eliminated, that this ties with Traffic Engineering or at least is way up there in that eight salaries were eliminated, one in Winnipeg and one in Brandon, six in Dauphin. What did those individuals do?

Mr. Driedger: Madam Chairperson, the positions that we are referring to in the eight positions eliminated, one is a machinist in Winnipeg, one is a machine operator in Brandon and six are operators in Dauphin, two of which were vacant and the other four were redeployed under the reorganization of maintenance beats.

Mr. Edwards: Madam Chairperson, I am sorry, some of the positions were vacant? How long had they been vacant, and why had they not been filled? Are they positions that the minister is saying the duties were redundant or not needed and if so when did they stop being needed and why?

Mr. Driedger: Madam Chairperson, I had tried to clarify before to the member for Transcona (Mr. Reid) the changes that have taken place in the last few years since we turned back to 2,000 kilometres, that we have been gradually revisiting our maintenance beats in terms of how after the turn back to 2,000 kilometres we have had to keep adjusting in terms of how many beats we basically have. That reorganization has been taking place over a period of the last two years and is still going on. I made reference to the fact that we have been hiring more, where rural municipalities have shown

a desire, we have hired more municipalities to do some of our maintenance work as well as our snow plowing. The vacant positions I made reference to were part of that process as it evolves. Then we eliminated those that we did not need.

Mr. Edwards: Madam Chairperson, a total of 48.41 positions eliminated, eight in this branch of the department. Is the minister saying that there has been no need to duplicate or replace those services by contracting out or is he saying that in fact contracting out is taking place but to the municipalities? Is that what he is saying?

Mr. Driedger: Only partly. Our reorganization impacts this only partly. The other thing is, Madam Chairperson, that where the districts used to provide these services it will now be done out of our regional offices, the five that we have. So there is shifting taking place in terms of how we have been doing our maintenance and how we are going to be doing it now. Where we used to run 13 districts, I repeat again, and they each had their maintenance crews and construction crews. As we regionalize now into the five regions, this will be done out of that and at a different capacity. So there is a total ongoing reorganization.

We have not totally completed the regionalization. The same thing will probably be appearing next year, where there is going to maybe be in the minds of the public some confusion but, as we move and realign our operations on a regional basis, and part of the reason why we regionalized was to be more efficient, this is part of that whole process.

I do not know whether I clarified myself the way the member wanted me to.

Mr. Edwards: Sure, and the most efficient would be to just have one region in the province. I mean if you go from 13 to five you certainly can cut down on the bureaucracy for each district and the number of people needed, but the distances are greater. There is a balance between accessibility of machines and equipment to be fixed, to be maintained and serviced and the cost of setting up various administrations around the province.

Is the minister saying that the last five years, with 13 divisions as opposed to five regions, we were functioning less than efficiently, that by going to five we have increased efficiency so that we can cut these positions, or is he saying, we are going to be doing less maintenance work or more driving to get to the garages to do the maintenance work?

He is giving a mixed message here. He is saying, on the one hand, we are trying to become more efficient, and we can become more efficient so we do not need these staff years. On the other hand, he is saying, well, but we are going to be relying more on municipalities to do their own work. Is he going to be contracting out the work, giving it to someone else, or has the work disappeared or was not there in the first place?

Mr. Driedger: Madam Chairperson, I was trying to clarify for both members basically that as the process of regionalization takes place this effects the component and the reduction to some degree. It is not the total thing.

He makes reference to contracting out to municipalities. We do that limitedly only to those that have expressed interest because of a transference of roads back to them where they had to buy additional equipment and expressed interest and then doing some work for us.

We work with them on a co-operative basis in terms of seeing whether it fits into our plans, because we cannot have a municipality doing, let us say, one stretch of road and then leaving another stretch for us at the far end so that our operators would have to drive 20 miles to do a five-mile stretch or something like that. We co-ordinate the activities where the municipalities express interest in doing it. That is only one portion of the component. The other thing in terms of regionalization, and I have repeated this many times already, is the fact that we are not closing our regional offices, but we leave all our little shops that we have in place, so there is no reduction in terms of district yards. We might have employees, and that is where some of these come in, where we have a reduction in employees in some areas because we have changed our maintenance beats.

I am trying to explain, Madam Chairperson. I do not know whether I am getting there.

Mr. Edwards: The people being lost are all technical experts, a machinist, a machine operator and operators. They are not paper pushers, they are people who worked on machines, I assume, driving and maintaining and working on machines.

* (1500)

If you still have these shops in the 13 districts, are those trucks and machines going to have to be transported further to the five regional offices to get the same work done? I see you shaking your head.

Does that mean that you have the same expertise as was previously the case in all of those smaller divisions?

Mr. Driedger: Madam Chairperson, my best intention is trying to clarify out of our shops that we had—I am talking about our machine shops—that as we are adjusting this whole thing we have more of the operators, for example greater operators, operating out of the regional areas. Like it is jurisdictional changes that we have here.

Again, what I am trying to tell the member is that this has been a process that has been actually worked on for three years since we started turning back the 2,000 clicks. So it is not just one component that we have involved here. We have less roads that we have to maintain. So as we are adjusting our maintenance beats which we call them, where we have an operator who covers so many kilometres of road, that we have taken and done, in some cases, have hired out or had the municipality undertake some of the work. We have done our own adjustments to such a degree that we think that we are running it more efficiently, and we still have the same qualified technical people involved.

Mr. Edwards: So the main reason that you can do the same job with less people is that now the municipalities have taken on more roads. Is that correct?

Mr. Driedger: Madam Chairperson, we transferred back 2,000 kilometres of roads to municipalities. It is their responsibility. In some cases where we did this, municipalities said they would not have to buy additional equipment. It did not warrant it for the amount of road that we turned back. So they asked, well, if we buy a machine, for example, a motor grader, can we do some work for you people so that they can justify the cost of a new machine. In those cases, where certain municipalities asked that, we have made provision for that. So that is all part of the process of reorganizing how we do our maintenance on the roads, understanding that there are 2,000 kilometres less that we have to maintain at the present time.

Mr. Edwards: When the maintenance of the roads went back to the municipalities, do we compensate the municipalities for that or did the municipalities take on the cost of that themselves?

Mr. Driedger: Madam Chairperson, two years ago, a little over two years ago, when we embarked on

the transferring back of 2,000 kilometres to the municipalities, we offloaded onto the municipalities these 2,000 kilometres based on a fair apportionment that each municipality had to take a percentage of the roads back. So that process took place. Yes, we offloaded on them.

They have the responsibility. It is not our road anymore. That is why I was getting flack from the other critic that we removed those roads from our provincial map. We will now be putting some of these roads back on—I explained that a little earlier—but not as provincial roads. They will be just designated as other roads so it still shows the system as in place, but they are municipal responsibilities.

Mr. Edwards: Sorry, maybe I missed this. The minister said that happened two years ago.

Mr. Driedger: Yes, Madam Chairperson, this process, agonizing process that has taken place, we initiated it two years ago and we compensated them, a one-time compensation paid out over two years. The final payment was made just at the end of the fiscal year where we paid them the last installment of two installments for transferring the roads back to them because we felt we wanted to be consistent with what we always said, that the federal government, when they offload, there should be some compensation up-front. We went through a long agonizing process with the UMM executive until we finally came to an agreement.

I realize the member was not my critic at that time when we went through all this in the past, but that was the process basically that took place. That has effected a lot of the things over a period of two or three years now in terms of how we have been operating.

Mr. Edwards: The minister says negotiations with the UMM. Obviously, the maintenance of these roads is ongoing and will not just be over two years, it will be on a permanent basis. I assume that is the understanding.

What was the annual cost in whatever dollars for the year that had commenced? What were the payments made to the municipalities in total? I am not asking for a breakdown. What were the two payments in total, and what was the annual cost for maintenance and regular servicing of the 2,000 kilometres?

Mr. Driedger: Madam Chairperson, the reason why we were instructed by, or the government

decision was made to offload these roads—initially it was felt we have roads that have less than 100, less than 50 vehicles a day on them. It was felt that municipalities could probably maintain them cheaper than we do. That could probably, with that little vehicle traffic on there, reduce the standard where we had pretty stringent standards. That is what has triggered the decision to do that at a saving of approximately \$4 million a year, now and forever in terms of the saving we would have by transferring it back.

However, to offset that—knowing that after the first two years when we compensate them and they could do with that money what they wanted, though we encouraged very strongly that that money should be used to take and either upgrade or help with the maintenance of those 2,000 kilometres that we turned back—we paid them approximately \$6 million over two years, \$3 million a year that we paid the municipalities for that, and the last payment was sent to them at the end of the last fiscal year.

Mr. Edwards: The annual cost in today's dollars was \$4 million a year to maintain and service to our standards, that is the province's standards, those roads, and that of course will increase with inflation as time goes on. The total one-time payment over the last few years was \$6 million. That is essentially it?

Mr. Driedger: We called it a one-time compensation spread over two years. We gave them \$3 million a year before, and we gave them \$3 million last year. That is it. There is no more money that they will get from this department or from government to maintain those roads. It was a one-time shot, and I admitted as I have from the day that we started this thing, this was an offload from the provincial government onto the municipalities.

Mr. Edwards: Madam Chairperson, that is an understatement if I ever heard one. That is an enormous offloading to the municipalities.

Essentially what the minister is saying is in perpetuity, as long as he is, certainly, the minister. That is an enormous turning over. I guess what I am most concerned about is that the municipalities have less money or certainly no more money than the provincial government. How many of those 2,000 kilometres now, if any, have actually been closed, or are they all still open for vehicular traffic?

* (1510)

Mr. Driedger: Madam Chairperson, from the time that we turned them over, and they have had them now for two years, I am not aware that any have been closed. The level of maintenance on it is something that it is up to them. Whether they maintain them at our standard or whether they maintain them at a lesser standard, this is the decision that they basically can make on it. I know from some correspondence that hits my desk from time to time that individuals feel that the standard has been dropped much below what our standard was and so there is a certain amount of unhappiness. I mean, I am not denying it and this is a reality of life—a thing that I have been living with.

I just want to mention to the member that I have scars all over my back from this process and it will take a long time till they heal I guess. But I went through a very, very difficult process for myself and my department in terms of doing this, but that was a decision that was made over two years ago and now I think we are to the point where the majority of the municipalities—majority of them—accepted it then. There were certain municipalities that felt very sensitive about it, but that was the process that went through.

In fact, the fact that we are discussing it now even gives me heartburn, Madam Chairperson, because we have discussed that every year. I should have sent the member the Hansard from the last two times that we had our Estimates up and then he would have maybe realized the difficult process that I went through doing it.

Mr. Reid: You know, if the minister is saying already that some of the standards of the roads have fallen, not been maintained to the provincial standards, I can only imagine what it is going to be like when they are not getting any money. They have been getting \$3 million a year so far which is three-quarters of the actual cost—former cost. Now, there are not going to be any more payments. The quality of those roads is going to deteriorate rapidly, and I venture to say that in time, although portions of the 2,000 kilometres have not been closed yet, they certainly will be.

At least, that would seem to be a reasonable prediction based on what the minister is saying, but in any event, obviously the decision has been made and the minister is set in his ways on this. I simply conclude on that issue by saying that is an enormous offloading, and I cannot believe that those roads will in time be maintained or even kept

open by the municipalities knowing the financial constraints that many of them are under.

Let me ask on the objectives portion of this, it indicates that the department's work is run in a manner which incorporates the principles of sustainable development and environmental awareness. Now, sustainable development is a term, in my estimation, which is coming close to being a term of mockery given the number of times that this government uses it. Virtually everything that is sent out is done in concert with the principles of sustainable development, they say. What it means, I think most people still believe, is a mystery in real terms.

Let me ask the minister: in this branch, having used that terminology, what has been done in the last year that the minister can say was in the interest of incorporating the principles of sustainable development and environmental awareness?

I do not want vague assertions of, well, we generally think about it when we do things. What has been done? What specifically has been done? What program has been initiated? What guidelines have been set? What instructions have been given in the interest of incorporating the principles of sustainable development and environmental awareness? I bring to the minister's attention that in the objectives portion, there is only one sentence and the incorporation of those terms takes up half of that sentence, so half of what he has sought to say in the Objectives portion is about sustainable law. It must be an important principle to the minister to have taken up that much time in the Estimates book.

What has he done specifically that warrants that level of reliance on the so-called principles of sustainable development and environmental awareness?

Mr. Driedger: Madam Chairperson, the member takes and covers a whole realm of things before he gets into his questions, and then I do not know whether I should reply to the initial discussions or whether to the tail end, but I will try and do both.

He was making reference to the quality of the road maintenance being down after they do not get any money anymore. I indicated earlier that it was my suggestion and the recommendation that that money be used for the maintenance on these roads, if we turn back what they did with the money—

Mr. Edwards: But it is only \$6 million.

Mr. Driedger: Whatever it is, but municipalities did with the money what they wanted. Some bought equipment, some used it for other purposes. We did not dictate what they should do. We just suggested what they should do with it. So, on the quality of the road maintenance, that is their jurisdiction at this stage of the game.

Coming back to the questions that he raised specifically on sustainable development, what specifically have we done in my department? For example, we have taken our used tires to recycle them. We do the same thing with the oil. We have a lot of equipment, the oil that basically is being sold to Enviro-Oil. We used rebuilt parts instead of new parts all of the time. These are all things that basically would be sustainable development.

Mr. Edwards: Madam Chairperson, on the first point, I am not questioning that the municipalities spent maybe the whole \$6 million on maintaining these roads over two years, but that is three-quarters of the actual cost over two years, and they have got maintenance responsibilities for those roads forever.

* (1520)

Even if they spent \$6 million, the full \$6 million on that, it is woefully short of what the department's real cost was and what they know the real cost was for maintaining those roads to an adequate and safe standard. Unless the minister is saying that the province's standards are so far above what is necessary, which I doubt he is saying, then these roads are going to be unsafe.

If they have fallen below provincial standards—are provincial standards so high that we do not have to maintain these roads to provincial standards? Because there are 50 or 100 cars a year, we do not worry about it? If there was 1,000 we would take it more seriously, but if it is only 50 people, maybe a 100 people a day, we do not worry about it so much?

If there is only that few cars, then the maintenance will be less of course, it will be less travelled. The real cost, he said, is \$4 million a year forever. With inflation factored in it is going to go up. He has given \$6 million, one time, forever.

It is just not even close to what is going to keep these roads in good shape for even, I would venture to say, the next two years. In any event, the minister says, principles of sustainable development, he has done tires, he is recycling oil. Were those things done for the first time in the last year?

Mr. Driedger: Madam Chairperson, the member goes back to turning back 2,000 clicks and then gets into this area. So I will cover it again that way. I can debate this all day, except in the fact that I have never made any bones about it to the municipalities or to the general public. When we turned back the 2,000 kilometres, it was an offload.

If the member has concerns about the safety end of it, I think he is underestimating and doing an injustice to the municipalities, because in each municipality it affected them based on the amount of PRs, PTHs they had in their area. In some cases it was six kilometres, in some cases 10 kilometres. Out of the whole network that municipalities have, I mean these are the better standard roads that they have. I mean he has concerns that these are the roads that are going to be unsafe for public. My God then, he should get out to the municipalities and look at the kind of roads that they have, some of which are just cow trails.

These used to be part of the artery system that was established in 1965 and has never been reviewed. You know, the patterns have changed. Still, in most cases the municipalities are going to take and maintain them to the level that they feel will provide the service for the area, as they do with all their roads in the municipalities. You take a municipality with 10 sections of land, the crisscross system of roads through there—not 10 sections, 10 townships, 10, six, eight townships—they have a road system in place. It is not the end of the world. It is a cost offload that we have done on them. They know that; I know that. I cannot change that.

The member asked, under sustainable development, whether this is just in the last 12 months that we have done this sustainable development with tires and oil. No, it has been done even before that, but we keep on escalating in this area to make sure that we get maximum advantage out of it. We continually look for other areas, like I mentioned before, using rebuilt parts instead of new ones. Those are the ones I can identify for him now.

Mr. Edwards: Madam Chairperson, this is the Estimates book for 1993-94. The fact is that this government in every department, and in this book—I mean almost virtually every branch in the Objectives, there is something about sustainable development, sustainable development. We are doing wonderful things on the issue of sustainable development.

Well, this is the book for one year. This suggests, by taking up half of the Objectives portion here, that something has happened in the last year. If these Objectives, and I would hope that they were the things he mentioned which are pretty rudimentary, pretty basic, have been done, I would hope that they had been done years ago, given that the WRAP Act was put into place in 1989 by this government, and you would think that they would have had their act together provincially for some time.

1992-93, what was done in this branch that warrants that kind of statement? What new was done that warrants saying that these programs incorporate the principles for sustainable development? What was done this year that warrants that kind of reliance for credibility in this branch on sustainable development?

Mr. Driedger: Madam Chairperson, if I did not have it in there, he would be kicking my butt all over the place saying that we have given up on that. This is an ongoing thing. If the member wants to read the whole thing and look at an environmental awareness, I can give him realms of information about the difficulties we have in terms of trying to deal with environmental issues every time we build a road, every time we reconstruct a road.

For example, on Highway 16, the Yellowhead Route, where we are doing reconstruction on an ongoing basis, when we affect one of the, pardon the expression, duck ponds, for every acre that we take away from my colleague's duck ponds, I have to replace it by constructing additional facilities and sloughs. Would you believe it? Three and four to one for everyone that I take.

So, on the environmental end of it, whatever I do, whether it affects a crocus patch somewhere along the line or whether it affects some nesting bird that has nests—[interjection]

Well, the member can maybe appreciate the comments made by my colleague for Natural Resources (Mr. Enns), the sensitivity about environmental awareness, and we are very, very conscientious about it, where at one time we did it more casually. At the present time I think we have over one engineer that deals with nothing but environmental concerns, and for every project that I tender out there that goes to a private contractor, before we proceed with the tender, we have to have an environmental licence.

This has changed dramatically just in the last few years in terms of the awareness and pressure that comes down on my department because of people like him, with all due respect, that insist that we cannot disrupt anything that has been there for whatever reason. I should not say facetiously, when I make reference to duck ponds or a nesting area for a certain bird, but those are basically the things that we are very conscientious about, and my department has had to change dramatically in terms of how we do business.

Mr. Edwards: Madam Chairperson, the minister indicates that I would be upset if those terms were not in there. That is right, I would, but when they are in there I would be concerned that they are in there and do not mean that this department has progressed. The minister cannot point to something that has happened this year that is new. He has it in here every year. What I am saying is, if you put it in, it should mean something. It should mean that you have something new, some initiative, something that is happening, unless you are saying that the department is perfect. Is he progressing on this issue? And—well, maybe I will let him answer that.

Mr. Driedger: Madam Chairperson, my staff are challenged continually to look at new ways to come up with the sustainable development aspect of it. They are looking at these things and I made reference to the ones that are ongoing, where we try and even enhance this. If the member has some suggestions to make other than what my staff are looking at all the time, please, I would be very pleased to hear him tell me, do this or do that within my department in terms of sustainable development.

Within the limitations that my department has—there are limitations to what we can do—if the member has new suggestions, I will take and just implement as fast as we feasibly can any new suggestions that the member makes in terms of what he thinks should be done further beyond what we are doing now.

Mr. Edwards: Well, Madam Chairperson, we will get to that. Is there an expert or some designated person in this department who is there as a resource, a specific resource, on the principles of sustainable development and on environmental awareness as the department goes about doing its day-to-day activities, who advises the department?

Mr. Driedger: Madam Chairperson, John Hosang, who is in charge of that, is the one that I rely on to make sure that these things are being addressed and looked at properly, and I have all the confidence in him and his record that he has shown to date that if there are areas of concern that he can deal with that way, he will certainly do that, and I have all the confidence in him.

Mr. Edwards: Madam Chairperson, I am certain that the confidence is well founded, but the minister indicated that we are always looking at new ways of doing things. Would he or Mr. Hosang indicate, put a list down of the new ways of doing things that the department has come up with in the last year that would warrant saying that we are acting continually in a way that is consistent with sustainable development? What are the new ways of doing things that this department has come up with in the last 12 months?

Mr. Driedger: Madam Chairperson, I am trying to be very patient with this member in terms of, you know, he is belabouring why we have this in there, and he admitted if we did not have it in there that he would be crawling all over my frame.

By having it in there, what basically it indicates is that we are continue on the basis of looking to continue with sustainable development and certainly addressing the environmental issues.

I am going to see whether we can, and I will check with staff, but it is not something that I have right here now, to see whether there are certain specific things that, you know, how they operate in terms of addressing it. I will try and get a bit of a sheet to the member if he has a little patience. It will not happen today, but I will get it to him in terms of how we operate and look at the things that are done in more detail so that he has a better comfort level there.

Mr. Edwards: I would appreciate that very much. Madam Chairperson, specifically on this issue, what instruction has been given to operators of machinery to use ethanol whenever possible as a priority fuel if available and throughout the province? Has there been a specific direction to operators to use ethanol whenever reasonably practical?

Mr. Driedger: Well, Madam Chairperson, first of all, let me tell the member that you cannot use ethanol in our diesel engines, which most of them are. As far as the gas requirements are concerned, when I was Minister of Government Services we tendered on the basis of giving consideration, I think

an edge, to Mohawk where we did our tendering up to a point. So it is being tendered and everybody bids on it, with certain consideration being given in favour of Mohawk fuel. Then whichever price comes in best, that is how my colleague from Government Services buys it on behalf of the department.

Mr. Edwards: Does the government make a purchase province-wide through Government Services, or does Highways and Transportation do any purchasing on its own of gasoline?

Mr. Driedger: Madam Chairperson, Government Services does the tender on the anticipated requirements of the department, and then we have a distribution system where they have to deliver it. For example, if Esso or Shell get the contract through Government Services, we have our areas or distribution points where they have to then deliver, whether it is Beausejour, Dauphin, Brandon, whatever the case may be, where the requirements are. It is tendered on that basis that the delivery is at the sites, and they are aware of that. That is basically how it is done.

Mr. Edwards: Specific to the Department of Highways then, who got the contract to deliver gasoline to the Department of Highways last year?

Mr. Driedger: You know, I think it would probably be more appropriately asked of the Minister of Government Services (Mr. Ducharme) how he does it. I know that I had that portfolio and responsibility early on in my tenure, at Government Services as well as Highways and Transportation, but at that time we would tender in certain categories and we had more than one supplier. I think last year, if I recall, and the Minister of Government Services can confirm that, but I think Shell had a portion of it based on areas, and I think Imperial Oil had a portion of it. There were others. The Minister of Government Services probably could give me that information, but—

An Honourable Member: Domo.

Mr. Driedger: —and Domo. I do not know, but, for example, in certain areas of the province, let us say the Thompson area, you know it is broken out to some degree in terms of how we get certain prices delivered so that they can get maximum benefit financially in certain areas because the bidding is not consistently for each area the same, if I recall correctly.

Mr. Edwards: Madam Chairperson, as far as the minister is aware, it was not Mohawk that got any of the contracts?

* (1530)

Mr. Driedger: Madam Chairperson, not in my department.

Mr. Edwards: How many litres of gasoline were used in the Department of Highways, roughly, in terms of thousands or millions of litres? What is the annual use? The department must know. The department puts its requisitions into the Department of Government Services, estimates what its use would be. Maybe I can ask what the actual use last year or the projected use for next year from the Department of Highways was?

Mr. Driedger: Madam Chairperson, I have always tried to be very accommodating in terms of trying to get this information. We do not have that here. The member must understand that this deals with all my equipment throughout the province, whether it is motor graders, trucks, winter roads, the whole ball of wax. We have some figures but we do not have them here. I will get them for him and for the other member as well in terms of details.

Like I say, the other question would probably be addressed better to Government Services. Do you just tender for Highways or do you take Natural Resources as part of the package? So we will have to try and break out this information for the member as best we can. When they tender it it is not tendered just for my department. We give an expectation of what we basically need. I will try and get that figure for the member.

Mr. Edwards: That is all I am asking. If it was something that you did not have that you were not calculating anyway, I would not have asked for that because I would have seen it as unduly onerous, but as far as I understood, the department and the government on a department-by-department basis does come up with a figure, obviously, for the tendering package and if you can get that, that would be great. In addition, if the minister would, while I am sure the information is together, diesel, as well, if it is available and that would be appreciated.

Mr. Driedger: I will give that undertaking to the member.

Madam Chairperson: (b) Mechanical Equipment Services (1) Salaries \$7,267,200—pass; (2) Other Expenditures \$10,839,500—pass; (3) Less:

Recoverable from Other Appropriations (\$21,177,700)—pass.

4.(c) Warehouse Stores, (1) Salaries \$453,100.

Mr. Reid: Madam Chairperson, is it a plan, or is it anticipated that the department will move towards centralization of its warehousing of stores, a product that is consumed by the minister's department? Is that in the works now?

Mr. Driedger: No, it is not our intention. We intend to continue on the system that we have in terms of distribution at the present time.

Mr. Reid: Are the supplies then that are, as the minister says, going to remain as part of the warehousing of equipment for his department, are those supplies purchased through the Department of Government Services?

Mr. Driedger: Yes, we indicate our requirements for our shops and other requirements that we have. We establish that. We give that over to Government Services and they process or do the tendering and then ultimately, my department pays for that.

Mr. Reid: Then the supplies that are required are tendered out through an open tendering process?

Mr. Driedger: Yes, and if the Minister of Government Services does not do that, I would be very upset, because I need the best buy for the buck every time.

Mr. Reid: I cannot recall if I asked this in the last Estimates or not, but I will ask it again anyway. Do we have a preference or a policy in place for purchasing a product within the province of Manitoba with respect to any differential, say, of 10 percent cost difference in price, or do we just leave it on the total open tender process and the lowest bidder gets the contract?

Mr. Driedger: Madam Chairperson, basically, if I understand the tendering process, the best price gets the deal. Especially over the years, we have been moving towards trying to break down the barriers between provinces. We have this understanding in most cases with the western provinces. We are strongly encouraging the federal government and the eastern provinces to take and come on stream with taking down the provincial barriers between provinces because we feel there is a lot to be gained for allowing our people to bid in other provinces as well as on federal contracts. So we have moved dramatically in the last five years, I believe, at least since I was here and had

Government Services. We have moved towards not having any barriers or preference for province. I think the question probably should be raised more specifically with Government Services on certain issues whether there still is a—[interjection] Pardon me?

The Minister of Government Services (Mr. Ducharme) is giving me some advice here that if it is a supplier or manufacturer from an eastern province versus one of ours here that there would be a preference given if it is from out east. To the west, we have basically abolished the preference clause for Manitoba content on manufacturing.

Madam Chairperson: 4.(c) Warehouse Stores (1) Salaries \$453,100—pass; (2) Other Expenditures \$132,000—pass; (3) Purchases \$4,940,000—pass; Less: Recoverable from Other Appropriations \$5,225,000—pass.

4.(d) Northern Airports.

Mr. Reid: This is obviously an important area to the people of northern Manitoba. Does the minister or the minister's department have any plans for any upgrading programs for any of the northern airports in Manitoba?

Mr. Driedger: Madam Chairperson, maybe I would like to take just a little time here and maybe explain to the member what my views are on our northern airports.

As you can see, we operate and maintain 31 airports and aerodromes in the province, most of them in the northern isolated communities. It had been my hope and recommendation virtually every year that we take and set aside a certain amount of money to try and upgrade our airports, especially in northern areas, because when we talk with providers of service, for example, Perimeter Air Manitoba and other carriers, we meet with them and talk with them about what improvements we can make to the airports.

I am very pleased to say that we have had nothing but compliments basically from our carriers saying that the maintenance has been increased to the point where they save themselves a lot of money. For example, Perimeter I think saved themselves a big bundle by better maintenance of airstrips in the North, where they used to have their props scoop up the rocks and stuff of that nature. So there has been a major saving to them.

I want to compliment John here with the limited resources that we have that we gradually get a

better standard going all the time. In order to maintain our airports, I am trying to improve the level of strip that we have. Aside from going to the—I think that provision should be made in the long run to look at maybe paving some of these strips. Costs are very horrendous. At the present time, we have not got any consideration to do that. We are just looking at gradually upgrading our standard all the time.

* (1540)

What we have to do in some of these isolated communities, we tender for rock crushing during the course of the winter when they can move in with their equipment and maybe get out before the winter roads close. We do the crushing so that—you know, we try and do it in such a way that our supplies would last for five years maybe, should we crush enough. In many cases, actually, we cut deals with the communities as well. If they have some requirements, we tie that in as well, so they can capitalize on better prices for their requirements.

In terms of future plans, we have been negotiating with the federal government in terms of trying to establish a new airport in the Waasagomach area. We are in the midst of coming to, hopefully, some agreement with the federal government in terms of the cost-sharing arrangement. Where we were first looking at providing a service only for Waasagomach, we are looking at the possibility of—and we have not got this approved yet, we are working on it, but I am giving the member some idea of what we have in mind—establishing one airport between Waasagomach and St. Theresa and then have a road connection both ways.

The member is probably aware that the airport at St. Theresa has limitations. We have water on both sides, and even now the people have to use a boat to get down to the airport because it is built on an island. We think that in the long run, if we can get the funding into place and get the agreement with the feds worked out, we should be able to establish one airport, a bigger one, so that we can deal with the kind of equipment that our operators would like to expand to for the future and maybe go with a strip that is longer than the normal one that we have out there.

We are just trying to plan for the future, because our operators, like Perimeter, say that ultimately they are trying to operate more efficiently and provide a cheaper service, so they need to have more sophisticated planes to basically land. They

need longer strips for that. So we work very closely with them in terms of what their requirements are, what the community's requirements area. I am hoping that within the next six months to a year we can have an agreement struck as to specifically where and what we are going to do with St. Theresa and Waasagamach in terms of an airport.

That is the big plan. That is the community that, by and large, we prioritized to provide this service. There are other areas that basically feel—Poplar River, they are very concerned to have their strip virtually right in the community. They would like to have a different one as well, but we are talking megabucks here in terms of building a new airstrip. The last one that was built was built by the previous administration at Tadoule Lake, and a very costly project as well. But these services have to be provided. In many cases, that is the only means of communication that the people have aside from winter roads from time to time.

I personally feel that more priority should be put on some of these. I think we should look at having capital in there somewhere along the line from my perspective for further upgrading and being more efficient in terms of the kind of runways that we have up north. I just wanted to get that on the record.

Mr. Reid: The minister referred to some meetings with the federal government trying to work out some kind of an arrangement to deal with the funding for the construction or maintenance of the northern airports, particularly in the St. Theresa, Island Lake area.

Which of those airport operations then would become the primary airport for the Island Lake communities, and how long have the discussions been going on with the federal government on this? When do we anticipate that we will see an agreement struck between the province and federal government to invest or inject some funds into that airport in those areas?

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

Mr. Driedger: Island Lake has its own airport at the present time. We are looking at establishing one between St. Theresa and Wasagamach. Ultimately, the plan would be—if I could maybe just outline that what we anticipate—if we can come to an agreement with the feds in the next while—I say within the next six months in terms of the agreement itself—then we still have to get the funding into place.

But the first intention would be to take and build, let us say, halfway between the two communities—this is what I envision, we have not established location yet—but halfway between the two communities, and then build a road to Wasagamach.

That would be the first stage, to build the airport and a road connection to Wasagamach. Once having completed that we would then take and we would still be using the St. Theresa Airport that we have now until we have a road constructed to St. Theresa so that ultimately that other airport would probably become, what, extinct? We would not use it any more because this would be the main one being used at that time.

Mr. Reid: Can the minister give me some background on the Manitoba Airport Assistance Program?

Mr. Driedger: Mr. Acting Chairperson, I welcome you to this committee. We have a grants system that we basically assist municipal airports with. We have a scale that we use depending on the quality or the type of airport that they have. I think our maximum grant per municipality, the top end is, what, \$2,400 and the bottom end is \$1,200.

So if it is a paved runway then we give an assistance of \$2,400 for a municipal airport, and if it is a gravel runway we give them \$1,200.

Two years ago we doubled the grant that we give to the municipalities for their airports. Would that one person could do more but that is not the case. This is what we are basically giving them, and the grant has not been changed for this year.

Mr. Reid: I thank the minister for that information. Can he explain to me what improved efficiencies there were at the northern airports that would allow for the elimination of two and one-half staff years for positions?

Mr. Driedger: The one staff position was a cleaning service basically, or the staff will be taking that over. The other position was basically seasonal positions that were involved, and we think we can do that. That is part of the efficiency that we are trying to achieve.

I want to just maybe at this time also indicate to the member that in our northern airports this is where we hire the biggest component of native and aboriginal people up North. We have training programs for them as there are changes taking place, and we have some very good efficient operations out there. It is working well for us.

Mr. Reid: What does the minister mean when he says seasonal? What type of seasonal work would you do at an airport? Do the airports not operate year round? Why do we have seasonal employees outside of snow clearing maybe which then could be turned into the summer maintenance programs for the runway?

Mr. Driedger: Mr. Acting Chairperson, we do some brush clearing at the end of the runways in summertime. These are the kind of things we do. Most of our maintenance is basically done during the course of the summer on a seasonal basis. I am not talking of the operations of the airport which goes on, but the maintenance and upkeep of the runways basically is something that we do during the course of the summer. Like I say, the brushing at the ends of the runways, cleanups, some patching, that is the kind of seasonal work that we are doing.

Mr. Reid: Who is now going to do that work then if the seasonal people are eliminated?

Mr. Driedger: Mr. Acting Chairperson, we have a variety of seasonal people on there. Basically what we are just doing is trying to make it a little bit more efficient so it is not that there is going to be a downgrading for safety reasons or any other reasons because we have removed actually one and a half positions. You know, it says two and a half but one is cleaning staff so it is not a big change in there really.

I have to tell you that we are very, very conscientious about safety. First of all, they are our airports, our runways and we are very conscientious of the federal safety requirements, the training that we do with our people. We get them in, we train them for emergencies, for firefighting. We have good equipment in most cases and train them how to use this equipment. I am very pleased at the way the operation is going with northern airports.

Mr. Reid: Would the air services branch fall under Northern Airports here, or is that a separate section of the minister's department?

Mr. Driedger: Mr. Acting Chairperson, that does not come under here. I might as well just start the conversation going and tell the member that air division and radio and communication which used to be a component of my department has been moved to Government Services, so the water bombers, the air ambulance and the few planes that

we have are now under the jurisdiction of the Minister of Government Services (Mr. Ducharme).

* (1550)

Mr. Reid: Why was that decision made to move it to Government Services when it had been in the minister's department for, what I recall, a fair period of time?

Mr. Driedger: Mr. Acting Chairperson, I would like to say maybe I do not know but that is not the case. The reason the move was made, it was felt that Government Services is a service-oriented department and that it would fit better into that category than it would in this department. So the decision was made to do it in that sense.

Mr. Reid: I must have missed something then because I do not understand that reasoning. It had been in the department for a fair period of time. The minister's department is a transportation department providing transportation services including aircraft. I do not understand the logic or the reason the minister has given for that transfer. Is there some other consideration that was taken by cabinet to cause that decision to be made?

Mr. Driedger: Mr. Acting Chairperson, probably the question could be better answered by the Minister of Finance (Mr. Manness) when his Estimates come up, how they rationalized some of the amalgamations and decisions that they made. By and large, as they look for efficiencies in terms of how certain departments deliver programs, because Government Services does, for example, deliver the services of government vehicles, et cetera, it was felt that this was that kind of a service that we were delivering and that it should move with Government Services.

Mr. Reid: Has it meant any kind of a cost saving for the minister's department? Is that the reason why? Is it more efficiently handled under the Government Services than under the Department of Highways? Was that the consideration?

Mr. Driedger: No, not necessarily, Mr. Acting Chairperson, but my understanding is that most of the other provinces have it under Government Services, not under Highways and Transportation, so probably the rationale for that was part of it as well in terms of making that change.

I would like to think, Mr. Acting Chairperson, that when I transferred this over to the Minister of Government Services (Mr. Ducharme) he was elated with the way the things had been operating.

I just hope that it continues operating as well under his guidance as it did under mine.

Mr. Reid: Then when we do the calculations for the total expenditures for the minister's department and we have an adjustment in the total calculation year over year, has that calculation been done to determine the change, the transfer of that and the cost attached to that?

Mr. Driedger: Mr. Acting Chairperson, what they do in a case like this, they then take and average out what the expenditures were last year. That is reduced in the final vote, the Adjusted Vote. It does not show in last year's if you look at the Estimates, because it is taken out of last year's under the Adjusted Vote and is not in there this year for my Expenditures.

Mr. Reid: When was the decision made? When did the change take place, the transfer from your services to Government Services?

Mr. Driedger: At the start of this fiscal year, which was April 1.

Mr. Reid: Is there a reason why that was not announced, that there was a change? I still see Orders-in-Council come by for changes in directors or acting directors if someone is off sick. I did not know that there was a change. Would that not normally be a procedure that the minister would announce, that there was some kind of a change in responsibilities, so that the public would be aware of who is now responsible for it?

Mr. Driedger: Mr. Acting Chairperson, the changes that the member is alluding to were done prior, which was the end of the fiscal year at March 31. From there on, it was the responsibility of Government Services. He is asking why no big announcement was made. I do not know whether an announcement was required. By and large, it was some of the decisions that were made as we went through the Treasury Board process, et cetera, for six long months. Ultimately, these were the conclusions that were reached.

I do not know whether this would warrant having a press conference. If it did, then the Minister of Government Services should have made that announcement or blow his own horn or whatever the case may be. I do not think it is anything that is a secretive thing. He is the minister responsible for it now, and if the member has some complaints about any of the planes—you know, the operations, the air

division—we would pack it right over to his department.

Mr. Reid: No, it just strikes me as funny, or unusual is probably a better term, that we would take something that has been part of the minister's department for a period of time; it is a transportation-related service that the minister's department has provided, including the air ambulance, the two Citation aircraft. Now, what I suppose we will have to do is go to Government Services Estimates to find out the information that the minister has normally provided on a transportation issue.

It strikes me as strange that a transportation service would now fall under Government Services. I am not exactly sure—I guess I will have to sit back and review and think why a decision like this would be made and what benefit there would be by making that internal change, because the minister's statement does not clarify, at least for my mind, why he would make that decision. I find it strange that he would undertake that, or at least cabinet would undertake to make that change for him.

Mr. Driedger: Mr. Acting Chairperson, I suppose that the member would find many things strange in terms of governments making adjustments and managerial decisions in terms of how things should be run. I do not find it that strange. I think that it is one of the things that government has—a prerogative to take and make some adjustments, whether for financial reasons or administrative reasons, that it is more efficiently done through there. I do not find it that passing strange.

Lest the member get too caught up in this thing, feeling that there is some devious motive behind this thing, let me assure him that it is not the case.

Mr. Reid: Just for the minister's own information, I did not want to come right out and say that. I knew that he would eventually clarify if I asked enough questions; he would tell me that there was nothing devious here. But it does not mean that we will not keep looking for something that is untoward.

These are all the questions I have on this section for now.

The Acting Chairperson (Mr. McAlpine): Item 4.(d) Northern Airports, (1) Salaries \$2,924,300—pass; (2) Other Expenditures \$1,839,800—pass.

Item 4.(e) Marine Services, (1) Salaries \$572,300.

Mr. Reid: There was some debate on the ferry services last year when the minister had attempted to make a change to cut back or restrict the hours of operation or service by the ferries. We were happy to see that the minister restored that service for the people who relied on the ferries.

Are there any plans anticipated dealing with any changes to the ferry operations in the province now?

Mr. Driedger: Mr. Acting Chairperson, the fact that we moved in that direction last year to cut back on the hours just goes to show how reasonable and understanding my department and I could be when we realized that it was not working well.

I think it illustrates that we have an open mind on this thing, and we changed back to the hours that the communities, by and large, felt more comfortable with and so did we. We have no intentions of changing that.

Mr. Reid: Some of the northern communities have communicated with us that they would like to see the ferry services replaced with bridge structures. Has any consideration been given by the minister of the department to have maybe in the long-range plan the elimination of some of the ferry services and replacement with structures that would allow people to move more freely?

* (1600)

Mr. Driedger: Mr. Acting Chairperson, I think the communities that are requesting structures instead of ferries, in some cases—Cross Lake, other communities that are looking at it. I think it is a reasonable request to try and get government to give consideration towards the long term to maybe put structures in instead of the ferry service. However, the financial costs are such that there are no immediate plans in place to do that.

I suppose over a period of time with some of the negotiations and discussions that are taking place with some of these settlements with the communities that maybe these things are going to be developed against part of that somewhere along the line. But at the present time, because of the cost factors involved and not having provision for that element at the present time, no, there are no immediate plans.

When I meet with the communities, as I do from time to time, to discuss their road systems such as they have, or other requirements that affect my department, we very often talk, they raise the issue of structures, but in all honesty at the present time,

we have not got anything planned in terms of moving forward in that direction.

Mr. Reid: Can the minister indicate if any of the ferry services were taken out of service during the course of the last season of operation, and if so, what were the reasons? Was it mechanical failures, or were there other reasons attached?

Mr. Driedger: Mr. Acting Chairperson, I want to indicate that there were no planned shutdowns. From time to time, over a period of years, I guess we have some mechanical failures that we have to address which creates some inconvenience for the people. Naturally, we try and do the repairs as expeditiously as possible to try and create the least inconvenience, but I do not think we had any breakdowns this year and of a minor nature if there were any at all. So we are cognizant of the concerns of providing this service to the community, and certainly everything is done to try and expedite if we have a breakdown of a nature.

Mr. Reid: The minister has kindly provided information in the past on ferry operations and we thank him for that. I take it then that the equipment that we are using for these ferry services is not newer vintage and that there would be, from time to time, some mechanical breakdowns.

Do we do a regular maintenance overhaul program on ferries equipment during the course of the off season to ensure their reliability during the upcoming season?

Mr. Driedger: Mr. Acting Chairperson, no, our equipment is not vintage equipment. It has been there, we have the same equipment this year as we had last year. During the off season, the coast guard people, by and large, do inspections of our ferries to make sure that as reasonably as possible that we replace what has to be replaced and so that we have them in good working condition by the time the season starts. Some are under operation right now already, but it is during the off season when we do the inspections with the coast guard to make sure that they meet the standards and requirements, and any repairs that take place are done during the off season.

Mr. Reid: Some of the ferries are cable ferries, I believe, and some are self-propelled. For those pieces of equipment, if we do not do some preliminary preventative maintenance inspections and work on them during the off season, are we not taking a chance and putting our service to those

communities at risk by doing that preventative maintenance program?

Mr. Driedger: Mr. Acting Chairperson, we do regular maintenance on these units. We do the major overhauls during the off season, you know, when the ferries are frozen up.

Mr. Reid: I thank the minister for that.

The minister was correct. The residents of Cross Lake have written to us asking us to communicate their concerns to the minister. They would like to see the ferry service changed to a permanent structure that would allow them freedom of movement into and out of their community.

I know the minister said, and I have seen by his own budget documents, funds are not that freely available. So I guess in that sense the people of those communities will have to continue their negotiations with the department to see if some arrangements can be struck and maybe including the federal government in some kind of cost-sharing for structures for those communities.

Has the minister or his department undertaken to initiate any discussions with the federal government to see if they would be willing to cost-share in any of those structures?

Mr. Driedger: Mr. Acting Chairperson, at the present time, we do not think we are at that stage where we would be discussing it with the federal government in terms of cost-sharing arrangements. We could look at that. If we got to the point where we looked at that we could probably take and expend monies for that purpose, then we would probably try and see whether we could get some participation by the federal government.

The federal government—with exception of the National Highways Program or the SHIP program which we entered in agreement with—by and large, feels that transportation requirements, anything to do with roads or ferries, is the responsibility of the province. We would have to get an attitudinal change and a policy change possibly from them, but I would be prepared to undertake discussions with them once we feel that we would move forward in that direction.

The Acting Chairperson (Mr. McAlpine): Item 4.(e) Marine Services (1) Salaries \$572,300—pass; (2) Other Expenditures \$434,400—pass.

Item 4.(f) Materials and Research (1) Salaries.

Mr. Reid: Can the minister give me some indication what has taken place as far as research and materials in his department? Do we have outside agencies maybe such as the universities of the province or other bodies that might be assisting the department in any research that might be required?

Mr. Driedger: Mr. Acting Chairperson, at the present time, we have our own staff that basically does this. Under the materials and research end of it we do that on our own.

We do some research ourselves. We also have, under the Strategic Highway Research Program which is combined with the U.S. where they undertake jointly with us to do some pavement testing, new techniques, et cetera. We get a lot of information from the affiliation with the Americans in terms of pavements and concretes, et cetera. Then we do our own as well. Incidentally, the agreement with the U.S. is called the SHRP program, S-H-R-P organization, Strategic Highway Research Program.

(Madam Chairperson in the Chair)

My deputy participated very actively with them. In fact, he attended a lot of the functions in the States, and they always paid the way for him. We were pleased to participate in that sense. They actually undertook, because of the varying climatic conditions, to do some research here in the province. We have some sites that basically we have been undertaking with them.

* (1610)

Madam Chairperson: Item 4.(f) Materials and Research (1) Salaries \$1,406,400—pass; (2) Other Expenditures \$431,800—pass.

4.(g) Traffic Engineering (1) Salaries \$525,900.

Mr. Reid: There has been a significant change in the Traffic Engineering staffing levels. In comparison, we lost a quarter of the staff from that department year over year.

It shows in the document here that one position was transferred and eight and a half positions were eliminated due to the privatization of the Dauphin Sign Shop. Why did we go to the private market for this type of work, costing us those eight and a half jobs? What were the reasons for that decision?

Mr. Driedger: Madam Chairperson, from the time I took over office five years ago we have always had inquiries from the private sector and been lobbied by the private sector as to why we would not take

and allow them to get involved in the manufacturing of signs.

We have been looking at this from time to time. Quite a number of other provinces have gone to the private sector. We feel there is a possibility for prices to drop if we go to the private sector. This was basically part of the Treasury Board cost-cutting measures that were undertaken. That is why it was addressed. My department was instructed to go to the private sector in terms of having that element privatized.

I might add to the member—he will be asking this anyway—that we are developing a proposal call now. We are encouraging the employees, by and large, who are there, if they want to avail themselves and put forward a proposal, they could do so. It is my understanding that they have engaged a lawyer. As we develop our proposal, they will be submitting a proposal for government, looking at the possibility of using the Crocus Fund.

Aside from that, we also have made a commitment to them. If that would not be successful, for whatever reason, we will be redeploying these people to make sure they have jobs.

Mr. Reid: So the minister has taken and eliminated the jobs, eight and a half positions, and now the government is encouraging the ex-employees of the government to go out and form their own company and bid on the contracts that the government is going to let—because I take it, it is going to be tendered—for the jobs that they once held. How is this beneficial to the province to have this happen? What cost savings will we realize out of this? How is this better for the people who are involved?

Mr. Driedger: Madam Chairperson, maybe it comes down to an ideological position that our government has versus maybe theirs, that where the private sector can provide these things possibly more efficiently, that we allow the private sector to do that, that government does not do that, based on the fact that ironically Saskatchewan purchases 100 percent from the private sectors. They have not changed from that. They have been buying all their signs since 1972 from the private sector. In our discussions with them, they find prices very competitive, if not to an advantage for the government and very satisfied with quality and delivery capabilities. So this is one of the decisions that was made in terms of, again, trying to meet

certain targets during the process, and this offered the opportunity to move in this direction.

Mr. Reid: So the minister in his statements there then says it is cost advantageous to the province or he anticipates it will be. What study have you done to determine what cost advantage this is going to be for the province? What kind of dollar value are we attaching to that?

Mr. Driedger: Madam Chairperson, we have put no dollar value on that. The member asked what kind of studies we have undertaken. We have compared with, let us say, specifically with Saskatchewan and Ontario. We have compared with other provinces how they do it and what advantages or disadvantages there have been, and we have felt that we were prepared to move in this direction at the time.

Mr. Reid: So it is unclear then whether or not we are going to realize any cost savings out of this, and only time will tell somewhere down the road whether or not we do indeed save any money by moving to privatize this service.

Can the minister indicate then what other sign shops we have throughout the province that would supply his department and whether or not the same plans are anticipated for those shops, wherever they may be, as has befallen the Dauphin Sign Shop?

Mr. Driedger: Madam Chairperson, we only have one sign shop, so that is the only one that we have been dealing with. The city has their own sign shop as well. How they are going to deal with it for the future, I am not sure, but we deal only with the one sign shop. I think at one time there used to be one in Winnipeg and one in the rural area. They were combined in 1976. At that time, pardon me, we had three facilities: Winnipeg, Brandon and Dauphin. They were then amalgamated into one sign shop at Dauphin in 1976. Prior to the government doing their own sign shop, they purchased signs from Westeel incorporated. There are quite a number of companies that basically have expressed interest in providing signs or wanting us to get out of it from the private sector.

Mr. Reid: Dauphin, I take it, supplied highway signs and other sign requirements for the minister's department for every area of the province, or did we have some of the equipment or supplies provided from the City of Winnipeg under contract with their sign shop operation?

Mr. Driedger: Madam Chairperson, we did no outside tendering or business. We did all our signs ourselves, the total requirements.

Madam Chairperson: 4.(g) Traffic Engineering (1) Salaries \$525,900—pass; (2) Other Expenditures \$4,629,700—pass; (3) Less: Recoverable from Other Appropriations—(pass).

Resolution 15.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,167,200 for Highways and Transportation, Engineering and Technical Services for the fiscal year ending the 31st day of March, 1994—pass.

5. Transportation Policy and Research (a) Salaries.

Mr. Reid: I know, Madam Chairperson, that the minister would like nothing better than to quickly whip through this section, knowing that we are probably going to spend the most extensive period of our time in our debate and our discussions here in the Estimates process during the Transportation Policy and Research section. I sense that that is why he wants to quickly brush through this section.

I can assure him that most of the notes that I have here on my desk in front of me deal with transportation policy and that I am going to probably be asking him a lot of questions on each area of transportation to find out what role his government has played in the overall policy of transportation. I know he has probably prepared for that, and I can see that he has one of his colleagues now who has just joined him who will provide that assistance for him.

I suppose we can start off and talk about trucking because, in no particular order, all of the areas of transportation are important to Manitoba since our history has been founded on a transportation base.

I had written some letters to the minister's department with reference to trucking and bills of lading. It was a matter that was drawn to my attention by owner-operators who were quite concerned that certain trucking firms or firms that were operating as carriers without authority were taking it upon themselves to operate as a trucking firm and to move freight traffic in and out of the province.

I had provided for the minister's department copies of bills of lading that were brought to my attention that were within a time period that would allow the government to act so that there was not a statute of limitations that was in effect. I am talking

here within the last half of 1992. When I brought this to the minister's department's attention was in the fall of '92, so it was only a few months later.

* (1620)

I got an answer back that caused me some concern because it seemed that even by providing bills of lading, showing that a firm that had gone before the Motor Transport Board, I believe it was, and in a show-cause hearing, the board had ruled that there they had no authority to rule on that particular firm's operation, because they were not a carrier. Yet when I produced bills of lading that showed that the specific firm is continuing to operate as a carrier, taking away business opportunities for licensed and authorized carriers in the province, there is no action taken.

Now I do not understand why a decision like that would have been made, because we are, in essence, losing those trucking jobs for legitimate carriers in the province.

Can the minister explain why, where evidence is presented, where companies are operating or impersonating carriers, we would not take appropriate steps either through his department or through the Department of Justice to stop this type of action?

Mr. Driedger: Madam Chairperson, let me first of all take the opportunity to introduce Dennis Schaefer who is my director of Transportation Policy. Dennis is possibly one of the most respected persons on transportation issues, whether it is trucking, rail, the air industry.

He has been with the department, the government, 23 years and has seen many ministers and governments come and go, and he has always been very capable in terms of giving the right advice. So it is my pleasure to have Dennis here with me. I rely on Dennis Schaefer very extensively for direction and his knowledge of what is happening in the whole transportation industry, follow his advice, if at all possible, very closely.

Not to detract from the question that the member raises, I am wondering whether I could possibly ask him to defer that question until I deal with the boards, and I will try and have the chairman of the Motor Transport Board here to deal with that element of it. Would that make sense?

I wonder if I could defer that. We will make note of it and bring it up under DDVL just so I do not get into the whole DDVL aspect of it. My acting deputy,

Mr. Coyle, says that he is prepared to deal with that under DDVL. I am not trying to get away from it, I just say defer it a little bit, and then we can deal with it under DDVL which is the next section, just so we do not get all convoluted with the various components here.

Mr. Reid: Yes, that would be all right with me. I will save those and raise my concerns under that section. It will probably be more appropriate since the minister will have the staff available for that.

The minister, I believe, through his chair of his Motor Transport Board, participated in studies dealing with trucking through the CCMTA. They came back after a period of time with recommendations that would affect the owner-operators in the country, because it was my understanding when the hearings were started that there was going to be, by consensus, that they would move in a direction where all of the jurisdictions across Canada would impose similar rulings or regulations and hopefully on a simultaneous basis.

That report came out in the fall, and yet we have not seen the minister or his department act on those recommendations. Can he give me an indication first why, if we were not going to act on those recommendations and implement them, we would even participate in the process if it was not applicable to the traffic patterns and operations in the province of Manitoba?

Mr. Driedger: Madam Chairperson, let me first of all maybe do a little bit of background here. The member is probably aware that the trucking industry is virtually deregulated now and that Manitoba, even before my time—I hate to necessarily give some kind of compliments to the member for Dauphin (Mr. Plohman) who is sitting here now, who basically was working together with the chairman of the Motor Transport Board, Mr. Don Norquay then, in terms of opposing deregulation. Ultimately, he managed to get a Memorandum of Understanding signed that it be phased in over a five-year period which also involved the National Safety Code, which also involved trying to get uniform regulations across the country.

It has been an ongoing process. The member is right, through CCMTA, we have been trying to accomplish that over a period of time dealing with uniform weights and dimensions, hours of service. The difficulty we have had is that the eastern

provinces, by and large, have a different approach to it than we do. Our colleagues in the West feel that the impact of weights and dimensions is different in the West than it is out east. We also had great, great difficulty in terms of establishing hours of service. The Province of Alberta never did sign for the hours of service that the rest of the provinces, by and large, agreed to.

So the negotiations are ongoing through the various provinces through CCMTA. I suppose we will be having further activities again this September at the council of ministers meeting when some of these recommendations are dealt with, are being worked on right now. I think progress has been made when you consider the diverse country that we have geographically and otherwise, that bit by bit I think progress has been made in terms of getting uniform issues resolved.

I just know that when we started working on, for example, the National Highway Program five years ago to get all the provinces and the federal government to agree to certain conditions, it takes a lot stick handling and it takes a lot patience and, ultimately, it happens. So I feel confident that in spite of the fact that there are ongoing changes in governments and ministers—and that creates some confusion, because you do not have the continuity there. But by and large staff people who are with the various departments continue to bring the ministers on stream in terms of trying to have continuity with that. So we will continue working with the other jurisdictions in terms of trying to find uniform standards across the country.

Mr. Reid: I guess I should have clarified a bit for the minister, because it was my understanding that when the CCMTA met on this, it was dealing with the question of owner operators and load brokers. The report came back and it had recommendations that were in there. It was my understanding that there were extensive discussions that had taken place over the course of the period of time during which this committee met. They came to some conclusions on how to operate and under what rules we should operate our trucking industry within the province and all the provinces, for that matter, dealing with load brokers and owner-operators. That was the purpose of the committee when it started off, from my understanding at least.

* (1630)

Then they came out with the report, and I see jurisdictions across the country now implementing the recommendations from this report. Yet, I do not see this minister or this government acting in any way to implement these recommendations.

Is there a reason why we would send the chair of our Motor Transport Board to be the chair of this committee at expense to our province to participate in the committee to debate and come forward with recommendations, and then he comes back with a report that we are just going to put on a shelf to collect dust?

Why did we go to all this expense and time and trouble if we are not going to implement some of the recommendations or all of the recommendations because, from what I have read of it, there is some good that has been done here to help those that are employed as owner-operators in the trucking industry and, also, in that sense, to put some regulation or some control on the load brokers themselves? Why have we not taken those steps?

Mr. Driedger: Madam Chairperson, first of all, the member makes reference to the chairman of the Motor Transport Board being the chair of the committee that was working on this thing, and I cannot think of anybody more qualified to do that. I think there is not an individual across the country that probably has more experience and insight into the requirements.

The current status for Manitoba is that we are now considering a proposal to amend our Highway Traffic Act to provide the power to prescribe requirements for contracts between owner-operators and for hired motor carriers, which is part of the recommendations that came down. We have not prioritized the amendments for the present session but, if we approve it, you know, enabling legislation will be enacted and the Motor Transport Board will adopt as a regulation the CCMTA model owner-operator contract standards.

The current status is, at the present time, we are of the view that there is insufficient evidence of problems with load brokers to support any form of government-administered regulation. This position, we will review that if adequate evidence of a problem arises, and the effect Ontario's regulatory program will be monitored to see exactly what impact that will have.

Mr. Reid: Well, I do not know how many discussions, if any, that the minister has had with

those that are employed as owner-operators in trucking, but I can tell the minister that I have had discussions with many of them—not all of them, but many of them. They have some serious concerns about how they are being dealt with within the trucking industry itself with respect to the load broker situation and the rules governing how owner-operators are dealt with by the carriers themselves.

Some of the issues that they have raised to me are horrendous, so why we would not be implementing these recommendations and why we are dragging our feet on implementing these recommendations is beyond me. I mean, I thought we were here to help the people in transportation.

Mr. Driedger: Madam Chairperson, I would want to caution the member in terms of coming on that strong in terms of dragging our feet. We have a very good relationship with, first of all, the Manitoba Trucking Association. Our chairperson of the Motor Transport Board, Mr. Don Norquay, well respected in the trucking industry, is working with them, dealing with them in terms of what is required.

I will tell you something, I have all the confidence in Mr. Norquay in terms of bringing forward the things that are required in the trucking industry.

We have had discussions with them in terms of what we should be doing, and we are looking at the proposal for amendments, so if the member says we are doing nothing, that is not the case. There is very extensive dialogue going on. We have looked at various options of these recommendations, you know, what could we implement reasonably? Obviously, our trucking people, and we have seven of the 11 national carriers headquartered in Manitoba, they feel relatively comfortable.

At the time when the Ontario and B.C. truckers were taking and demonstrating and blocking borders, our operators, by and large, felt that we as government were trying to deal with them as fairly as possible and that they did not have to resort to those kind of activities.

Mr. Reid: The minister can correct me if I am wrong, but it has been my impression, in my short time in this Legislature, that it is up to the minister to provide some policy direction for those that are working within the department. I do not see that the minister, and he can correct me on this if I am wrong, has provided the chair of the Motor Transport Board with the policy direction of the government and

encouraged him or instructed him to move forward with the implementation of these recommendations.

Has the minister instructed the chair of the Motor Transport Board to move forward and to draft legislation that would allow for the implementation of these recommendations?

An Honourable Member: Show some leadership, Al.

Mr. Driedger: Madam Chairperson, just to show the confidence that I have in my chairman of the Motor Transport Board and Mr. Schaefer here, between the three of us, I do not have to direct. We are discussing and planning the strategy and direction of what we think is going to be in the best interests of the trucking industry, in consultation with them as well, so I do not feel I have to—the member for Dauphin (Mr. Plohman) yells, well, give some direction.

I mean what better direction could I have than having Mr. Schaefer and Mr. Norquay and myself sit down and discuss it. I have all the confidence in terms of we are moving in the direction of what we feel would be the right thing. I think with all due respect, I mean, I can spend as much time on this issue as the member wants, but certainly I feel if there was any area under transportation where I would have major reservations, it is in the rail industry.

In the trucking industry, I feel we have a relatively good understanding and working relationship in working with all the groups so I feel quite comfortable there. We will talk about this a long time.

* (1640)

Mr. Reid: Madam Chairperson, just for the minister's information, I have plenty of time and I will be pleased to ask those questions. I am sure the minister, now that he has indicated his willingness to answer, will avail himself of that opportunity.

Can the minister indicate, what has his working group decided with respect to implementation of these recommendations, since he now says that there is a group that is working to decide which direction the department is going to move regarding the load broker and owner-operator task force recommendations?

Mr. Driedger: Which area would the member want to start from, on the load brokers end of it, because I have got realms of information here that I could put

on the record. We are looking at the present time, working on proposals for amendments to The Highway Traffic Act, as I mentioned before, to provide the power to prescribe requirements for contracts between owner-operators and for-hire motor carriers.

The difficulty we have there, and in our discussion with them, some of them would like to have certain things implemented, especially the owner-operators. We have been looking to see whether we can get some protection for them, whether it is through the contract basis. There are many elements to this thing. We would like to, for example, allow the owner-operators to be able to take and—essential provisions of the model legislation regulations are: mandatory registration of road brokers; financial responsibility and bonding requirements; a requirement to hold carriers and shippers' funds in a trust account; personal liability for breaches of the trust requirement; requirements to use licensed brokers and carriers only.

These are all areas where you can really go into broad discussion, which we are doing with them. Record-keeping requirements; a requirement to disclose freight revenue where the payment due the broker is based on the percentage of revenue for a shipment and compliance related provisions—these are all areas that we have under discussion with them at the present time, and good discussions with them.

Mr. Reid: Is the minister and his working group going to implement a standard owner-operator contract, because I had provided for the minister, last Estimates process, a copy of a contract that a private firm was forcing their owner-operators to sign before they would allow them to become a functioning member of that organization. That contract that I provided for the minister's information left the owner-operator responsible for nearly everything under the sun as far as costs, expenses and responsibility were concerned, and yet the carrier or the company that had the operating authority would reap the rewards at the expense of the owner-operator. What type of a standard contract are we going to expect, or are we even looking at going to a standard contract provision for owner-operators?

Mr. Driedger: Madam Chairperson, I am trying to get the proper information to the member here. As I said, I wish I had my chairman of the Motor Transport Board here, who has been working with

these groups in terms of trying to come up with recommendations that have been looked at. At the present time, we have not made the decision to proceed with legislation. We are looking at it, but the decision has not been made to proceed with legislation at the present time on the load brokers' end of it.

Mr. Reid: Since the minister says there has not been any decision made yet, and it appears he leaves me with the perception, at least by the statements that are made here, that there is no direction being given, can the minister indicate maybe then why we have not moved forward with this type of legislation? Why? What is the holdup with us bringing this legislation in? I mean, the recommendations were made, it is approaching near a year now, and yet there has been, from the minister's own words, little if any progress in this matter.

Mr. Drledger: Madam Chairperson, in our discussions, we know there are individual problems, but we have not necessarily established that there is a consistent problem through it, because you have some operators—the member says he has conferred with the industry, well, he will find out that, if he is talking with the industry, they do not speak with a common voice necessarily. One individual will have a different view on the matter than the next one will, so it is not that simple to come forward with a package that is going to be—

Mr. Reid: Where does it stand in response to the report? That is the recommendation.

Mr. Drledger: The recommendation from who?

Mr. Reid: From the CCMTA—

Madam Chairperson: Order, please. I wonder if I could ask the indulgence of the members to ask their questions through the Chair for the benefit of Hansard. It is very difficult when there is bantering going back and I do not have an opportunity to identify the members. It makes the position of Hansard that much more difficult.

Mr. Reid: Madam Chairperson, the minister said, incredulously said, that there is not a unified position with respect to the load broker situation and a standard contract provision and the owner-operator task force report. Well, I do not know if the minister has read this report or not, or was even aware, or even consulted with his chair of Motor Transport Board to find out what his responsibilities were, but it was to bring a consensus opinion forward, and that

is what this task force report is all about. There was participation by all sections of the owner-operators. The various groups, the carriers, and governments were involved in this, so there is a common position that is in this document.

The question I am asking is, why have we not come forward with some kind of legislation to represent what is in this document that will provide the protection for those that are employed in the trucking industry as owner-operators?

Mr. Drledger: Madam Chairperson, there have been discussions taking place in terms of whether we would proceed with legislation or not. At the present time, we are not moving ahead with legislation. We are looking to see exactly whether there are going to be major problems arising further or not. At the present time, we have decided not to move with legislation until we give further consideration on the matter.

Mr. Reid: Has the minister or his department consulted with the stakeholders in the trucking industry that would be affected by the recommendations of this document, and if so, what opinions has the minister received from those stakeholders?

Mr. Drledger: Madam Chairperson, the chairperson of the Motor Transport Board has had endless discussions with them on this matter, and he is recommending that we proceed to look at coming forward with some legislation. We have not made that decision to do it at the present time.

An Honourable Member: It seems to me the minister is dragging his feet on this one or spinning his wheels.

Mr. Reid: It is as the Minister of Natural Resources (Mr. Enns) said, it definitely leaves one with the impression that the Minister of Transportation is spinning his wheels on this issue.

I know I have had discussions with many people employed—

An Honourable Member: He did not say that.

An Honourable Member: I do not think I said that.

Mr. Reid: I would not want for a minute to put words in the mouth of the Minister of Natural Resources. I think I heard him quite clearly on that.

Why, since the chairperson of the Motor Transport Board who sat in on this committee, at expense to the province, to the taxpayers of this province, and who now, through the minister's own

words, says is looking at legislation for this, and obviously by the minister's words then is in favour of moving forward with legislation, why have we not come forward with legislation to protect the people that are employed as owner-operators?

Mr. Driedger: Madam Chairperson, I thought I had clarified that to the member. I said that the chairman of the Motor Transport Board is coming forward suggesting that we look at developing legislation, and we are prepared, we are reviewing that, but we have not made the decision to move ahead at this time.

Mr. Reid: Then what considerations is the minister looking at that would prevent or prohibit him from moving forward with legislation?

Mr. Driedger: Madam Chairperson, I do not quite understand the question. Why am I not moving forward? If that is the question, I have indicated that we are reviewing it, have not made the decision to move ahead. I do not know what other answer I can give him.

Mr. Reid: What I am trying to get at here is why have we decided to stall on this? Why are we not moving forward? I do not know how much more plain I can make this for the minister. You can make a decision to move forward or you can make a decision not to move forward. The question I have is: Why have we made the decision not to move forward at this time with this legislation?

Mr. Driedger: Madam Chairperson, when I feel comfortable to move forward with it I will move forward with it, and I am not comfortable with it at the present time. I am reviewing it further with the chairman of the Motor Transport Board. Once I have that comfort level I will move forward with it.

Mr. Reid: The minister then, in case I missed something here, I will give him the opportunity: Can he tell me what provisions of this task force report or recommendations that he is uncomfortable with that he would not want to implement?

Mr. Driedger: Madam Chairperson, I repeat again that until I feel totally comfortable with it, I am not going to move forward with it. I am reviewing that and once I have a comfort level of the report and get myself synchronized with the industry and with my chairman, then we will move forward with it.

Mr. Reid: Can the minister indicate then, because he says that he has consulted or his department has consulted with the stakeholders in trucking in this province, are there any of those stakeholders who

are opposed to the recommendations or implementation of any of these recommendations?

Mr. Driedger: Madam Chairperson, the member keeps pushing at this thing. If I had my chairman of the Motor Transport Board here, I would be able to give you more precise information. I am talking on a general basis now. If he wants to we can continue this for a while or we can wait until they have the chairman of the Motor Transport Board here when we go through the boards and commissions, whichever way he wants. If the member wants to defer this particular area until tonight, I will have the chairman of the Motor Transport Board here tonight.

I am not trying to evade the questions, but I am not going to give him any different information than I have given him to now.

* (1650)

Mr. Reid: It is not my intention to put the minister at a disadvantage without having staff here to advise him, but I would have thought that the minister would have had an opportunity over the course of sometime in the last year to review the recommendations and to have formulated an opinion in his own mind on what would be the best interests for the trucking industry and the owner-operators for this province. That is why I have asked the questions under Transportation Policy.

The last time we were in Estimates we quickly went through the Motor Transport Board when I had had many questions at that time because we were running close to the end of that sitting for that day. I do not want to lose that opportunity again by delaying these questions to the Motor Transport Board section to the committee section of the Estimates debate. That is why I am asking these questions under Policy.

Yet the minister has not formed an opinion in the course of that last year. What I am trying to determine here is why we have not formulated that opinion or that policy to this point. Is there something that the owner-operators are opposed to that I am unaware of? Is there something that the people that are employed in unionized positions are opposed to? Is there something that the carriers are opposed to that I am unaware of? Can the minister give that indication to me?

Mr. Driedger: Madam Chairperson, lest the member think that I am trying to avoid an issue here, we have about seven minutes left until five o'clock

till we have private members' hour. I can assure him that I will have the chairman of the Motor Transport Board here tonight, and we can go at it as long as he wants to until he gets the information that he is—I will give him the information that I basically want to give him at that time.

I can do that tonight if he wants to, or under the board, but I am not trying to take and hurry anything through in this area here. If we continue this on this basis now, the answers that I have given him, basically I will repeat to him.

Mr. Reid: I think it might be in the best interests then, in an effort to achieve some answers on this, if the minister could bring the chair of the Motor Transport Board to assist him for this evening's sitting. If that would provide, the term he uses, a comfort level, then I have no objections to that. I think it is important we find out just what direction we are going in in this province with respect to the trucking industry.

If there is a committee or a group of people that are meeting on a regular basis, including the minister, to decide on policy, that is his prerogative as the minister of the department. I do not see anything wrong with having a working group or a nucleus of people that moves forward on policy issues but, ultimately, the decision rests with the minister.

I think it is important the minister would have formed an opinion on this after this period of time. He says that he goes to meetings as the transport minister and he has discussions with the various transport ministers across the country. You have to have some kind of a policy position in mind when you go to those meetings, with a degree of flexibility built into it but, nevertheless, you have to know where you are going when you go to those meetings.

I do not get that sense here today on this issue that there is some opinion that has been formed, some policy that has been developed already. That is why I am pressing the minister for this.

The calls I have had said that they were very, very lax in this province on trucking issues related to owner-operators. The people have raised these concerns with me. I have a whole document here showing how the owner-operators are treated and the way that they are being taken advantage of by carriers, not all carriers, but some carriers.

It was my understanding that when this committee was struck to look at the load broker, owner-operator problems that they would come forward with recommendations to solve these problems. I believe that that is what has taken place. That is why I am pressing the minister on this. That is why I would like to see legislation come forward that would assist owner-operators to allow them to make a decent standard of living.

The minister has said many times that trucking is important to us. I believe that the minister has an affinity or a fondness with the trucking association, the trucking carriers and the people in this province but, if you do not move forward with that legislation, then I am going to have doubts about your sincerity with respect to the trucking industry. Now if there is something that the carriers are saying to the minister that I am not aware of, let us know about it, let us hear about it here. That is why we are here to debate it. Maybe there is some common ground that can be found to assist the owner-operators, to assist the carriers. The minister should recognize that.

I hope he has had consultations with the carriers on this task force report but he does not seem to want to give an indication or to answer any of those questions. Maybe after the resumption of the sitting today we will hear some of those answers when he consults with his chair of the Motor Transport Board.

It said in the press release that came out about transport ministers meeting—it was September 17, 1992—and indicated that the ministers had agreed on several areas of the report, and I take it then that it was this Minister of Transportation from Manitoba as well. The minister has accepted a report from the Canadian Council of Motor Transport Administrators on owner-operator licensing, owner-operator contract regulations, load broker regulations. The report includes a model, conceptual standards developed in consultation with interested parties. Now, that tells me that the minister and his department have been working with the stakeholders in the trucking industry with respect to these issues I have just mentioned here. After this period of time, since September 17, 1992, over half a year now, we have not even formulated a standard policy position on this.

Maybe I am expecting too much here and maybe I am expecting government to move a little quicker than what is leaving me with the appearance of what it is doing right now, but I came from an industry

where the wheels of the internal operation move very slow but I do not think I have ever seen them move this slow. This is something that is very important. This recommendation is something that is very important to the people who are employed as owner-operators in this province.

The minister has bragged in this House that there is no reason why the owner-operators or the trucking people in this province would want to have a blockade in this province. He says he takes great pride in that and yet I can tell the minister that if he does not move forward with the recommendations, he may be faced with that, because it is my understanding that they are planning another blockade for this coming summer. Do you want to be faced with a blockade like that? It is these people who you are hurting by not bringing forward that legislation to protect them. They are being gouged right now. I am not advocating that action should be taking place, but I am telling the minister this is what I have heard from within the industry people.

An Honourable Member: Now you are reporting rumours.

Mr. Reid: That is not rumour. These are people who are employed in the industry telling me what actions are anticipated. If this comes to pass, that will be those people who are taking those actions, that will not be me directing them. What we need to see here is some guidance and some leadership from the minister himself, something we have not seen. I hope that the minister will provide those answers on that legislation and we will see some legislation come forward very soon. We will ask the minister those questions when we resume the sitting after the supper break.

Madam Chairperson: Order, please. The hour being 5 p.m., it is time for private members' hour, committee rise.

Call in the Speaker.

* (1700)

IN SESSION

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., it is time for Private Members' Business.

PROPOSED RESOLUTIONS

Res. 16—Economic Development

Mr. Jack Penner (Emerson): Mr. Speaker, I move, seconded by the member for La Verendrye (Mr. Sveinson), that

WHEREAS over the past four years the government of Manitoba has initiated a significant number of new directives and programs that has resulted in job creation in our province; and

WHEREAS programs such as the Rural Development Grow Bonds help Manitobans invest in their own local economies; and

WHEREAS the Partners With Youth program helps forge partnerships between youth, business and government; and

WHEREAS the REDI Green Team helps beautify our parks while creating employment with young people in the province; and

WHEREAS Ayerst Organics plant will be expanding its plant in Brandon; and

WHEREAS Calwest Textiles Inc. will be locating in Portage la Prairies; and

WHEREAS Apotex and Medix have decided to come to Winnipeg; and

WHEREAS the number of different programs currently available and the number of companies that have decided to have their operations in Manitoba will create significant investments and jobs in our province.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba recognize the efforts of the government of Manitoba for their economic development initiatives; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba encourage the government of Manitoba to consider continuing on its path of economic development through further development of job creation and investment initiatives.

Motion presented.

Mr. Penner: Mr. Speaker, I suppose one of the responsibilities of government, be it local government or be it provincial government or be it federal government, is to ensure that over the long term governments do everything in their power to create a social climate for the people of its province, and thereby also provide services that are needed to enhance the quality of life in all of the province

and in all of the country. Some of the programs that this province has initiated over the last while are certainly designed to do that. One of the key elements of the initiatives that have been put forward by this province through programs such as the Grow Bond program and the REDI program and a number of other programs is certainly to encourage the involvement of individuals from all sectors all across this province to participate in the development of our great, great province.

One of the key elements in the development of job creation activities is, of course, our natural resources. Governments of the past have targeted large amounts of effort, resources and energies to not only develop these natural resources, but they have in fact spent a lot of time trying to harvest these natural resources, get them into a shippable position and move them out of the province into the export market, most of the time, Mr. Speaker, in probably its raw and primary form.

I happen to believe, as well as all my colleagues believe, that a greater degree of effort should be put into ensuring that the secondary uses of these products should be exploited and therefore further developed. We have a number of I think excellent examples that could be used of resources, be it renewable resources or other, that have done that.

One of them I suppose that we could identify is the lowly sugar beet, which starts out as a very, very tiny plant in the spring of the year, almost to the point of being invisible when it emerges and of course grows into a significant plant with a lot of foliage on it and is indeed a farmable product that has been developed over the years to supply us with one of the main staples in this province.

The sugar beet, of course, can be harvested and processed and the sugar extracted from the sugar beet to give us the sweetener that we use virtually in our everyday lives in everything that we use. It also produces a product which is called the pulp, dried down and used as cattle feed. The third product is something that is used I think in at times rum, the molasses. In most of the cases, Mr. Speaker, the molasses that is extracted from the process of spinning the brown stuff out of the sugar is, in fact, used as cattle feed. It provides a tremendous amount of energy when added to cattle feed.

However, the very significant number of jobs that are created through this whole process of growing,

cultivating, farming, harvesting, the tremendous economic spinoff in the processing of this product, adding value to a product that is in fact grown in this province and not only, Mr. Speaker, bringing this product to a final form, which is of course granulated sugar, bagged and put on a store shelf, but in many cases further value added by selling that sugar to the candy bar manufacturers, cake and cookie manufacturers, bakeries, many other forms that sugar finally ends up and is marketed in a final form.

There is, however, one serious problem with this product. That is of course that sugar, in the mainstream of trade in the world, is treated somewhat differently than many other commodities are treated in world trade, that is, of course, that all countries that produce sugar in the world are very, very protective of that industry within their own boundaries. By being protective they have developed over the centuries a process that is called border tariffication in order to ensure that their domestic supplies are protected and retained and encouraged to expand.

* (1710)

The problem is that Canada is the only country in the world today, out of the 43 sugar producing nations in the world, that does not play by those same rules. Therefore over the past number of decades the sugar beet industry, as we knew it back in the '40s, has virtually disappeared. Quebec and Ontario used to be some fairly large domestic producers of sugar. However, those industries have disappeared because this country has not seen fit to play by the same rules that other sugar producing nations play by.

That has put the sugar producers, the sugar beet growers and the refiners in western Canada in a precarious position. Inasmuch that the federal government petitioned a commission to look into this whole area of sugar production in Canada, and that commission reported to the federal government and indicated clearly that there are two things that they could do, that is apply the same kind of tariffs other countries, such as the Americans, do. The Americans, by the way, apply a 16-cent-a-pound tariff on raw sugar coming into the country. Under their loans program, they assure their sugar beet producers that the price of sugar will be retained at 23.39 cents a pound, and that, of course, ensures that they can expand their operations. There are some four sugar processing plants in the Red River Valley alone on the American side of the border.

We have one in this province. We could have a substantial expansion of that industry if we chose to apply the same principles that other countries abide by.

This year, this spring again, the sugar beet growers and the factory are put in a rather difficult position when they asked the federal government to abide by their own recommendations that the commission put forward, when the commission said that in order to retain the industry in western Canada probably one of the cheapest and most economical things that could be done is for the federal government to apply the subsidy and retain the industry by straight subsidization. That was a recommendation that was put out in the report that the federal government commissioned.

I happen to believe that is the responsibility of the federal government, ensuring that the retention of the industry can in fact be maintained both in Manitoba and in Alberta, simply because the federal government chose unilaterally not to abide by the same rules that the other sugar producing nations abide by. The federal government has of course indicated that they want to play by the same rules that they had introduced some six, seven years ago in introducing a tripartite stabilization program whereby the producer, the federal and provincial government contributed equally to a plan that would kick in when prices fell below a certain amount. The initial price established under this tripartite program back in 1987 was \$45 a tonne with certain formulas applied.

As it turned out, the \$45 a tonne that was guaranteed under the tripartite stabilization program in fact turned out to be a \$38 a tonne program when all the formulas were applied as designated under the program. We have since then, since the previous administration applied that program, seen a deterioration of the sugar prices from \$38 a tonne under the program to \$33 a tonne last year, just over \$33 a tonne. The farmers of this province have simply said they cannot afford to keep on growing sugar beets at \$33 a tonne.

It is interesting to note that our American counterparts across the line, in a publication that I just received yesterday, The American Sugar Grower, receive a guarantee, as I said, of 23 cents a pound, that is what they are guaranteed under their farm loans program, and their average sugar content is about 18 percent in a ton of sugar beets. It gives them 350 pounds of sugar per ton. Now you

multiply 23 times 350, it gives you about \$1,500 a ton for a ton of sugar. If you multiply that times 18 ton an acre, which is the North Dakota average, it gives you around \$1,500 an acre for a return on sugar beets.

Last year the growers in the province of Manitoba grew an average of 13 tonne an acre, and that is the 10-year average in this province, 13 and a half tonnes an acre. They received under the price established 7 cents a pound, not 23 cents a pound, and 7 cents times 300 pounds of sugar gives you \$210 a tonne of sugar. You divide that into 16 percent sugar beets, you will note that at 43 percent of the sugar sales, you in fact end up with \$33 a tonne of beets multiplied times 13 gives you less than \$400 a tonne, whereby the Americans were getting \$1,500 a ton.

Farmers in this province have clearly stated that their cost of production on average is right around \$500 an acre, and that of course is the cost on our farm. When farmers receive \$350 to \$400 an acre it simply means that the losses are very, very significant. You simply cannot keep on producing sugar at those rates.

Therefore, when we look at the establishment, Mr. Speaker, of industry in this province and we look at asking private entrepreneurs to invest in industries, we must target such industries that have a long-term viability, that have a shelf life, in other words, of more than just a few decades and that can in fact be targeted for expansion in areas and export and targeting of exports and export markets, and therefore, I propose that the programs that have been put forward by this province under the REDI program and the Bonds program, that they can in fact do that. We will bring forward new ideas and new processes that will enhance the viability of job creation in this province over the long term.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I am pleased to follow the member to discuss his resolution on Economic Development, I guess is the title of his resolution.

When I read the resolution the first time, I thought perhaps it was in jest. I thought perhaps the member for Emerson (Mr. Penner) was kidding us, that he was being facetious. I say that quite honestly, in all seriousness, because I have heard the member himself be critical from time to time of actions of this government. Certainly I had thought, because he is a seatmate to the former member for

Portage la Prairie who was often critical of the government, who spoke quite laughingly of the efforts of the Department of Industry, Trade and Tourism, I was surprised by this resolution.

I want to just point out a few of the quite laughable WHEREASes and parts of this resolution. First of all, we want to talk about that: Manitoba has initiated a significant number of new directives and programs that has resulted in job creation in our province. Perhaps the member for Emerson or other members will like to stand up and explain why today we have 52,000 people unemployed, more than 70,000 people collecting social assistance, why we have lost some 35,000 people in the last five years under Conservative government, young people moving out of the province, the size of the city of Brandon.

Perhaps someone will explain to the member for Emerson (Mr. Penner) and perhaps to all of us why, if the Conservative government's economic initiatives have been so successful, we stand in such dismal company when it comes to the unemployed and poverty-stricken people in the province of Manitoba. Why is that? [interjection] It is coming from Ontario. No, Mr. Speaker, our people are leaving even for bleak provinces like Ontario because the prospects here are even bleaker. That is the problem.

The member goes on in the second WHEREAS to talk about rural development Grow Bonds. Well, I have spent a good deal of time meeting in the last several months with community groups, with business organizations such as the chamber of commerce, municipal groups, municipal councillors, trying to find out where all this significant development is occurring, where the province's Grow Bonds are taking hold and growing, where they are creating these new additional jobs.

* (1720)

The fact of the matter is that this program, although in concept is a wonderful program, modelled the program that was originally put in place in Saskatchewan, has potential, it has been mismanaged. If you speak to any of the Community Futures groups in the province of Manitoba, any of the regional development corporations in the province of Manitoba, including the one in the member's area—and I have spoken to people from the member's area—he will find that there is no agreement with this WHEREAS, that the Grow

Bonds, although they have potential, have not lived up to their potential, that in fact they have become an administrative quagmire, to put it bluntly. The member goes on to talk about Partners With Youth and, perhaps even more laughable, the REDI program.

Mr. Speaker, I had a meeting with the Brandon Chamber of Commerce in January at which time the president of the Brandon Chamber of Commerce said, and I will quote: This is the worst program we have ever seen. Those were his words, and in fact I believe that the Brandon Chamber of Commerce included that in a presentation they made to cabinet when they were in Brandon some few days after I met with the chamber of commerce. That is what they said about the REDI program.

Mr. Speaker, I have had a number of constituents attempt to use the REDI program to no avail. I am currently working with a small-business person in Leaf Rapids who has the opportunity to manufacture a unique product in northern Manitoba, who has now been waiting for the REDI program to approve some funding. At the same time, he has approval from his bank. He has approval from the Northwest Development Corporation. He has approval from WDI, Western Diversification initiative, and approval from IRAP. The REDI program, if it is an example of this government's economic development initiatives, it points clearly to why the government is failing so miserably when it comes to creating jobs and opportunities in the province of Manitoba.

Mr. Speaker, the member goes on in his next WHEREAS to talk about the Ayerst Organics expansion in Brandon. We all applaud the expansion. The member did not recognize that it was government initiative back in the mid-1970s that got the Ayerst plant in Brandon to begin with, and that this expansion in all likelihood would not have gone to Brandon had not the Ayerst plant already been there and they had some experience in terms of the Manitoba economy through almost two decades.

The member then goes on to refer, and I cannot understand why, to Apotex. Mr. Speaker, if there is an example of the complete idiocy of this government's economic policies, I do not know what it is. Apotex stands as a perfect example of the left hand or the right hand not knowing what the extreme right hand is doing. Here is an example where this government, a number of the members of the front bench, stood up in 1987 when the first amendments

to the drug patent legislation were being tabled by the Conservative government and said, we cannot stand in the way of progress. We have to allow these major pharmaceutical companies to come in and spend money on research and development. The current generic drug legislation, the legislation that gave generic drug companies the right to copy generic drugs had to be eliminated because it was an impediment to research and development funding coming to Canada.

Mr. Speaker, so the federal government in its wisdom designed a new package to reduce the likelihood of generic drug manufacturers surviving in Canada even further, and this government says nothing. This government says nothing even though it knows it is going to cost Pharmacare and individual Manitobans more money. Belatedly, the Minister of Health (Mr. Orchard) recognizes the problem in terms of the Pharmacare program, in terms of its cost to the health care system and meekly calls for some changes or some adjustment. At the same time, the government, the Minister of Industry and Trade (Mr. Sveinson) is out pursuing Apotex to come here to produce generic drugs which the federal government is trying to make sure will not happen. There is no Apotex plant today. In fact, the president of Apotex has said that plant is on hold. That is my understanding as of today. So to include it in a resolution is kind of meaningless.

Mr. Speaker, then he talks about Medix. Well, I have bad news for the member for Emerson. The Medix corporation, which has some sort of arrangement, unclear what it is, with health facilities in Manitoba has yet to produce for the province of Manitoba.

We could go on and list a whole set of additional negotiations which this government has bungled, contrary to what the member is suggesting that the record of the government, when it comes to negotiating and attracting people to the province of Manitoba, is one of failure not success. You could talk about the Repap negotiations, you could talk about Apotex, you could talk about MacLeod-Stedman, you could talk about Royal Trust, you could talk about Wang, you could talk about Caligiuri Woodworking, you could talk about the Farmers Alfalfa Products Ltd. in Dauphin; the record of failure is as long as anyone on that side's arm. It is not getting any better.

The member for Emerson, a backbencher, Mr. Speaker, a former well-intentioned cabinet minister,

now a backbencher, has the gall to stand up once again and attempt to break his arm patting himself and the government on the back, self-serving in the extreme and unfortunate.

How much time do I have remaining, Mr. Speaker?

Mr. Speaker: Almost six minutes.

Mr. Storie: Mr. Speaker, then the member goes on to talk about his own favourite pet project. He talks about sugar beets. He talks about the potential in the province of Manitoba to create a sugar beet industry, or maintain a sugar beet industry. I do not know where the members on that side come from. I can never figure it out. Here is the member for Emerson (Mr. Penner), the free enterpriser, talking about the potential for the sugar beet industry.

In 1987, as he quite rightly knows, the government did join with the federal government at that time and joined the sugar beet stabilization program. We are talking about a \$400,000 subsidy, let us use the word as what it is, taxpayer subsidy to the sugar beet growers in the province of Manitoba—taxpayer subsidy.

Mr. Speaker, not more than a week ago I asked this government to reconsider a decision it made to deny a woodworking company a \$300,000 loan to guarantee an ongoing export product which would have created some 25 permanent jobs in the province of Manitoba, a one-time loan guarantee which would have created 25 jobs, but no, we have the member for Emerson standing up and saying no. Let us keep on subsidizing sugar beet growers in the province of Manitoba.

It is not just sugar beet growers that we are subsidizing. These great free enterprisers on the other side stand up and they support—and let me list the ones that are listed in the Department of Agriculture Estimates. We have the Tripartite Cattle Stabilization Plan, the Tripartite Hog Stabilization Plan, the Tripartite Sugar Beet Stabilization Plan, the Tripartite Bean Stabilization Plan, the Tripartite Lamb Stabilization Plan, the Tripartite Honey Stabilization Plan, the Tripartite Onion Stabilization Plan. Then we have the Net Income Stabilization program, we have GRIP.

We have over there an acknowledged failure in terms of agriculture policy. We have a taxpayers subsidized list of agricultural products which would astound the business people of the province of Manitoba. If we stood here in our chairs and said

well, Mr. Speaker, we have the Greek restaurant stabilization program, we have the Italian restaurant stabilization, we have the pizzeria stabilization program, we would be laughed out of the country.

I do not know where the member for Emerson (Mr. Penner) thinks the government has succeeded.

* (1730)

We have 52,000 people unemployed; 70,000-plus people on social assistance. We have people leaving the province. We have the highest rate of child poverty in the country, and we have a mess of stabilization programs which are an acknowledgement of the failure of this government and the federal government to deal with the problems in the agricultural community in any realistic way whatsoever.

I think the member should go and do some more homework and perhaps come back next year with a resolution which is more realistic and reflects more of the reality of the economic situation in the province of Manitoba.

Mr. Speaker, having said that, I move, seconded by the member for Selkirk (Mr. Dewar),

THAT the resolution be amended by deleting all of the words after the words "the government of Manitoba" in the first WHEREAS clause and by submitting the following:

has failed to create the necessary economic development to provide jobs for many Manitobans; and

WHEREAS some 52,000 Manitobans remain unemployed; and

WHEREAS some 30,000 Manitobans, many of them young people, have left the province during this administration for other provinces, in search of opportunity; and

WHEREAS the government has bungled many sets of negotiations with companies such as Repap, Apotex, MacLeod-Stedman; Royal Trust, Wang, Caligiuri Woodworking, and the Farmers Alfalfa Products Ltd., among others; and

WHEREAS the number of people using food banks and on social assistance are at historically high levels.

THEREFORE BE IT RESOLVED that this Legislature call on the provincial government to reject its stand-aside philosophy; and

BE IT FURTHER RESOLVED that this Legislature urge the government to begin the dialogue with all Manitobans immediately in an effort to put together an economic strategy which includes full employment and the repatriation of Manitobans who have lost hope and gone to other jurisdictions in search of a more positive future.

Motion presented.

Mr. Reg Alcock (Osborne): Well, Mr. Speaker, I am glad the member for Lakeside (Mr. Enns) greeted my rise to put a few remarks on the record with such enthusiasm, because I have a question for the member for Lakeside, and the question is a simple one.

I was trying yesterday to recall the last time a Finance minister in this province had the opportunity to bring down six budgets in a row. I cannot think in the last two or three decades when a government has had such an unbroken string of financial leadership. I want to talk about that a little bit.

Now I must say that I am sometimes critical of the members who sit to my right. I find that, at times, the responses that I see coming forward from the New Democratic Party are overly simplistic, but tonight I am going to support everything they say, everything that the member for Flin Flon (Mr. Storie) said. I do not do that lightly. But, I must confess, having listened carefully to both presentations and having read both the resolution and the amendment, that in this particular case the amendment reflects reality in this province. The resolution reflects fantasy.

What the member, who proposed the resolution, would have us believe is that the economic plans of this government are working, that somehow they are creating more opportunities for Manitobans, that somehow Manitoba is a better province today than it was when this government came to office. I reflect on that question of when before, in the history of this province, have we had a Finance minister who has been able to bring down and see enacted five complete budgets and move into the passage of his sixth. It has not happened.

So this government has had an unusual opportunity, an historic opportunity, to lay before this Legislature its plans, its vision of the province, its strategies for producing growth in this province, and it has been able to enact those for five straight years. What are the results? [interjection] Yes, actually, I am reminded by the member for Wellington (Ms.

Barrett), it is five years to the day that this government has had its hands on the financial levers of this province. [interjection] There is a little half-hearted applause from the members of the government, although I think when they reflect on what has been produced, they all must feel a little ashamed. They all must feel a little saddened by what their labours have produced.

Since they came to office, they have talked a lot about economic development. In every budget that they have brought down, they have brought forward programs like the Rural Development Grow Bonds, like the REDI program. What has it produced? What have all of these programs combined produced?

I came into this Chamber two sessions ago, and I put an Order for Return on the Order Paper and said to the Minister of Finance or the Minister of Industry, Trade and Technology, tell us your good news. Tell us your story. Tell us what the Vision Capital Fund has produced. Tell us what your economic development initiatives have produced. Show us. Maybe we are wrong. Point it out. Show us where the jobs have been created, where the new industries have grown up, where your concept of this province is producing some fruit.

The fact is, Mr. Speaker, that it has not. I even challenged the Minister of Industry and Trade to stand up in the House—I did it both in Question Period, and I did it in my budget speech—and tell us his story. Name for us those companies that have come here, name for us the jobs that have been created, and they cannot do it. I mean the member for Flin Flon (Mr. Storie) has already pointed out this ridiculous resolution that highlights the successes of Apotex and Medix.

Mr. Speaker, could it be that the government is on the wrong track? I mean, let us just consider that for a minute. Having had the unprecedented opportunity to bring to a close the five complete budgets, let us look at the record. What has happened in this province? Is our labour force growing or shrinking? Well, the fact is there are fewer people employed in this province today as a percentage of the national labour force than there was when this government came to office.

Is our province wealthier than it was in 1988? Are we growing relative to the rest of Canada? Are we keeping pace? The fact is we have shrunk the equivalent of some \$600 million. Are our poorest

citizens better off today than they were five years ago? Well, you look at that, no, we have the highest poverty rate in Canada.

* (1740)

So what is it that has succeeded? What are the successes that this member would have us celebrate when he says THEREFORE BE IT RESOLVED the Legislative Assembly of Manitoba recognize the efforts of the government of Manitoba for their economic development initiatives? What are the initiatives that he wants us to celebrate? Where are the results? Where is the payback? You cannot find it, Mr. Speaker, and that is the problem that we face in this province. It just is not there. In fact, every one of their strategies has either been a public relations exercise or a complete failure.

Look what they said about VLTs. The Leader of the Opposition (Mr. Doer) raised that today in Question Period one more time. The member for Inkster (Mr. Lamoureux) has been raising that repeatedly in this House over the last little while. They promised to return all of the profits to rural Manitoba, to return the money that was taken out of rural Manitoba, to rural Manitoba for economic development—not 17 percent of the money, but all of it. They have not followed through on that.

I think it is very difficult for any member of this Chamber to stand and support the program that this government has put forward when it has produced so very little. So I have no difficulty supporting the amendment moved by the member for Flin Flon (Mr. Storie) because I think he states very clearly that the failures of the government—and he calls on the government to do one simple thing. Let us re-examine your philosophy, re-examine the course that you have taken.

We have seen the failure of it south of us. We have seen the failure of it east and west of us. Perhaps there is a different course for this province. Perhaps there is one that invests in the strengths of the province. Perhaps there is one that calls together people in this province to work together on behalf of this province, but certainly the course you are on right now is not working. Thank you, Mr. Speaker.

Hon. Jim Ernst (Minister of Urban Affairs): Well, Mr. Speaker, I would yield to the member for Selkirk (Mr. Dewar) as the seconder of the motion if he wishes to speak on this important topic.

If the member for Selkirk, although he seconded the motion, does not wish to speak in support of his member's resolution, then I would be pleased, Mr. Speaker, to continue to speak on this issue, but I see my colleague the member for Lakeside (Mr. Enns) has returned. I will yield the floor to him.

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I had assumed that the honourable member for Osborne (Mr. Alcock) would be wanting to take up all of his allotted time on speaking to this resolution. Admittedly, it got seriously flawed and is made cloudy by the amendment attached thereto.

It was my hope to say a few words, a few explanatory words to those comments made by my colleague the member for Emerson (Mr. Penner) and his specific concern with respect to the issue that I know is close to his heart. Namely, he took this occasion, and I do not fault him, to speak about the sugar beet industry and its importance to Canada and to Manitoba.

Mr. Speaker, allow me to, right off the top, indicate to you that there is no contradiction with respect to the epitaphs hurled across the floor from us that this was an anti-free trading speech or this was an anti-free trading position being put forward by the honourable member for Emerson.

I happen to believe, and I am supportive of the efforts on the part of my colleague the Minister of Agriculture (Mr. Findlay) and the federal Minister of Agriculture with respect to trying to maintain the capacity—and that is really all we are talking about—of this nation to provide our citizens with sugar, a natural sweetener.

Mr. Speaker, you know there was a time, and certainly in the last 10, 15, 20 years, when that particular industry suffered attacks from different quarters, the question of artificial sweeteners which have of course taken a considerable market share. I happen to be a man of the soil, a man of the land. I happen to have great confidence in the fact of the organic virtue of products produced out of that soil through honest labour and for the use and benefit of our society.

What we are speaking of and I was reminded of, regrettably, a failing that I consider, that I take somewhat personally, because I can recall some 25 or 26 years ago when I was privileged to be the Minister of Agriculture for this province, of having undertaken at that time an effort to convince

authorities in Canada, generally, that we ought to have—and it is important to us—in sugar as with other vital, indeed essential, food commodities, the capacity to produce, because Mr. Speaker, sugar, like other essential food commodities is at risk at times of international crisis or concern. Sugar very often heads the list of rationed items.

Those of us who have been around for a little while recall that it was one of the first items in this great country of ours to be on the ration list during the last time that we had such an international disturbance of normal trade patterns.

Mr. Speaker, when the member for Emerson (Mr. Penner) speaks in defence and even apparently or appearing so to speak in this vein in contradiction of our otherwise firm support for the free movement of goods across borders, what he is really talking about—and I know this, because I have spoken privately to him about this, and this is a belief shared by many who have been engaged in the sugar industry—that it is of national importance to this country, to this province to maintain a capacity to producing this valuable food product within our borders.

Mr. Speaker, I do not say that should be an unlimited support for this product but certainly a level that could be negotiated with sugar producers in this country, with the industry in this country. We could determine, as other nations do for instance, because they are concerned about the capability of their farmers or their farming producers of producing this product at all times, that there ought to be a commitment by the national and our provincial governments to assure that capacity is there when needed.

I am advised, Mr. Speaker, that currently our domestic sugar production covers only about 8 percent of the total supply, of the total demand, that Canadians have for this product. I would suggest to you, and I think that is what we are hearing from some of the producers, that we are perilously close to losing that capacity. Let me remind you, once lost, it is not that easily regained. It is intensive farming. It is specialized equipment. It is a commitment by both the industry and by the grower to produce this particular crop. If we, simply because it is cheaper elsewhere, decide to abandon it entirely, we lose that capacity.

At any given time, one could argue the straight free-trade philosophy and say that we really ought

not to be concerned about our capability of producing any number of food stuffs. It is quite possible that we could get all the butter we need in this country from New Zealand, or all the beef from Argentina or a number of other areas. Different countries have chosen—and countries that pride themselves in otherwise allowing the marketplace to establish the levelling commodity prices recognize this.

Our American friends, for instance—and we enjoy, and certainly myself in the cattle industry have enjoyed over the years, full and free access to that great market for any surplus beef production that we have in this country. Nonetheless, they impose a very arbitrary limit to the extent that offshore beef can come into their shores. When that limit is reached, and it may vary from time to time but it hovers around the 10 percent of the total American supply, they shut down their borders. A shipload of New Zealand or Argentine or Australian beef that is on its way just does not get unloaded if it happens to be beyond that certain point. We quite often, Mr. Speaker, not having those kind of protections for our prime producers, take on that commodity.

* (1750)

It is a fine line, I appreciate, but I wish to support and underline what the member for Emerson (Mr. Penner) is bringing before this House. It is important, in my judgment, that we have and we maintain and we encourage through some public involvement. I believe that public involvement has been demonstrated by our Minister of Agriculture (Mr. Findlay) and by the Minister of Agriculture for Canada.

There is a dispute, as disputes are bound to arise, as to whether or not that is sufficient. I am satisfied though that there is a commitment to that principle that we maintain the capacity, that we maintain the expertise that we currently have in the province.

I repeat again, it shocks me somewhat when I realize that the level of our current production in terms of our total supply is as low as it is. It is, in my judgment, nefariously close to that line where individual producers will simply make that decision, because these are very often the innovative type of producer that has other options, that will search out other diversified agricultural production means to utilize their land base.

With that, we lose that particular expertise that we have for growing that crop. We lose, as has been

mentioned, the very significant spin-off effects of the further processing of the raw material, the sugar beet and all that that entails in terms of job and economic activity in this province.

Mr. Speaker, I make absolutely no apology at all as one who is an enthusiastic supporter of the free trade initiatives that have taken place, particularly in the last few years, both by our federal government and supported by our provincial government. I have been a free trader and continue to be a free trader, will be one for the rest of my life, but unlike my ideological friends opposite who do see everything in black-and-white terms, there is in fact a role for a reasonable mix of public and private policy in this area.

Mr. Speaker, we ought not to be so complacent. We ought not to be so self-confident that current supplies that come to us offshore will always be available to us. We live in hopefully better times, but as different countries have experienced in different commodities, these are the ones that all of a sudden become so critically important to a nation's continuing well-being and economy if supplies are all of a sudden cut off.

If we are totally dependent, as we are becoming, on offshore sources for our sugar requirements, we place ourselves in that position. I do not think that is good, and I do not think that is sound public policy. Mr. Speaker, I will withstand any arrows that come hurling from members opposite who think that they have an opportunity to chastise us who speak in this vein as contradictory to other principles that we have supported and continue to support, namely the full and free movement of goods across borders. That ought to continue.

That ought to be encouraged, but just as I am given to believe that in essential commodity items, it is extremely important that that capacity to produce for oneself is constantly at your fingertips. When you have that core of producers, in times of need, under stress, if foreign sources are unavailable to us, we can build on that 10 percent or 15 percent of producers that have the capacity and knowledge to produce that product, can under those kind of circumstances provide in relatively short order the needs of the country.

That has been proven time and time again. So, Mr. Speaker, I generally speak in support of this small but very important part of our agricultural industry, particularly in Manitoba, where we have

the added benefit of having within the city of Winnipeg, Fort Garry, a processing plant that has gainfully employed a number of Winnipeggers over the years, that allows us to get that maximum benefit from the further processing of this commodity, that makes the sugar beet industry vital and important to the province of Manitoba.

Mr. Speaker, I say to you that there is nothing contradictory in the approach taken by us in this matter. It would be my sincere hope that cooler heads will prevail and that this important industry can continue to make itself be taken advantage of by those producers who have the knowledge and who have the investment and the skills to produce this specialty crop that that continue to be the case for many years to come.

Mr. Speaker, we do ourselves a disservice if we simply think that because in this instance there is a legitimate call on the public purse to maintain that minimal level, that threshold level of capacity, that we do not treat the subject with the seriousness that it deserves. I thank you.

Mr. Penner: Mr. Speaker, I rise to speak to put a few words of comment on the amendment that the honourable member for Flin Flon (Mr. Storie) put on the record. I simply cannot understand how the honourable member for Flin Flon can stand here and criticize our government for the action that we took with Repap, for instance, and selling the forestry industry at The Pas to Repap.

I am extremely convinced that that industry could, if we had gone the route that the previous administration had gone, would in fact now be either defunct or that we, as a province, would have pumped huge millions of dollars into that industry. Yet we were able to divest ourselves of that industry and Repap has, even though in all adversity, in a very adverse market, been able to maintain the operation there and of course the wood supply or the wood products, the price of wood products are now turning around and have had a very substantive

increase. I understand the sawmill over in The Pas is making a significant profit at this time and I would suspect that those are the kinds of things that private industry should be involved in.

I think that the employment situation has in this province increased very substantively over employment numbers in some of the other provinces. I believe that it is simply because of the economic initiatives, Mr. Speaker, that this province has taken by action such as encouraging small entrepreneurs to expand and invest in themselves and invest in this province. The small business community in this province has always been the largest job generator in this province and will continue to be so if we give them half an opportunity. But if we had done what the opposition members would like us to do, and that is simply to tax as the government in Ontario has done, tax everybody to beyond their ability to pay, then of course, it means that those little, small entrepreneurs pack up and leave and are not able to exist and would not be able to exist in this province as they now do.

I believe that by lowering the deficit, decreasing our reliance and spending on interest and using those dollars that we will save there to encourage and decrease our debt, will be in my view a much, much better remedy for increased job activity in this province than some of the other provinces have adopted.

I believe that industries and even larger ones will look at the province of Manitoba in a much more favourable way in the future to settle here and probably make their homes and build their headquarters here, Mr. Speaker.

Mr. Speaker: Order, please. When this matter is again before the House, the honourable member for Emerson will have 12 minutes remaining.

The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m. in Committee of Supply.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 26, 1993

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