



Third Session - Thirty-Sixth Legislature  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
**and**  
**PROCEEDINGS**

**Official Report**  
**(Hansard)**

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The Honourable Louise M. Dacquay  
Speaker*



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
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DACQUAY, Louise, Hon.	Seine River	P.C.
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GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
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Vacant	Portage la Prairie	

## LEGISLATIVE ASSEMBLY OF MANITOBA

**Thursday, May 8, 1997**

**The House met at 1:30 p.m.**

### **ROUTINE PROCEEDINGS**

#### **PRESENTING PETITIONS**

##### **Mobile Screening Unit for Mammograms**

**Ms. Rosann Wowchuk (Swan River):** Mr. Deputy Speaker, I beg to present the petition of Gladys Bugg, Elsie Green and Sylvia McCharles that the Legislative Assembly of Manitoba request the Minister of Health (Mr. Praznik) to consider immediately establishing a mobile screening unit for mammograms to help women across the province detect breast cancer at the earliest possible opportunity.

#### **PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES**

##### **Committee of Supply**

**Mr. Gerry McAlpine (Acting Chairperson of the Committee of Supply):** Mr. Deputy Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the honourable member for Pembina (Mr. Dyck), that the report of the committee be received.

**Motion agreed to.**

#### **MINISTERIAL STATEMENTS**

##### **Flooding Update**

**Hon. Glen Cummings (Minister of Natural Resources):** Mr. Deputy Speaker, I would like to report that the levels of the Red River have declined from half a foot to one foot at Ste. Agathe to Lockport in the last 24-hour period. The large decline in levels was due to strong northerly winds which has reduced outflows from Lake Morris. Levels at Morris and St.

Jean remain unchanged from yesterday. The level at Letellier, however, has risen half a foot due to wind action. Strong wind action is pounding heavily on dikes today, especially those dikes that are not sheltered from the north side.

At Selkirk, we have seen a drop of about a third, but at Breezy Point the strong northerly wind is causing some increased levels. At Grande Pointe, the wind is helping to reduce the water levels, and they have seen it recede by three-quarters of a foot. With yesterday's rainfalls, the level of the Red, however, will continue to fall. Their influence will not be noted. Additional rainfall could occur, however, on Saturday and Sunday with another incoming weather system. If the rainfall from this disturbance exceeds one inch, many smaller streams in the Red River Valley and east to the Ontario boundary could rise but should remain below the extreme levels that we have experienced recently.

As a note of interest, Mr. Deputy Speaker, I would like to point out that the flows at Emerson today are still 6,000 cfs more than they were at the peak levels last year. I think for the general populace, that puts in context the enormity of the volumes of water that have been coming north in the Red River. Levels of the river continue to rise slowly mainly as a result of yesterday's 20 millimetre to 40 millimetre rainfall in the Winnipeg river system. We are seeing some concern. Nutimik Lake this morning was at 906.7, which is only one and a third feet lower than the crest that they experienced in 1992. It is possible that this lake could rise to 907 by Sunday, and cottagers along this river are reminded to take appropriate action to protect their docks and their boathouses. Of course, we want boaters to stay off of this river particularly because of the dangerous currents and the debris that are in the river.

**Hon. Frank Pitura (Minister of Government Services):** Mr. Deputy Speaker, just an update for the members.

With the Manitoba Emergency Management Organization, as part of their recovery process, the MEMO disaster financial assistance office is operational. Inspectors are in the field, and office staff

are responding to inquiries and accepting applications for assistance.

Canadian Armed Forces that are involved in part of the recovery and re-entry process will be supportive in areas of re-entry and recovery. In re-entry, representatives of the Red Cross, Salvation Army, Mennonite Central Committee and Manitoba Government Services will take the lead role in co-ordinating the activities of the flood relief committee. A meeting has been scheduled for today, and I understand that meeting is now completed. The re-entry committee now liaises regularly with the flood relief committee.

\* (1335)

**Evacuees:** The total evacuees as of May 7 was 25,115 of which 18,816 received assistance from reception areas. For the Roseau River First Nations, limited access is now available to Roseau utilizing a ferry, a military raft capable of carrying 30 persons. The armed forces and the Highways engineers have inspected the 800 metres of damaged section of road and have established that any kind of temporary bridge would not be possible at this time, so the ferry process will continue until work can be done on the road.

Consumer and Corporate Affairs have now started to take a role in the flood recovery process, and they have taken the following actions to reduce the probability of consumer scams: They have prepared and distributed public information material on potential scam artists, and they have also released advice on action a consumer may take to ensure credibility of a contractor. They have issued media releases warning the public.

In Agriculture, Agriculture is presently identifying those farmers and the financial needs which may not be covered under the DFA.

With MEMO, the Manitoba Emergency Management Organization is continuing to operate its office on a 24-hour, seven-day-a-week basis.

Under disaster financial assistance, a committee comprised of representatives from Finance, legal counsel, Rural Development and MEMO is reviewing and developing criteria for issuance of advance funds

for hardship cases. The local authority will have direct involvement in confirmation and identification of individual applications.

That is my update, Mr. Deputy Speaker.

**Mr. Stan Struthers (Dauphin):** Mr. Deputy Speaker, just briefly to add our voice to the support that this Legislature shows to the people who are actually out there doing and participating in the monitoring of dikes and the eventual cleanup of the mess that will be left in the wake of the flood of 1997. I noted in the update provided by the Minister of Government Services the number of evacuees that have been affected by this flood, and it brings to mind the number of volunteers who have worked with these evacuees to make their transition back and forth out of their homes into temporary residences and back into their homes again so much easier.

I also noted two cautions on behalf of the Minister of Natural Resources (Mr. Cummings) that I would like to add our voices to, and that is one to the boaters and the people who will be using the Red River in the near future. For their own safety, I would hope that they would heed the caution from the minister in terms of boating. Not only is there debris and such things on the river that could be dangerous, but I think we have enough problems with the wind and the waves without exacerbating that problem. I would hope that people do heed the warnings of the minister in that case. Mr. Deputy Speaker, that is all I think I need to say at this point.

### Introduction of Guests

**Mr. Deputy Speaker:** Prior to Oral Question Period, may I bring the attention of all honourable members to the gallery where we have seated with us today the Home Educating Network and Support, twenty-five Grades 1 to 6 students under the direction of Mrs. Susan McCulloch. This school is located in the constituency of the honourable member for Radisson (Ms. Cerilli).

On behalf of all members, we welcome you here today.

\* (1340)

**ORAL QUESTION PERIOD****Disaster Assistance  
Deductible**

**Mr. Gary Doer (Leader of the Opposition):** We have been raising the issue of compensation for the unfortunate victims of the 1997 flood. Last week, of course, we raised the issue of the limit which the government agreed to change from \$30,000 to \$100,000, which we think is appropriate. The last couple of days we have been raising the issue of deductibles and their relationship to the policy of dealing with items on a depreciated-value basis. Yesterday I asked the Premier this question because it is our view that the 20 percent deductible plus the depreciation policy of the provincial government are two forms of deductible. Has the Premier looked at the impact of those two policies together, and does he not agree that the impact of both will provide an undue hardship to some of the unfortunate victims of this tragic flood?

**Hon. Gary Filmon (Premier):** I thank the honourable member for his question, Mr. Deputy Speaker. I point out that this is a program that provides payments by the taxpayer at large in circumstances of natural disasters, and as such is a payment that is made without any premiums having been paid. So if we were to compare it to insurance policies, people would normally pay premiums to get that kind of coverage.

Then, as well, people would also have deductibilities in many of their insurance coverages. Certainly we know that there are varying deductibilities on our homeowners' policies that provide for certain deductibles for glass breakage, other deductibles for other forms of peril. Under all those circumstances, we have to try to take into account the broad consideration of what this was intended to do. The program was not to provide for insurance for people when there are no premiums being collected. It was to provide an opportunity to restore people into some semblance of being able to continue their lives. It was not intended to pay fully for all of their costs or all of their losses. It never has been interpreted that way, and as such, in the past it has paid claims on a similar basis. For instance, if somebody has carpeting that is worth \$105 a square yard, they would not be compensated for that. They

would be compensated for what would be considered to be normal carpeting, something in a more modest range.

So it has always been that way that nobody suggests that for somebody who is paying no premiums that they should somehow be left better off after the disaster than they are before the disaster. That is why I think I would urge all members to look at it in a way that it has been before. It existed this way over decades. So, when the member opposite was in government and payments were made, it was made on a similar kind of analysis and in fact similar guidelines. The only difference is that we have now increased the maximum amount in recognition of the fact that the claims will undoubtedly be higher this year, the maximum amount has gone from \$30,000 to \$100,000 for payment.

**Mr. Doer:** Mr. Deputy Speaker, I understand the Premier being frustrated with the federal government, that for two years has totally denied any of the disaster assistance programs here needed in Manitoba, and now of course appears with all these promises and cheques. I understand that frustration, but I want the Premier to take a step back and look at the existing policy. It has changed. The previous policy allowed for discretion in terms of the replacement of items and the discretion that officials had. We have double-checked this with the people in the disaster assistance branch.

The new policy that was printed in April of '97, which included the \$30,000 which was amended by the government last week, and I think wisely so, to \$100,000, makes it very clear that items will be replaced and mandatorily replaced on the depreciated value. That, in combination with the deductible, if you take a couple of examples of a five-year-old hot water heater worth \$500, you will get approximately \$200 to replace it with the deductible. A 10-year-old furnace would be almost one-third as much of the value with the depreciation value that is in the new manual circulated by the provincial government.

Does the Premier (Mr. Filmon) not think then the deductible is already onerous when you have the mandatory policy of depreciation? In fact, depreciation is a form of deductibility. Insurance does have the provision to replace a furnace or a hot water heater. This flood compensation package does not. Will the

Premier therefore look at the deductible in relationship to the policy as it applies to people that are hard hit by this flood?

**Hon. Frank Pitura (Minister of Government Services):** In the policy manual, it does indicate that furniture and appliances would be valued at their cash value today. I think that, in regard to this whole policy, one has to remember that the disaster assistance program, the main mandate of this policy across this country and in agreement with the federal government—when a disaster strikes, it is the role of this disaster program to be able to repay or help out and give assistance to the level that was there prior to the disaster taking place.

\* (1345)

We have that format and that policy taking place at all levels of government in this province. For example, a municipality loses a bridge; they will get compensation based on putting that bridge back in as it originally was. A lot of municipalities are saying: We would like to put an enhanced bridge in that is better than the last one. They have to pick up that cost themselves. So, with regard to appliances in a house that are destroyed by flood, it behooves the program to be able to say to those people: We will replace the value of that furniture and appliances at the value that they were so that you can at least replace those with the same kind and be no worse than you were prior to the disaster.

Also, Mr. Deputy Speaker, the quote from the Winnipeg Free Press on Thursday, May 8, where “Insurers wholeheartedly agree that paying replacement insurance would be a mistake.

“If the government gives replacement insurance, it would be the best thing that happened to those homeowners. It would be a windfall, and that's wrong,” said the broker.” That is the answer to that question.

### Flood Relief Donations

**Mr. Gary Doer (Leader of the Opposition):** We are not proposing enhanced values for the losses. We are not suggesting that. We are proposing that the deductible be dropped because we already have a

deductible, in essence, with the depreciated value under the new policies of this provincial government. That is what we are saying to the government. You have a deductible, which is going to be onerous; you have depreciated values, which are going to be onerous. That is a double whammy on flood victims. That is what we are asking you to consider, not enhanced values.

I would further like to ask the government: What is the government's policy to deal with the tremendous generosity that we have received all across Canada? In the guidelines that were circulated, it mentioned that their policy would be articulated on page 8 for these contributions. Unfortunately, in the manual, we could not see a policy on the treatment of these tremendous, generous donations that came from all across Canada. Can the government specify today how those contributions will be used in terms of its application for flood victims?

**Hon. Gary Filmon (Premier):** Mr. Deputy Speaker, I want to make the point that Autopac, if you were to insure an automobile—certainly, having had some experience with it, I know that if you have a 1990 automobile and you have a total loss of that automobile due to the accident, they do not replace it with a 1997 automobile. They give you the depreciated value less the deductibility. So that is precisely the same circumstance that we are facing in this instance. That is exactly what the Autopac insurance does. They give you the depreciated value less the deductibility.

**An Honourable Member:** You can get insurance for that.

**Mr. Filmon:** But these people have paid absolutely no premiums.

**An Honourable Member:** Wrong analogy.

**Mr. Filmon:** It is a great analogy. These people have paid absolutely no premiums. In the Autopac case, you pay premiums to boot—

**Mr. Deputy Speaker:** Order, please. Could I ask the honourable members to refrain from entering into debate. At this time the honourable First Minister is attempting to answer the question, and I would ask the

honourable First Minister to put his answers through the Chair.

The honourable First Minister, to continue.

**Mr. Filmon:** With respect to the flood relief funds—and I believe it was announced today that there is a committee that has been set up under the aegis of the Red Cross, chaired by the Canadian Red Cross Manitoba branch president, Blair Graham, who is a solicitor in the province. There are people, including, I believe, the Archbishop of the Roman Catholic Church and many others, and they will be making decisions as to the utilization of the funds. One of the considerations, I believe, that they will have is with respect to hardship cases for people who are unable to be able to make ends meet with the payment of the money that is available to them through the disaster assistance program. All of those things will be reviewed, and they will certainly be looking for appropriate cases in which that funding that was so generously provided by people from across Canada will be put where it is most needed.

#### Introduction of Guests

**Mr. Deputy Speaker:** Before we continue, could I bring the attention of honourable members to the gallery, to the loge to my right where we have with us today the former member for Minnedosa, Mr. Dave Blake. On behalf of all honourable members, we welcome you here today.

\* (1350)

#### Flooding Crop Insurance

**Mr. Deputy Speaker:** To continue, the honourable member for Swan River.

**Ms. Rosann Wowchuk (Swan River):** Thank you, Mr. Deputy Speaker. When the flood disaster assistance program was signed last week, it included payments for farmers who are unable to seed. Compensation at a similar level is available through Manitoba Crop Insurance, and many farmers have protected themselves against such a disaster by purchasing insurance.

Can the Minister of Agriculture indicate what the implications of this announcement of payment will be on Manitoba Crop Insurance clients? Does it mean that those people who took insurance will get a double payment, or does it mean that those people who chose not to take crop insurance will be the ones that will be compensated under this new program?

**Hon. Harry Enns (Minister of Agriculture):** Mr. Deputy Speaker, I believe the honourable member for Swan River clearly puts on the record the questionable problems that arise when fast, ad hoc, perhaps election-driven decisions are made with respect to compensation. As I indicated before, upwards to 90,000 acres of land that are currently underwater have unseeded crop protection—and I might say, considerably better than that offered in a province like Saskatchewan. Our payments are of the order of \$40 an acre, whereas in Saskatchewan they range from \$25 to \$30 an acre.

These are issues that obviously are being looked at very seriously by the co-ordinating committee that will be looking at and assessing all of the damage. I am satisfied that the agreements that my Premier (Mr. Filmon), the government of Manitoba and Ottawa have with respect to overall damage in the agriculture field are outside of the crop insurance program and it is certainly true that there will likely be or could be instances where a special review of the programs available to farmers will have to be considered. But it is too early—even I say this today, although the weather is not all that great out there today—to write off the Red River Valley crop. Farmers in the Red River Valley have shown a tremendous capability of surviving disasters of this nature and getting the bulk, if not a major portion, of the cropland sown.

**Ms. Wowchuk:** Mr. Deputy Speaker, since the federal government has been so quick and so generous with their money during this flood, will the Minister of Agriculture be looking at the possibility of addressing the many outstanding issues of flood compensation, such as we had in the Assiniboine Valley and the Swan River Valley where they could not get compensated because they had the insurance program under the provincial government? Will he be looking at addressing those outstanding issues and looking at

compensation for those farmers retroactively, since they also suffered very great losses and the federal government appears to be quite generous?

**Mr. Enns:** Mr. Deputy Speaker, again, my honourable colleague the member for Swan River asks responsible questions. These are very much on my mind and of concern to this government. In addition to those that she mentioned of farmers suffering loss in the upper Assiniboine in 1995, we know and she knows that we have upwards of 400, 500 cattle producers who have been hurt because of high levels of water in the Lake Winnipegosis and around Lake Manitoba reaches that have equally suffered. Particularly with the use of Lake Manitoba and the Portage diversion, certainly it was made plain to me that we are contributing, as we save other areas of the province, to those high levels of water that have inundated many thousands of acres of native hayland.

So these are all issues that we have to deal with. I am looking forward to working with my colleague the Minister of Government Services (Mr. Pitura), looking at whatever support the federal government is providing, and we welcome it all—into longer-term resolutions of the difficulties that agriculture faces under these circumstances. Hopefully, within a relatively short period of time, we will be able to announce some of those programs.

Mr. Deputy Speaker, allow me also to welcome, while I am on my feet, the action of our principal farm organization, the Keystone Agricultural Producers organization, that have just today announced the creation of an additional fund specifically dedicated to agriculture. I am pleased to see that some of the major stakeholders in agriculture have commenced contributions to that fund. Again, that will be, as those other funds that the Premier (Mr. Filmon) alluded to, specifically used to fill in some of the gaps, some of the cracks maybe that governmental support programs will have difficulty in covering.

#### Rural Stress Line Funding

**Mr. Deputy Speaker:** The honourable member for Swan River, with her final supplementary question.

**Ms. Rosann Wowchuk (Swan River):** Thank you, Mr. Deputy Speaker. Since the Minister of Agriculture is so generous and so supportive right now of our ideas, I want to ask him then whether he will also consider the importance of outreaching to the many farmers and rural Manitobans who are in need of supports, emotional supports, and need of having a way to reach them, and whether he will consider ensuring that the stress line that was once in place will again be in place so those people can get the supports they need.

\* (1355)

**Hon. Harry Enns (Minister of Agriculture):** Mr. Deputy Speaker, now the honourable member for Swan River is taking advantage of my inherent good nature. I acknowledged that she does ask responsible questions on behalf of agricultural concerns from time to time, but I think the issue that she now raises has been very thoroughly and properly addressed to the question that she directed to the First Minister just yesterday.

#### Flooding Impact on School Divisions

**Ms. Jean Friesen (Wolseley):** Mr. Deputy Speaker, in areas affected by the flood, there has been considerable disruption for teaching, for days in school and for school buildings. The Minister of Education has issued some guidelines to schools and divisions dealing with exams, dealing with counselling and a number of other issues.

I wanted to ask the minister today if she could tell the House what changes she anticipates to provincial funding for school divisions which have been directly affected by the flood.

**Hon. Linda McIntosh (Minister of Education and Training):** At this time we have not received any formal requests for adjustments to funding due to the flood. We are anticipating that we may receive a request for some additional assistance regarding transportation, which we are quite prepared to address when that comes in, but aside from that we have not been given any indication in terms of damage to buildings, et cetera.

**Ms. Friesen:** Could the minister tell us whether she is keeping track on an overall provincial basis of the extra costs to school divisions, those not affected by the flood but which have had students involved in assisting in fighting the flood, costs such as the minister mentioned, for transport, for supervision, for gasoline and ones which certainly will have an impact on already tight budgets of many school divisions?

**Mrs. McIntosh:** In answer to the first question, I was referring to divisional expenses where they have had flood damage, and I understand the second part of her question is a legitimate question as well.

We have, Mr. Deputy Speaker, been given indications so far—we have had one division ask if they would be able to submit a bill for additional costs. We are taking a look at that, but by and large the majority of divisions have assumed this and have stated to us that they are assuming this as part of their opportunity to be of service to flood victims. So we do not expect that there will be a request from divisions that have taken in host children, because they have indicated very clearly and through the president of MAST that this is not an obligation, this is an opportunity to be of service.

That is a statement coming from the president of MAST and the kind of indication we have had from school divisions who deserve praise and commendation for going that extra mile for flood victims who are students.

**Mr. Deputy Speaker:** The honourable member for Wolseley, with her final supplementary question.

**Ms. Friesen:** I would like to ask the Minister of Government Services—who I know would want to join with us in acknowledging the tremendous role that Manitoba students have played. Their cheerfulness, I think, their discipline, their sense of accomplishment is very evident on every sandbag line, and I wonder if the minister could tell us whether those school divisions which have incurred extra and unanticipated costs as a result of sending those students to the sandbag lines, whether they will be able to apply under the public sector provisions for compensation.

**Hon. Frank Pitura (Minister of Government Services):** Mr. Deputy Speaker, the specifics that the

member asked for with regard to students, I do not have specific information on that part of the disaster assistance funding, but I will get that information for you.

#### Adoption Services Privatization

**Mr. Doug Martindale (Burrows):** Mr. Deputy Speaker, the Minister of Family Services appointed a committee to review The Child and Family Services Act, and one of the major changes is a new adoption act. One of the significant issues that was addressed by presenters was the length of time for processing adoptions.

I would like to ask the Minister of Family Services why she chose to contract out adoptions instead of adding more resources to existing adoption staff in Child and Family Services agencies, given that there is a surplus of \$400 million in the rainy day fund. Why did she choose to contract out this service instead of augmenting existing services?

\* (1400)

**Hon. Bonnie Mitchelson (Minister of Family Services):** I thank my honourable friend for that question. I want to offer to him the opportunity to sit down with both opposition parties, in fact to go through in detail some of the changes to legislation that will be made so that they are completely up to speed on what we are doing and why we are doing it. I want to say that many, many Manitobans who are on the waiting list for adoption, that want to increase the size of their families or have a family if they are unable to, use the private system of adoption through nonprofit agencies today, and they are finding that the arrangements they can make through that system, along with the work that is done very proactively with birth parents and with the prospective adoptive families, is a very positive experience for all. Many Manitobans who made representation to the committee indicated that they preferred this kind of a service, and they wanted to expedite the process. I think in the best interests of the children that need permanency planning and permanent homes that this is a very positive option that has been adopted in many provinces right across the country.

**Mr. Martindale:** I agree that there should be given more priority and a speedier process, but why has the minister and why has this government chosen to privatize adoption? What is possibly the rationale for going that route, when the minister did have other choices? Why is she privatizing the adoption of children?

**Mrs. Mitchelson:** Again I thank my honourable friend for that question. I want to indicate to him quite clearly that we are moving very much in the direction that New Democratic British Columbia adopted when they modernized their adoption legislation. So it is being recognized by governments of all political stripes right across the country that things need to be changed, that adoption needs to be modernized.

I want to commend the government in British Columbia, the New Democratic government in British Columbia for sort of giving us some insights into the direction they have taken and how positive it has been.

**Mr. Deputy Speaker:** The honourable member for Burrows, with his final supplementary question.

**Mr. Martindale:** I would like to ask the Minister of Family Services why this major change in this new adoption act from a previously free service provided by the government, paid for by taxpayers, why this major change to a user-fee system? Why is this minister privatizing, contracting out and introducing user fees for the adoption system?

**Mrs. Mitchelson:** Again I thank my honourable friend for that question. I do want to indicate that the changes we are making to the child and family services legislation are in fact to ensure that there are early permanent plans for children so that children have the benefit in the most efficient and effective manner of a permanent, loving home.

**An Honourable Member:** Why user fees?

**Mrs. Mitchelson:** I think that if my honourable friend and his colleagues took the time to look at and examine very carefully what his cousins in British Columbia have done, they have in fact gone the same direction and have in fact the very same fees in place to allow

easy and very quick opportunity for children to be matched with permanent, loving homes.

### Flooding—Cleanup Provincial Sales Tax Revenues

**Mr. Gary Kowalski (The Maples):** My question is for the First Minister. With the amount of money coming in from federal taxpayers in the form of disaster assistance into the province because of the need for all of the home renovations, the infrastructure programs and stuff, I imagine there will be an increase in provincial sales tax revenues. Has the Finance minister looked at the increase in the surplus that will result from the additional provincial sales tax that will be going towards the renovations, the infrastructure programs and the other things that have been used to fight this flood disaster?

**Hon. Gary Filmon (Premier):** I think that the member should be careful to look at, in a balanced way, all the potential impacts. We know, because we have a number of companies that have had to shut down as a result of the flood circumstances, some of them have been made public here in the House: Motor Coach Industries, Maple Leaf Foods, Westfield Industries in Rosenort and so on and so forth, that there will be a loss to the GDP of the province and, indeed, to the income of the province by virtue of these people being unemployed and unproductive for, in some cases, I would think as much as a month or more. There will be other instances in which, on the agriculture side, if people even are given minimal compensation for inability to produce crops, there would be a loss of the total crop production value in this province as a result of this, and that obviously will impact on the provincial Treasury in a negative way.

It is possible that there will be some impacts on the other side with reconstruction and all of that, but, looking at provincial values here and provincial responsibilities here, we are in the tens of millions for sure that will come out of the Treasury in order to help in the recovery costs of infrastructure and so many things, even after there is some federal sharing and other ways in which that might be mitigated.

We have to look at it in the total picture and until our costs are known—and we certainly do not know how

many bridges are going to have to be replaced until we see the water levels go down and we can examine those and have them structurally analyzed. So I would say that we do not want to start counting blessings at a time when I still think that there are many, many areas in which the province will be suffering, and we want to try and have an analysis of this and try and be able to do the right things in the circumstances.

**Mr. Kowalski:** Can the First Minister provide us with that analysis as soon as possible so we know if the coffers of Manitoba are going to increase as a result of this disaster while private individuals suffer from this disaster? Will we receive that analysis that shows whether the province has had a net gain or net loss in its coffers from the provincial sales tax and the income tax, provincial income tax that will come from a result of the increased economic activity from fighting this flood?

**Mr. Filmon:** I am sure, Mr. Deputy Speaker, that many Manitobans will be interested in the analysis of how the flood will affect us in the long term, and so, when that information is available, we would be happy to share it.

#### **Disaster Assistance Government Policy**

**Mr. Deputy Speaker:** The honourable member for The Maples, with his final supplementary question.

**Mr. Gary Kowalski (The Maples):** Can the First Minister tell us why the analogy of insurance has been constantly used for flood as opposed to charity from people from across Canada being used for helping Manitobans, and why we are using the analogy of insurance as opposed to helping those in need as a form of charity?

**Hon. Gary Filmon (Premier):** In fact, Mr. Deputy Speaker, what we are attempting to do is demonstrate that there are various ways in which a person could look at it. We recognize that this is, in effect, through the disaster assistance program, an ex gratia payment by all of the taxpayers of Manitoba being transferred to individuals who suffer significant loss as a result of a natural disaster. What we have been saying, though, is that these payments should not be more generous than

they might have gotten if they were taking insurance for that protection, and that is the kind of comparison that we are making.

As I have said before, there are choices that are made by people with respect to lifestyle, moving outside of the protection of the works that have been constructed with hundreds of millions of dollars of investment for ring dikes, primary diking systems, the Red River Floodway, the Portage diversion, all of those things that were invested in to provide for that security for people at taxpayers' expense, and then other people have chosen, for their own purposes and with I think the full knowledge of some of the risks that they face, to go outside of that flood protection and are then saying, well, that this is the responsibility of somebody else to pay.

So I think you have to try and be balanced and fair in making those analogies, and that is all that we are attempting to do. We certainly are listening to all points of view, and I accept the advice that is being given by all members opposite.

\* (1410)

#### **ManGlobe Project Director—Compensation**

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

This government has a double standard when dealing with ManGlobe employees. In addition to large salaries and liberal travel allowances, management employees were given shares in this company. Can the minister confirm that when Karen Alcock left her job in Lloyd Axworthy's office to become the ManGlobe project director, in addition to her salary of \$7,500 per month plus GST, she was also given share options in the company?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** Mr. Deputy Speaker, that question would be well asked of the management of ManGlobe and/or of Mr. Axworthy, whom he has referred to, and/or of Mr. Alcock or Ms. Alcock. There is certainly a wide range of people, but we were not involved with the management of the company.

**Mr. Maloway:** Well, since the province did require a management team of its—

**Mr. Deputy Speaker:** Order, please. Can I ask the honourable member to pose his question. There is no need for a preamble on his second question.

**Mr. Maloway:** Will the minister check with the board of ManGlobe and determine what other perks and considerations Mrs. Alcock got with this job?

**Mr. Downey:** Mr. Deputy Speaker, as I have made reference to over the past number of months on the preambles that I have heard about this question, again it would be important that the member ask the management of this company.

We have participated in support of the ManGlobe project, of which the management team was appointed and assembled through the discussions and agreement with the other financial partners, of which one was the Manitoba Telephone System, the Royal Bank, Canada Post, and make no apologies for the fact that the company was supported and is still operating and is hiring and employing people and doing the work that it was anticipated to do.

#### **Partnership Agreement Tabling Request**

**Mr. Deputy Speaker:** The honourable member for Elmwood, with his final supplementary question.

**Mr. Jim Maloway (Elmwood):** My final supplementary is to the same minister. This minister approved the board appointment, it approved the management hiring and the government ordered Duncan Jessiman to, quote, see that this deal gets done. Will the minister table a copy of the multilateral agreement drawn up by Duncan Jessiman?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** I do not accept the comments that were made by the member that Mr. Duncan Jessiman was ordered to make sure that the deal was done. I have indicated to the member—[interjection] Well, if the member has all of this information, what is he taking the time of this House for in asking the question? I guess it is a matter of the House deciding how much of a priority it is when he has this information in his own caucus when he continues to bring this before the

Assembly. I have no difficulty in answering questions, in dealing with a matter; in fact, I will be quite prepared to not only deal with this issue but a lot of the loans that were made and never paid back under the previous administration, of which he was a part. We will get into that as well as we get into Estimates.

#### **Disaster Assistance Deductible**

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Deputy Speaker, it is my understanding that the deductible for disaster assistance used to be a flat rate, and my question is for the Premier, if he could advise the House: What was the flat rate? Could I ask: What was the flat rate? When was the minimal deductible amount for disaster assistance changed and by whom?

**Hon. Gary Filmon (Premier):** Mr. Deputy Speaker, I thank the member for that question, and I have here an article from the Winnipeg Free Press dated April 3, 1987, in which it is announced by the then Minister responsible for Disaster Assistance Board, Harry Harapiak, I think who is known well to the member for Swan River (Ms. Wowchuk). It announces changes to the previous practice of setting the maximum deductible on all disaster claims at \$250, and the amended policy provides for one deduction of either \$250 or 25 percent of approved costs, whichever is greater.

So as a result, a claim that was worth \$10,000 previously had carried a \$250 deductible, now carried a \$2,500 deductible. Similarly a claim of \$30,000 which had a \$250 deductible was raised then to \$7,500. Furthermore, the then Minister Harapiak announced that the amendment was retroactive—this was April of '87—all the way back to May 1 of the previous year so that it took into account the flooding that had been experienced in the 1986 spring flooding. He retroactively reduced the compensation that was eligible to all those people. He said at the time that this was to make a fairer system, fairer compensation.

#### **Disaster Assistance Deductible**

**Mr. Gary Doer (Leader of the Opposition):** The members opposite may think it is funny, but I have the

old policy which requires replacement of essential items like fridges, stoves, heavy clothing. The new policy signed by this Premier does not make it mandatory to replace essential items like fridges, stoves, hot water heaters and allows for depreciation.

Can the Premier please tell us: Why is he misleading the public and not having people get replacement of essential items like fridges, stoves, hot water heaters? Why has he changed the policy and misrepresented the past policy?

### Point of Order

**Mr. Deputy Speaker:** The honourable government House leader, on a point of order.

**Hon. James McCrae (Government House Leader):** Mr. Deputy Speaker, under the circumstances, I can readily understand the sensitivity of the Leader of the Opposition, but that is no excuse for suggesting the Premier has misled anybody. That is clearly unparliamentary and ought to be withdrawn.

**Mr. Deputy Speaker:** Order, please. The honourable Leader of the official opposition, on the same point of order.

**Mr. Doer:** On the same point of order, I think it is incumbent upon any government backbencher who is asking a question to their own First Minister, having exchanged conversations before they ask the question, to quote the actual policy on essential items versus the changed policy that he made. I would ask the Premier to answer questions about representing properly the past policy and the present policy. That is all the people want to know, and what they really want to know is: How does this affect their daily lives now? Will their fridge be replaced, will their stove be replaced? How will this affect them because there used to be a difference between luxury items and essential items?

\* (1420)

**Mr. Deputy Speaker:** Order, please. Now before we continue, the honourable Leader of the official opposition had risen to speak to the same point of order which he did not speak to. I do believe he had another

point of order which was not a point of order. It was a dispute over the facts.

The honourable government House leader rose to speak to the point of order on the use of the word "mislead." It is a point of order if he had said this deliberately, but he had not. So you did not have a point of order.

\* \* \*

**Mr. Deputy Speaker:** The honourable First Minister, to answer the question.

**Hon. Gary Filmon (Premier):** The Leader of the Opposition is embarrassed in getting caught in his own web of hypocrisy, Mr. Deputy Speaker, but this is precisely what this indicates, is that there used to be a policy of a flat \$250 deductibility and they increased it to 25 percent deductibility. Their minister, Mr. Harapiak, increased it to 25 percent deductibility which he said was in the interests of more fairness in the program. So they ought not to be talking about the deductibility as being an issue. They are talking out of both sides of their mouth.

**Mr. Deputy Speaker:** Time for Oral Question Period has expired.

### NONPOLITICAL STATEMENTS

#### Flooding–Volunteerism

**Mr. Kevin Lamoureux (Inkster):** May I have leave to make a nonpolitical statement?

**Mr. Deputy Speaker:** Does the honourable member for Inkster have leave to make a nonpolitical statement? [agreed]

**Mr. Lamoureux:** Mr. Deputy Speaker, I wanted at this point to acknowledge that high school students across Manitoba played a major role in the battle against the rising waters of the Red River. However, I wish to bring to the special attention of the House the efforts of the students of Sisler High School. Their enthusiasm and hard work in the fight against the flooding of the Red River has been nothing less than exceptional. The eager willingness of Sisler High students to serve in

their community was exemplary of the can-do attitude displayed by all students in Manitoba during the flood crisis. The students of Sisler High School went above and beyond the call of duty in helping their fellow citizens, and, on that note, I congratulate all staff and students of Sisler on a job well done.

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

**Mr. Jack Penner (Emerson):** Mr. Acting Speaker, would I have leave to be able to make a nonpolitical statement?

**The Acting Speaker (Mr. McAlpine):** Does the honourable member for Emerson have leave for a nonpolitical statement? [agreed]

**Mr. Penner:** I too would like to rise today to express my deepest gratitude to all those Manitobans who have opened their hearts to residents of my constituency, residents of the Red River Valley and indeed residents of other parts of the province who have faced probably one of the largest disasters that we have encountered in this century and maybe during the entire past of this province.

I want to express also my gratitude to some of the people that I saw, first of all, on the dike line in an effort to stem some of the damages that we have heard discussed here as of late in this Chamber. I saw a young mother with an eight-month-old baby on her back for two weeks straight carry sandbags to help alleviate damages to her neighbour's property, and I saw an 80-year-old man work eight hours straight handling sandbags who ended up in a hospital after that, Mr. Schmidt from Bergthal, because he became sick and he gave of himself to help his neighbours. That kind of dedication is seldom ever seen in this province and is unprecedented. We, in the Red River Valley, those of us who were part of the flood and the disaster, truly extend our appreciation not only to those two people but to the high school kids, to all the service organizations, to the tremendous volunteer effort, to the fire brigades, the municipal councils, to the Chambers of Commerce, the business people that gave of their equipment and, indeed, many of them that supplied food for two weeks straight, a grocery store in my hometown, Penner Foods, and they gave it freely, and

to the armed services and to the RCMP and to our Departments of Natural Resources and Agriculture and Highways and all the other departments, Government Services, and the employees of our government. To them I take my hat off because they served unfailingly and some of them 24 hours a day when the need was there. That, in my view, Mr. Acting Speaker, and all members of this House, was true dedication of employees of this government and indeed our armed forces.

Many of our armed forces members put their own lives at risk to help others. Many of our municipal people who are volunteers put their own lives at risk to help others. That kind of effort I have seldom ever witnessed. I, as a member of this Legislature, invite all members and colleagues in this House to take off our hats and pay tribute to that kind of volunteerism and effort that was extended during this last two- or three-week period. Thank you very much.

\* (1430)

## ORDERS OF THE DAY (Continued)

### House Business

**Hon. James McCrae (Government House Leader):** Mr. Acting Speaker, I would like to announce that the Public Utilities and Natural Resources committee will meet on Tuesday, May 13, 1997, at ten o'clock in the forenoon to consider the Annual Reports of the Manitoba Public Insurance Corporation for the fiscal years ending October 31, 1994, February 29, 1996, and February 28, 1997.

Mr. Acting Speaker, I think that is all before I move, seconded by the honourable Minister of Culture, Heritage and Citizenship (Mrs. Vodrey), that Mr. Acting Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

**The Acting Speaker (Mr. McAlpine):** I would like to make this announcement, that the Public Utilities and Natural Resources committee will meet on Tuesday, May 13, 1997, at 10 a.m. to consider the Annual Reports of the Manitoba Public Insurance Corporation

for the fiscal years ending October 31, 1994, February 29, 1996, and February 28, 1997.

**Motion agreed to.**

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**CONSUMER AND CORPORATE AFFAIRS**

**The Acting Chairperson (Mr. Peter Dyck):** Order, please. Will the Committee of Supply please come to order.

This afternoon, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Consumer and Corporate Affairs. When the committee last sat, it had been considering item 5.3.(a) Insurance Branch on page 25 of the Estimates book.

**Ms. Jean Friesen (Wolseley):** Yes, at the end of last time, I think we were exchanging history lessons and getting somewhat from the topic. I certainly apologize for that and hope to move this along a little faster, although I think that what we were saying was not necessarily so irrelevant to the issue.

I want to read, first of all, a letter from a constituent on the issue of insurance. It is a constituent who lives in the area north of Portage not far from the University of Winnipeg, and she wrote this to me last year and said, about six months ago she was told by her insurance company that they would no longer cover the house for theft and fire as there had been a break-in in the last three years.

Her house is currently protected by a monitored professional alarm system, and other precautions, the obvious ones of bars, et cetera, have been taken against further break-ins. The family has thus had to turn to another insurance company which would cover them against fire but not theft and has found that their payments have doubled.

My constituent asks and I quote, why do we have insurance if we cannot ever make a claim if we get broken into? Why, after all these years, have we paid all this money to this insurance company if we cannot ever feel any sense of ease knowing we have protection? Why is our government not doing anything about these insurance companies' behaviour? What is going to happen to other people in our area who cannot afford to pay the same amount of insurance that is being asked of us? Why are we, victims of a crime, being persecuted by these companies and when is this going to change?

I think what that does is express very clearly the frustrations that I tried to express to the minister yesterday from many different parts of the riding of people who have established Neighbourhood Watch, who work with each other to create the kinds of institutions that will improve and maintain neighbourhoods. I quote it because the minister—and I believe he is reflecting very accurately the concerns or the beliefs of the insurance companies in this respect—believes that such issues are really symptoms of a broader issue which is poverty and, in part, he is right.

But I want to reiterate my concern that there are also causes here and that the role of the insurance companies and the inability and the difficulties that they are placing in the path of people like my constituents are also partly the cause of the deterioration of inner city neighbourhoods. It is not just a symptom of one aspect of poverty.

I want to make that point clear, and I also want to suggest to the minister that although I am here speaking on behalf of a number of my constituents who have made this point over the last several years to me, that we also have similar issues in Point Douglas. The member for Point Douglas (Mr. Hickes), I believe, has certainly dealt with previous ministers on this issue, as well as the member for St. Johns (Mr. Mackintosh) who also faces many similar issues. Both of them are involved in different aspects of the Legislature today and are unable to be here, so I want to add their names and their constituencies to the range of issues that the minister must consider.

I want to speak directly about redlining. I think we face many difficulties in getting the insurance

companies and the insurance industry to admit that they redline districts, and yet to my constituents who are not visited by inspectors, who are not dealt with on the issue of their individual claims or lack of individual claims, it seems very clear that the only alternative that the companies are pursuing is a system of classifying houses and clients by the area in which they live and indeed by a very large area. Postal codes are quite large areas in my constituency because we are a very densely populated area, so the postal code redlining is certainly an issue that I would say the majority of the people in my constituency believe is happening. I understand the insurance industry denies it.

\* (1440)

I do not know what the minister's position is on this, but I know that he has said that he will be meeting with the industry very shortly, and I would like him to give me an assurance that he is going to deal with this issue and to report back to the Legislature or to the opposition in some way and that he is going to give us some assurance that redlining is not condoned by this government and that the insurance companies are aware of that. I do not know what form that would take, whether it is minutes from the meeting, whether it is a letter from the minister to the insurance industry confirming that that discussion took place or whether it is the participation of members of the opposition in a meeting such as that.

I think a final issue that I wanted to raise with the minister was one that he, I think, brought up yesterday, but he brought it up in the context of his own experience with Hutterite colonies. It was the issue of co-op insurance. It seems to me that there may be a possibility there. I know that yesterday we talked about the scale of the Hutterite co-ops and the commonalities that they have which have enabled them to do that. It seems to me one of the roles that government might have, in fact, is to enable some form of co-operative insurance to be possible in the inner city.

Now, in previous years, when this has been brought up to me, the whole issue of redlining, I have tried to deal with the Social Planning Council, and I know that staff of the minister have also been involved with the Social Planning Council in a committee that they established to look at the issue of redlining. At that

committee, Mr. Hanson, whom you will be talking with was also involved and certainly understands from the Social Planning Council the impact of this on the whole society of inner city Winnipeg, but also the Social Planning Council did discuss the issue of co-op insurance. They looked at it to the extent of defining the amount that would be required; a minimum of \$50,000 bond must be posted and a minimum of \$3-million asset base which can be in the form of loan guarantees. This could form a core base for an insurance pool.

It is possible also--and I know that we are being followed by the Department of Industry, Trade and Tourism. You do also deal with co-op development to some extent, and I know that the Social Planning Council in its discussions at which I think your staff have been present--I would have to check whether they were actually present at that particular meeting.

As I check my notes here, I do not think you were present at that particular meeting where the option of co-op insurance was discussed, but you may well have received the minutes as participants. It is the meeting of--if you wanted to look it up--March 19, 1996. At that meeting, it was suggested that some research and feasibility studies for forming such a company for dealing with co-op insurance in the inner city might be formed, and that might be something which governments take on.

So I think to sum up, three things I am suggesting to the minister: First, that he pursue that which has been suggested by the Social Planning Council; secondly, that he indicate the government's position both in this committee and to the insurance industry on redlining; and that he be aware of and convey to the insurance industry that redlining and the absence of insurance for parts of the inner city are indeed part of the cause of the deterioration of parts of the inner city, not just a symptom of a broader issue.

**Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs):** Mr. Chairman, for the purpose of the record, I want the record to show that I have taken some rather detailed notes of my honourable colleague's remarks today, and I thank her for those remarks. I think they are made with some significant degree of insightfulness and obviously compassion and caring.

I can confirm, as we discussed yesterday with my honourable colleague, that I will be meeting with leaders in the insurance industry in Winnipeg in the very near future, and I can undertake to her that I will be bringing to the agenda the issue of redlining as she has defined it here today, redlining by postal code areas of the city and, in fact, by what appears to be to the constituents in her areas the inability of these individuals to obtain appropriate property and liability insurance or fire insurance in areas of the city as designated by their postal code, having nothing to do with the track record that they may have on insurance claims, having nothing to do with all the other components that we discussed yesterday, which I will not take the time to recite at this point in time.

I can tell my honourable colleague that the lack of availability of insurance is a matter of some significant concern to me, and I will also be researching the minutes of the Social Planning Council as she has indicated. I have made note of the date, and I will be causing my departmental people to do some research with regard to the feasibility and following up, which I guess is an outgrowth of the Social Planning Council comment.

I would just add for the record as well, and I do not want to digress too substantially, but in the Hutterian communities, although there is a commonality of theology to a large part, they are as diverse as the outside world in many, many ways. There are rich colonies and there are poor colonies. There are hard-working colonies and there are others that are not so motivated.

When one is able to clear the farm gate inside one of those colonies, one finds a cross-section of society represented just the same as we do in many of our communities in the city, albeit of a similar racial stock, but nonetheless beyond that, I would confirm to my honourable colleague that there are many, many great diversities amongst the Hutterian communities, and to their credit they have been able to overcome many of those sorts of hurdles to come up with some of the infrastructure they have, so that give me support and encouragement that perhaps this is something we might be able to transfer, concepts that we might be able to transfer into some other areas of the community, and I would thank my honourable colleague.

**Ms. Friesen:** Mr. Chairman, I thank the minister for taking note of all of that and very accurately, but one further aspect is the matter of the minister reporting back on each of these issues. How will that be done? I do not necessarily want to suggest deadlines, but I think it would be very helpful for my constituents to know this summer of this and also the format of the report back.

**Mr. Radcliffe:** I would propose that I would be replying, in writing at least, to my honourable colleague with the products of the meetings that I will be able to have with the members of the insurance industry.

As support for my presentation, could I ask the honourable colleague if she would be so kind as to supply me with a copy of the correspondence, even if she blocks out the name of the individual constituent because she may not have permission to forward, to publicize that letter. I would appreciate it as a pro forma example, and I would propose to use it as an example of what has been presented to me as the problem. I would leave that question with my honourable colleague and perhaps she might want to consult with her constituent and advise.

\* (1450)

**Ms. Friesen:** Yes, that is a reasonable request. I will search my records for the original record of the letter from that particular constituent, but I should note for the minister that the section I read, or the quotation, was actually addressed on January 4, 1996, to his department to a previous minister. So he should be able to find it in his files, but I will check for the fuller letter and see whether my constituent would allow that to be forwarded.

**Mr. Radcliffe:** '96 or '97.

**Ms. Friesen:** The date on the letter I sent to the Honourable Mr. Ernst, Minister of Consumer and Corporate Affairs, was January 4, 1996.

**Mr. Jim Maloway (Elmwood):** Mr. Chairman, I have a few questions for the Insurance Branch and, after that, we have to deal with the co-op development section. Then we have to deal with the Public Utilities Board

and then we are nearly finished. Okay, just so you have the order there.

I want to begin with the Insurance Branch, by asking the minister about the vanishing premium policies in life insurance, that was, they were widely sold throughout Canada and the United States since 1960. There have been a number of lawsuits, a myriad of lawsuits, resulting because over the years the promises of eventually paying no premiums because the investments would make up what the premiums would have been, did not materialize and so I understand there are lawsuits right across the country. I want to know how many there are in Manitoba and what stage they are at and what companies, which life insurance companies were selling these products here.

**Mr. Radcliffe:** Mr. Chairman, my director tells me that, in fact, we have had possibly four to six inquiries in Manitoba on this issue of vanishing premium life insurance policies. There are no lawsuits of which we are aware in Manitoba. This is a matter that is being monitored, I am told, quite closely by the Canadian Council of Insurance Regulators. We have a file on this topic in the Insurance office. There were a number of mediated settlements, I am told, between the corporations and the particular individual claimants or people who were interested and involved. I am told that this is in fact a significant problem in the United States of America but has not been anywhere near as large a problem in Canada.

**Mr. Maloway:** I sent a letter to the former minister on June 17, 1996, asking him about a recent CBC story regarding the failure to turn over insurance premiums to insurance companies. At that time it occurred to us to recommend a bonding system to protect consumers. It is the case in Ontario where the agencies are required by law to carry a bond of \$100,000. If it solves the problem there, then why would it not solve the problem here? I asked him to get back to me with any further developments. Of course I think there were more developments in his bailiwick since I wrote the letter, and he is no longer here. This was June 17, 1996, if you want to just take a quick look at it and then just update me on what you are doing.?

**Mr. Radcliffe:** Mr. Chairman, I can advise my honourable colleague that as a result somewhat of the

letter of the honourable colleague Mr. Maloway and also the scrutiny of the department that in fact there was a reaction within the department that the superintendent has been working with the general liability insurance council in Manitoba and that a survey of all the general agents was done. Now I believe that the honourable member for Elmwood was an insurance agent. I do not know if he still is active—

**Mr. Maloway:** I am as active as you are being a lawyer.

**Mr. Radcliffe:** —in the business of insurance, although I know that once an insurance agent always an insurance agent and that insurance agents do not have anywhere near the overhead that we poor, starving lawyers do and that they can sell policies in government buildings and out of government buildings and in offices.

**Mr. Maloway:** That was Gerry Ducharme you are talking about.

**Mr. Radcliffe:** Ah, well. But in any event the consensus of the industry seem to be in comparing the remedy of bonding versus errors and omissions was to rely on errors and omissions policy and to make it a general rule with general insurance agencies that they all carry errors and omissions for fraudulent acts. Of course the reason for that was that the errors and omissions gave a wider scope of coverage to the consumer, better protection for the consumer, and the council is currently working on this as an internal regulatory control to impose upon all general agents in the community.

**Mr. Maloway:** It seems to me, and I am operating from memory now, but it seems to me last year when we did check into the wording in the malpractice policies to which he refers, that the malpractice policies cover people for errors and omissions but not for fraudulent acts.

So there is an exclusion in there, and therefore bonding which is by its nature fidelity-type coverage to take effect when there is fraudulent activity, not an error or an omission—when you walk away with somebody's money, that is a fraudulent act—is what is required and that is why Ontario has both. Ontario has

the malpractice policy requirement, as, by the way, does Manitoba for all intents and purposes, but what Manitoba does not have is the requirement of the bond which Ontario has.

All I ask is that if the malpractice policy will not handle the problem, then the bond should be looked at as a means of redress. It is not all that expensive a solution either to do this. The coverage is available, so it seemed to me that would be something you should look at. I spoke to the previous minister about it, and he seemed to think it was a good idea, but, once again, he is no longer there.

\* (1500)

**Mr. Radcliffe:** Mr. Chairman, in response to my honourable colleague's remarks upon the issue of E and O versus bonding, I am told that the information is that the general insurance council has replied that the E and O with fraudulent misfeasance is available, but in the event that it is not and that we are mistaken, then we obviously will explore the bonding issue.

**Mr. Maloway:** A final couple of questions to the Insurance Branch, I would like an update on what is happening with CompCorp and PACIC. By way of background, these were programs that were I do not know if initiated by but certainly participated in by the former NDP government when Al Mackling, I believe, was the minister, and, essentially, it came about because of an insolvency of an insurance company known as Northern Union.

I think the member is vaguely aware of that particular company and the circumstances involved in its demise. Because of that and Strathcona and other insurance companies that went under, the provinces, and who initiated it I do not know, but the provinces got together and basically did what they did with Combap [phonetic], the lemon law equivalent, and set up this national pool. It has been refined a couple of times because I think it did not respond properly, at one time, in sufficient limits, so there were some adjustments made to it, and the same is true with the life insurance. They did the same thing with the life insurance. I know that when the big failure hit, when Confederation Life went under, that was the first big test. I think it was the

first big test. There were some other tests, but they were of a smaller dimension.

So could you update us as to what the current requirements, rules, are with regard to both of these programs and just provide us with a little history because we have not actually dealt with this subject in Estimates now for some years because of time constraints.

**Mr. Radcliffe:** Mr. Chairman, I had not been familiar with the CompCorp background, so I thank my honourable friend for the opportunity to learn about that. CompCorp, for the purposes of the record, is a guarantee or a backstopping on life insurance policies, annuities, disabilities, registered retirement savings plans. The coverage, I am told, for life insurance is limited to \$200,000. This is on the failure, as we were discussing, of a registered life insurance corporation. The limit for backstopping loss for failure of a corporation on an RRSP is \$60,000 and \$2,500 monthly for disability. This is a national scheme, and it is at the corporate level. These limits have been quite stable, consistently stable for some length of time, and I am sure I am just reconfirming knowledge that my honourable colleague already has that this has been in place for some time.

PACIC applies to the general insurance. The limit, I am told, has been raised now to \$250,000 as an upper limit for a claim, for an insurable claim, one that is found to be a proper claim; 70 percent of the unearned premium is covered by PACIC up to the cap of \$1,000, therefore that would be an upper limit cap of \$700 on PACIC. These are new limits apparently on PACIC. Some new innovations on the PACIC scheme, which also is a national policy across the country, is that the contributions by the insurance corporations are premium driven. It is collected immediately at the front end on the payment of the premium, and it is collected annually, so this obviates the necessity of relying on letters of credit or reactive claims after the fact, after there is a claim been made.

So these are two insurance schemes that are like a guarantee which are in place, which are practised in Manitoba and the Superintendent of Insurance looks on them with great favour.

**Mr. Maloway:** Actually while we are waiting for the people from Co-operative and Credit Union Regulation, I have a number of general questions that could probably be considered under your planning department.

**Mr. Radcliffe:** Excuse me, Mr. Chairman, could I excuse my Superintendent of Insurance?

**Mr. Maloway:** Of course. Yes.

**The Acting Chairperson (Mr. Dyck):** For the honourable member for Elmwood, just to clarify for the record we are looking at 5.1.(d) Research and Planning.

\* (1510)

**Mr. Maloway:** Let us go back for a moment to the Elmwood Cemetery. I note that there is a Liberal election pamphlet being circulated currently in Thunder Bay by Liberal candidate Joe Commuzzi. In there Joe states that the federal infrastructure program has resulted in the creation of over \$100,000 jobs and the completion of several projects in his riding including bridge No. 4 in Red Rock, Paul Lake fire hall renovations, community centres and—get this—cemetery upgrades in Hurkett, Shuniah township road reconstruction and then several other things.

Now, I mean this infrastructure program obviously has a pretty broad base, and we were aware of stories last year where money had gone into I think the canoe museum in Shawinigan and other really interesting uses for this money, so I guess your imagination is the limit. Mind you, if this government could fund ManGlobe as a research development project and use funds under Research and Development, and then end up using them for something totally different, I guess anything is possible.

But back to this issue for a moment here, given that, could the minister endeavour to follow this through and find out how many cemeteries have received money under this infrastructure program, how they managed to do it and see whether we could perhaps do this with Elmwood Cemetery, because I cannot think of a more appropriate example of a case that should fit into this if in fact cemeteries do?

**Mr. Radcliffe:** The question was how many cemeteries have received support from infrastructure grants, is that correct?

**Mr. Maloway:** This is right. To further expedite the process, I will endeavour to provide the minister with a copy of this Liberal leaflet because I really have no further use for it. Then perhaps he could copy it and give it back to us.

We dealt at length the other day about renovation contractors and so on. The minister is obviously aware that with the flood conditions of the past few weeks, that this is unprecedented and not unlike the situation that developed three or four years ago in the floods in '93. The insurance companies had to pay a premium to get contractors into Manitoba. Contractors came in, Mr. Chairman, from Alberta and other provinces to do work and I anticipate that that is what will happen here too, that underemployed contractors from other provinces across the country will be coming here in force because, while there is a tremendous amount of work to be done in restoring the province to its pre-flood conditions and it would be a much better situation if this work could be done over a period of time as far as the economy is concerned, the facts are that that is not what will happen.

When the flood is over, everybody will want their work done right away. They will all want it done immediately and because of the laws of supply and demand there will be cases where people will be brought in and contractors typically in the previous experiences have been greedy in terms of taking on work they could not finish. In other words, firms that were bigger on promotion than they were on talent for doing their jobs were running around signing up, making quotes on all sorts of projects and then they would start a whole bunch of them, just a little bit here and there, and they would keep dozens of them on the go, eh?

This is what I anticipate will happen again. So the minister should take another look. I know he seems not interested in having some sort of regulations for renovation contractors, but clearly this is something that the department is going to have to put some extra effort into this area. I do know without endorsing this group that was on the radio a couple of weeks ago, and

this group, I am assuming it was the same group that spoke so highly about the minister, that he has met with these people.

These people were suggesting that perhaps the city or the local municipality should be enforcing permits. By doing that, by enforcing permits they could somehow enforce who was doing the work and how they were doing the work. Given the flood situation, this is kind of an interesting concept. If you enforced the permit concept it would at least make certain that structures were not being built where they are not supposed to be, because right now if there is no requirement to get a permit living on the river, I can hire somebody to come there and build a structure and there is nobody there to stop me, whereas if there was a requirement that the renovators get a permit, at least they would have to go to the city, sign for the permit, and then they would at least find out what it is that they can or cannot do.

So that was one of the ideas suggested by this person. If you are going to have problems with this, it is going to happen now. That would be my guess. I mean, if there ever was going to be more renovation problems, and there always are over the summer, but if you are going to have renovation problems, typically with driveways and roofs and stuff like that, this is the time when you are going to see it big-time. So you should have your department on high alert on this one.

**Mr. Radcliffe:** Mr. Chairman, I can advise that in fact the Consumers' Bureau has been very proactive in this field already. They have worked together with MEMO in preparation of a pamphlet called "After Flooding, Procedures for Returning to Your Home." On page 13 there is a section, step 5, Rebuild and Floodproof. Without reading it into the record, it does outline advice to the consumer to be wary of direct sales people, high-pressure tactics, people who want payment in advance, loan brokers who charge a fee to arrange a guaranteed loan, et cetera.

Then the Consumers' Bureau is also listed on page 15 of the pamphlet with important phone numbers that the public, consumers may wish to consult, and this is, I am told, a 24-hour answering service so that consumers can call at any time, should they run into problems.

So not only have they done the after-flooding package with MEMO, the bureau has also made

arrangement with Shaw Cable to produce a number of information ads to warn and educate the public as to the prevalence or the possibility of fraudulent individuals working in the renovation market.

The bureau is also working in close proximity with law enforcement agencies to deal with any fraud issues which may arise, and if they have not, I would certainly recommend that the Consumers' Bureau contact some of their counterparts in Grand Forks and make sure that if there are known and convicted fraudulent artists working in that area of the countryside, that that information be transmitted to us, and we would then share that with the disaster assistance people. I have already talked to the Minister of Government Services (Mr. Pitura), and he is certainly in accord with this suggestion, so that when applications are made for disaster assistance, if, in fact, any individual of a spurious or doubtful nature is identified, that, in fact, the homeowner be alerted at that point in time.

I am pleased to be able to advise my honourable colleague that, in fact, Mr. Robidoux and his department have been proactive in anticipating some of the difficulties which may assault our community. We can only hope that, in fact, our citizens will be vigilant and that we may not suffer the depredations of these individuals.

**Mr. Maloway:** Further follow-up to the loan broker situation, as the minister knows, the number of loan broker complaints from this activity reached an all-time high back in '95-96 to 919, and that was a 700-person increase over the previous year.

I draw the minister's attention to 1992, I think it was May 31, when I was asking the former Minister McIntosh when she would stop stalling and bring in legislation to regulate these loan brokers. That was in reference to a company called Tower Funding. I do not expect the minister to have the answer to the question right now, but perhaps he could get back to me with what happened.

The person who had complained to me did not want the name used, but she complained—now, here is what the problem eventually boiled down to. The minister at the time put her department on high alert, sent me a memo, said she had the whole department ready to roll

here. She had the RCMP, two RCMP members, two members of the Consumers' Bureau waiting to hear from me, and she was threatening to send them after me if I did not release the complainant's name.

\* (1520)

The complainant did not want her name released, so what I did was I contacted the person, the woman in this case, from Flin Flon, and she told me she had filed her complaint with a Ken Bourquin—now, I am not sure who this person is, but his phone number was 956-2040—just after the Free Press article appeared. So that is where it sat and she had been taken for about \$4,000.

Now, given this instance with the minister being quite, well, I do not know how you would describe it given what she did, putting these RCMP officers on alert and the members of the Consumers' Bureau, so I just walked away from it at that point in time and hoped the situation would resolve itself. I guess over time it probably has, but if the minister could check into this and get back to me, then I could close this file once and for all and not have to worry about it anymore.

**Mr. Radcliffe:** Just to recap my honourable colleague's remarks, it is Tower Funding Ltd. is the name of the alleged accused?

**Mr. Maloway:** Yes, I believe that is the name of the company, and, certainly, if the minister is unable to find a file in his department under Tower Funding, then I will certainly endeavour to share with him the contents of my file so that we can tie it down, but it came about after a number of articles in the Free Press dated May 22, 1993, so it was in that time frame.

**Mr. Radcliffe:** I will endeavour to look through my files and see what the follow-up has been on that and report back to my honourable colleague.

**Mr. Maloway:** Mr. Chairman, moving right along here, I sent the minister a letter January 8, 1997, regarding an Internet service that had gone out of business. It was called Infohighway Onramp. The minister should be aware that there are a huge number of these services operating, and over time there will be a number of failures. It is not unlike the situation that developed with the blue box and the recycling

companies a couple of years back. There is a danger, and we dealt with this with the suggestion for a deposit legislation on prepaid items that are purchased, about the advisability of businesses spending the money before the service is performed, you know, collecting money in advance. That is what happened, people prepaid their blue box, but a whole lot of them got caught with service only half the year. Well, they did. They prepaid it, and in a lot of cases the people were only out a month or two, but those who had paid just before the demise of the company were out the whole year. That is the same case with this Onramp. As a matter of fact, after I wrote the letter after I had read about this, I ran into a couple of people who—in fact it was a church—were out the money, were out their whole year of subscription fees they paid for this Infohighway Onramp services. So I would ask the minister what he has done since we sent him the letter, and what he might intend to do.

**Mr. Radcliffe:** I believe that I did send a reply to my honourable colleague, but I do not have that documentation in front of me here. I will check the files and respond accordingly.

**Mr. Maloway:** I wanted to ask the minister what the situation was regarding odometer tampering. Minister McIntosh, some years ago, made an outrageous statement that this was not a problem with odometer tampering, and in the same newsclip the news outlet had a clip of RCMP Sergeant Sangster, of the day, saying it was in fact a very serious problem. That is when the problems really became public because certain dealerships in town—it was a known fact that you could walk through the car lot and when they found that 99 percent of all the cars in the dealership odometers all were just below the 80,000 mark that was kind of the tipoff that there was something wrong with this particular dealership or that particular dealership. I do not anticipate that this problem has gotten any worse because we have situations where people have taken—they take odometers, complete odometers out of junked cars.

There are all sorts of situations where odometer tampering has gone on. We had one of the most bizarre stories that I have ever heard where a dealership was supposedly—had a little drill operating under the front of

the car. You can roll back the odometer with a drill. They got so good at it after a period of time and so brazen that one Saturday morning they forgot, the salesman forgot to turn the drill off. There were customers in the showroom wanting to see this car and this guy refused to open the hood because the drill was whirring underneath it, and he did not want to—this was the manager of the place who after having left was under a gag order, as happens with a lot of situations. He had a settlement and part of his settlement was, he was not supposed to talk about this.

In any event, that was one of the more bizarre cases. I will not get into anymore details about that one. That one had a lot of interesting aspects. So odometer tampering is a very major problem out there, and I would like to know what the minister knows about the current state of odometer tampering and what he is doing about it.

**Mr. Radcliffe:** Mr. Chairman, my deputy tells me that she has been in the department since February of '96, and as my honourable colleague knows I have been in the department since January of '97, so we look to him and admire and respect his longevity in this sort of endeavour, but, in fact, we have had no complaints given to us in those time intervals with regard to odometer tampering.

My only other response would be that I would imagine that this would also be a matter for the criminal courts, that if there were a case where odometer tampering was something other than something innocent, that criminal charges would be laid against the individual perpetrators. So this might be something as well that my honourable colleague may wish to ask of the Minister of Justice (Mr. Toews).

**Mr. Maloway:** Mr. Chairman, I would just ask him then that since he is not that familiar with it, would he check back on the old files and compile an answer for us as to what the current state of affairs is and maybe check with the Justice department yourselves and then get back so that will save me chasing down two different sources.

I would like to ask the minister in the area of pipelines, we are aware now that—well, I guess, the Public Utilities Board people are out of town still.

They will not be back till Monday, but we can get them in concurrence though, so they have another opportunity in this process. After the Estimates are done, we could probably call them to talk to them at concurrent stage, but in the meantime we probably should ask you a couple of questions.

The minister is probably aware that there is a huge pipeline contract being let. I first became aware of it in February, I guess it was, when the president was on CJOB. I did not think they asked probing enough questions, because it was clear to me that a contract of this size—and, by the way, this is for the export of gas to the United States—so we are not, we are talking about Alberta gas first of all. I know that we are all one country and it is our gas too, but it originates in Alberta, and the royalties, I guess, would find their way there.

\* (1530)

The gas is for export, I believe, almost a hundred percent to the United States, but they are going through Winnipeg and then down south to the border. This is an enormous cost. I do not have the transcript here with me, but it is a billion-dollar project. Then just yesterday the Free Press carried a front-page story, and I am assuming it can only be the same project.

So what I am concerned about is how this is going to pass its way back to the consumers of Manitoba. In other words, how much more in natural gas rates will we be paying to pay off this pipeline which is—other than the constructions jobs that will be here for a short period of time and any ongoing maintenance-type of jobs that this pipeline will involve, most of the benefit though is for the gas producers in Alberta and of course the export picture for the country as a whole. But how much are Manitoba consumers paying for this? Maybe you want to take it as notice.

**Mr. Radcliffe:** As my honourable colleague probably well knows, the components of the natural gas fuel bill that one receives on a monthly basis to heat one's home or commercial building have two parts to them. There is the price of the acquisition of the commodity, which is proportionately spread out by the seller or purveyor of the commodity, and then there is the cost of transmission. The acquisition of the cost has become deregulated, as my honourable colleague knows, by the

National Energy Board. That has given rise to the area of activity with the individual gas brokers where if they can see a spread in the supply and market for the price of the commodity, not the total package-end price, but the actual acquisition cost of the commodity, then that is where these people would enter into the market.

That ultimately, it is almost like the operation of hedging or futures, tends to have an averaging effect on the cost of the commodity, and the cost of the transmission is the actual cost that is regulated and will be proposed to continue to be regulated by the Public Utilities Board. There is much more of a free market enterprise in the actual acquisition at the wellhead of blocks of the fuel.

I guess my honourable colleague's question sort of almost borders on macroeconomics and the viability of the national oil companies who are producing product. I can tell my honourable colleague that there are reserves of product that are built up in the United States that are owned by the oil companies of petroleum substances, and unless a case is made to me that the Public Utilities Board has granted increases in rates to accommodate the capital building of this pipeline, I am not aware in any recent judgments that there has been provision made for this expense.

The pipeline is obviously not doing this for its health. It is doing it because it sees a profit, that it has gone out and made the appropriate arrangements for financing on its own, and that it sees that it has made a business plan to the lenders and to the financiers, and it may very well be financing this out of its own savings and profits.

So there is nothing that I am aware at the present time in any of the judgments, and I receive the judgments from the Public Utilities Board on rates on a regular basis, of any reference to the increase in cost for the transmission of the commodity through the existing pipelines to Manitoba consumers referencing the Emerson line.

**Mr. Maloway:** Perhaps we could deal with this when we get into concurrence and when the Public Utilities Board people are available themselves to answer direct questions. That might be a better opportunity for us to do it.

I know we dealt with this a little earlier, the Videon Cable TV rate hike requests which were substantial increases and actually higher than what they are even allowed to request, and I asked the minister why he was not prepared to make representation to the authorities on this issue. He should be aware that we have already gotten some results, because they are not getting the increases that they were requesting. I would suggest that he rethink his position of not wishing to make representations and whenever another request like this comes before the CRTC that he, on behalf of the people of Manitoba, also send representation in. In this case, they were asking for something that they were not even entitled to ask for. Well, I guess they were entitled to ask for it but it was beyond the guidelines that they were allowed to have accepted.

**Mr. Radcliffe:** I have my honourable colleague's representations on that and I will take it under advisement.

**Mr. Maloway:** Perhaps we could move on to the Co-op Development sections because we have a few questions for the Co-op Development people and then I think we are almost ready to start another department. Well, we are not ready but we are going to have to because of time.

**Mr. Radcliffe:** If my honourable colleague could let me know which department he would like to interview next after Trust and Co-op, I can make arrangements for the appropriate director to be summoned to the building.

**Mr. Maloway:** Well, Mr. Chairman, in fact, we are going to be finishing the whole department in a very few minutes and moving on to Industry, Trade and Tourism. I had indicated earlier, I know that is a very big disappointment to you and your staff, and I did point out that we will be going into concurrence. We had an option of just stopping the department midterm, the Estimates midterm, and taking and going to Monday, starting a new department now and then going back to Monday when the PUB people are going to be back in town and getting them in here to get answers on a number of issues.

We solved the problem by simply passing all the department Estimates now and then when concurrence

comes up we will bring them in and that way they will have a lot of notice, so they will know that they cannot go on a trip, wherever they are now, they will know they would not be able to go on a trip for those particular days or they could avoid going on a trip maybe, unless it is of course absolutely necessary and in the interests of the public of Manitoba.

**Mr. Radcliffe:** I would like to advise my honourable colleague that no travelling is done in this department without the scrutiny, the vigorous scrutiny of the minister of this department. I am assured, in writing, that every trip that is undergone in this department and every expense that is incurred on the public purse is vital to the governance of the people of Manitoba and, furthermore, I do ask for an accounting. I want to be able to tell my honourable colleague what benefits the people of Manitoba receive by virtue of the spending of their dollars. So I want to allay any scintilla of suspicion that my honourable colleague might have, or anxiety, that any of this travelling might be spurious or ill advised.

**Mr. Maloway:** Mr. Chairman, the minister does not even know where these people are at this point. [interjection] He knows where they are. Then where are they and what are they doing on behalf of the province? It seems to me that you have a whole department here and there is not one person that can come before the legislative committee. Why are they all gone at the same time?

**Mr. Radcliffe:** I would advise my honourable colleague that I am without the information before me. I believe these individuals are in Banff, Alberta, at this point in time, and they are studying matters of vital interest to all regulatory boards across Canada. They conference on a regular basis in order that they keep abreast of what the trends are in the regulatory world in other provinces. [interjection] However, I would not want my honourable colleague to allude that there were any excessive gas on the subject, so therefore perhaps we could move on to the Co-op and Trust issue.

**The Acting Chairperson (Mr. Dyck):** The honourable member for Elmwood, before I recognize him, is there a will to pass 1.(d)(1) Salaries?

**Mr. Maloway:** Research, no, we will pass it all at the very end. I think we have an agreement that we will pass the whole thing when we are done. We are nearly there.

Mr. Chairman, before we get into the Minister's Salary, I would like to ask the Co-op Development people about the Repap and Abitibi operations as to whether or not there has been any effort there for community takeovers and community involvement in those projects?

**Mr. Radcliffe:** Mr. Chairman, I am advised by my director that any development planning or acquisition is done, has been transferred to the I, T and T department. Therefore, I would perhaps suggest that my honourable colleague contact the "I" team.

**Mr. Maloway:** Well, then, under Co-op Development, could the minister tell us what is happening in that area? How many co-ops are still functioning and what is the status?

**Mr. Radcliffe:** Mr. Chairman, I am advised that there are approximately 430 viable co-ops incorporated and operating in the province of Manitoba at this time.

**Mr. Maloway:** Mr. Chairman, is that an increase or a decrease over the last, say, eight years, nine years?

**Mr. Radcliffe:** I have, and I am willing to share with my honourable colleague, a spreadsheet which shows the number of co-operatives incorporated from '92 through '97 and the number of co-operatives that have been dissolved. In fact, there has been a total decrease from 88 incorporated to 133 dissolved.

**Mr. Maloway:** Mr. Chairman, I would like to ask the minister—there was a story in the paper yesterday regarding the Steinbach Credit Union, and I would like an update as to what is happening out there.

**Mr. Radcliffe:** I can only repeat what has been set out in the newspaper because the department does not get into the minutiae of the management of the credit unions. It would appear that the board of Steinbach Credit Union, which is one of the premier credit unions in the province, had decided to seek management and administration at another source. So, therefore, as the

article in the newspaper said, they had dismissed their GM and would be, I suppose, doing a scout for new administration.

**Mr. Maloway:** Mr. Chairman, a number of years ago, there were a number of co-op gas stations that were started in northern Manitoba, as a matter of fact, I think there was one even in Brandon, in an effort to combat high gas prices, which we dealt with considerably a few days ago, and gas prices dropped considerably when these co-ops were started. I would like to know how many of those co-ops are still operating, and where are they?

**Mr. Radcliffe:** Mr. Chairman, we do not have that documentation in front of us, but we would be pleased to supply my honourable colleague with that information. We have that information in the office.

**Mr. Maloway:** Mr. Chairman, a final question to the minister, and this would be, I guess, under the Minister's Salary. I would like to know how much travel, or what were the travel costs—

**The Acting Chairperson (Mr. Dyck):** Pardon me. I think we should discuss that later on when we discuss the Minister's Salary.

**Mr. Maloway:** That is what I suggested, yes.

**The Acting Chairperson (Mr. Dyck):** Okay, we need to pass the other items first.

**Mr. Maloway:** Pass all of these, sure. Fine.

**The Acting Chairperson (Mr. Dyck):** Is it the will of the committee then to proceed with the passing of the other items? [agreed]

5.1. Administration and Finance (d) Research and Planning (1) Salaries and Employee Benefits \$153,100. Shall the item pass?

**Mr. Maloway:** Now is that Minister's Salary? No?

**The Acting Chairperson (Mr. Dyck):** No.

**Mr. Maloway:** Go, pass, yes. Just go right up to the Minister's Salary.

**The Acting Chairperson (Mr. Dyck):** The item then is accordingly passed. 5.1.(d)(2) Other Expenditures \$25,900—pass.

Then let us move to 5.3.(a) Insurance Branch (1) Salaries and Employee Benefits \$276,000—pass; (2) Other Expenditures \$99,700—pass.

5.3.(c) Public Utilities Board (1) Salaries and Employee Benefits \$661,300—pass; (2) Other Expenditures \$1,225,700—pass.

5.3.(d) Trust and Loan Corporations Branch (1) Salaries and Employee Benefits \$108,100—pass; (2) Other Expenditures \$15,000—pass.

5.3.(e) Cooperative and Credit Union Regulation (1) Salaries and Employee Benefits \$295,100—pass; (2) Other Expenditures \$52,300—pass.

5.3.(f) Land Titles Office (1) Salaries and Employee Benefits, no expenditure—pass; (2) Other Expenditures, no expenditure—pass; (3) Less: Recoverable from other appropriations—pardon me.

5.3.(g) Personal Property Registry (1) Salaries and Employee Benefits, no expenditure—pass; (2) Other Expenditures, no expenditure—pass.

5.3.(h) Companies Office, no expenditure—pass.

Resolution 5.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,406,600 for Consumer and Corporate Affairs, Corporate Affairs, for the fiscal year ending the 31st day of March, 1998.

The last item to be considered for the Estimates of the Department of Consumer and Corporate Affairs is item 1.(a) Minister's Salary \$25,700.

**Mr. Maloway:** Could the minister provide us with an amount and a list of all travel, all trips taken over the past year of the minister and his staff?

**Mr. Radcliffe:** I do not have that with me, but I certainly have no problem with supplying that to my honourable colleague. I am aware that the previous incumbent in this office did do some travelling. I think he went to Toronto, and I am not so sure that he did not

even go to England on departmental business. I have access to those figures, and I can supply them to my honourable colleague.

**Mr. Maloway:** I wanted to go even further than that. I would like to have travel figures as far back as the minister has got them for, back eight years, 1988, if you can provide them. That will give us an idea of how active or inactive in terms of travel each of the ministers have been.

**Mr. Radcliffe:** Certainly, I have no problem doing that.

**Mr. Maloway:** Unless any other critics have questions—I think the member for Inkster (Mr. Lamoureux) has some questions.

\* (1550)

**Mr. Kevin Lamoureux (Inkster):** I did have just a couple, somewhat brief questions, and it is with respect to franchises and franchisees. I had a meeting, I guess it was about a week, 10 days ago, with a constituent of mine who expressed a great deal of concern regarding how franchisees and contracts work and if in fact there is any other protection. I will give the minister somewhat of a hypothetical—well, it is not really hypothetical—it is something that actually did happen, where here is an individual who had accumulated some dollars and felt that by acquiring a franchise he would, in fact, be having a job, making a job for himself. Unfortunately, for this particular individual, the franchisee, or the franchisor—

**Mr. Radcliffe:** The franchisee is the consumer. The person granting the authority, the turf, or the service is the franchisor. The “or” is the active ending to the verb, and “ee” is the passive recipient of the verb.

**Mr. Lamoureux:** I appreciate the interruption from the minister. The franchisees and their rights are something in which I am very much interested. In this particular discussion, the individual had indicated there are other jurisdictions where, in particular in the States, there are certain legislative rights that franchisees have that protect their interests. To use, again, another type of an example, a multinational or a national corporation that has hundreds of franchisees scattered throughout

its area of responsibility if you like, the primary concern is that of profit. One cannot necessarily blame them for trying to maximize on profit. Here, in this particular case, it seems as if the franchisee was, to a certain degree, taken advantage of.

Here is what we can provide for you as a franchisee, is what he was told, painted a wonderful, brilliant picture. It looked good, and then, all of a sudden, another franchisee comes into the area, and he is somewhat left holding the bag. The market is actually going down, because there is another franchisee that is obviously selling the same product. He felt that, even though there are contracts that are entered into—and we are all familiar with the verbiage of consumer beware that would, to a certain degree, apply with a franchisor, a franchisee and their contracts—the concern still is, what, if anything, does the minister believe could be done in a situation such as this where a franchisee feels that there was inappropriate action taken from the franchisor? Is the minister aware of any other legislation in other jurisdictions that protect the franchisee?

**Mr. Maloway:** We spent hours on this. He does not believe in it; that is unfortunate.

**Mr. Radcliffe:** As the honourable member for Elmwood (Mr. Maloway) has indicated, we did discuss this during the course of the Estimates, I think in Research and Planning. If there has been a fraudulent breach of the law, misrepresentation, criminal acts, then, of course, there is the Crown to rely upon there and the Criminal Code. If there is a matter of two willing parties bargaining and somebody making a bad bargain or an inappropriate bargain, then that is something that the Crown is loathe to become involved with, so long as there has been full disclosure, there has been no deceit involved, and that the individual has been educated.

Although I do not have a complete grasp of the particulars of your example, I would urge, obviously, as I did to my honourable colleague, that all individuals who are putting up significant stakes of money and considering complex, sophisticated documents, do consult the services and engage the services of a good solicitor who understands this sort of work in order that the franchisee be protected. Often there is an area

when, and this is again a very generalized remark, that in a franchise operation one does obtain an exclusive occupancy of a particular turf or territory for a particular period of time.

That is often one of the things that a franchisee purchases when they enter into these sort of arrangements. Again, without looking at the specifics of the contract that your constituent was talking about, I am at a loss to comment any further than that. I guess the areas of major concern which I would address myself to would be, has there been adequate and full disclosure, has there been deceit or fraud? If there were willing parties entering into an agreement, equally informed or appropriately informed, then I believe the government must step back and let commerce take its course.

**Mr. Lamoureux:** If I am approached by a franchisor and the franchisor says to me, because I am looking to start my own business, that here is the turf that you are going to be provided, here is what we are going to provide. I look at the numbers and so forth. Even if I pay the best lawyer in the city of Winnipeg dollars to go over the contract and the details of the contract, I would ultimately argue a vast majority of the franchisees would not have the complex understanding of every aspect of the marketplace.

In other words, if you say, look, you have a mile and half radius as a franchisee and all of a sudden you look at it, it makes sense to you as a franchisee, other franchisees in the area have similar things, here are the projections that you are given, and then shortly after signing a contract, you were not lied to, but were you misled? Were you painted a picture that the company or the franchisor knew really was not that accurate?

Now, you are into a situation where you have invested considerable money. In this particular incident the individual is getting paid far less than minimum wage and is forced to work virtually seven days a week. It has been an absolute disaster. I do not necessarily believe that he is alone, in fact had met with other franchisees, and they share some of the concerns that this particular individual has brought up.

The discussion that I ended up having with him was, is there not some sort of an onus of responsibility on

these franchisors to be straightforward with the franchisees with respect to the potential revenues, both on the positive side, the negative or, more so, their plans, what their actual plans are in the future? If they are looking at, in the next three or four years, having two or three more franchisees located right around your area, should there not have been some sort of responsibility?

I realize it is a very difficult issue to address, and that is why I am more interested whether or not the minister is familiar with any other legislation in any other jurisdictions that might be more franchisee-friendly, if you like. As you say, it is not as much concerned about the local, like the Chicken Chef in rural Manitoba, which is a rural franchisee, because they have a vested interest in the province of Manitoba, a very strong vested interest in the province of Manitoba. A large, multinational franchisor who does not necessarily have as much at stake other than to try to increase profit, the best way you increase profit is through saturation in many cases and that might not necessarily be in the best interests of the local entrepreneur or the local franchisee. I would suggest that maybe these, at times, local franchisees can be led down the garden path in terms of how wonderful it could be to be your own boss.

So I would again emphasize to the minister: Is he aware of any form of legislation stateside or any of our sister provinces that address the whole franchisee-franchisor in their relationship?

\* (1600)

**Mr. Maloway:** We dealt with this for several hours the other day, but just by way of background to the member for Inkster (Mr. Lamoureux), Alberta is the only jurisdiction that we are aware of anyway that had a really good bill, a really good franchise legislation. The advantages of that particular legislation will become apparent when I explain them to you, because the circumstances you are describing are exactly what I hear over and over again from franchisees.

The Alberta legislation required that a prospectus be filed every time you sell franchises in Alberta. It also provided for the up-front fees to be held in trust until any and all promises made were carried out. So,

therefore, if you were not going to keep your promises, you do not make them in the first place, right? If you go in and make no promises, then your fees will come to you much quicker. They will not be held in the trust as long.

Typically what you find is that franchise operations by-pass Alberta. If you are talking to a franchise operator, just ask them if they do business in Alberta. If you find they have franchises right up to the Alberta border and then they jump over to B.C., then you will know, you know, it is a tipoff that there is something wrong, because typically it would cost a franchise operator maybe \$30,000 or so to get a prospectus in order to deal in Alberta. The franchise companies did not like the Alberta legislation.

So that was, in a nutshell, what some of the base requirements are of the Alberta legislation. Because what happens is franchisees that are operating, say, successfully in Ontario in an area, work on an expansion basis; they get out to, say, Manitoba and they promise they will spend a million dollars in advertising in the first year. Then they find out, through no fault of their own, they are unsuccessful in signing up enough people, right, so maybe they only sign up one person. Now how can you justify spending a million dollars on one little franchisee?

So what happens is they sacrifice him. They told him verbally they were going to spend a million dollars, but at the end of the day—or they run short of money. They expand too quickly, they run short of money, and then it is the little guys who pumped in their life savings, the retired school teachers, the retired firefighters and so on, who are looking for a new career in life, throw their entire life savings into these things. Retired politicians, yes, we talked about all the retired politicians who would need this legislation—Tory politicians—in the next couple of years.

So, yes, it is a big issue and a very important issue. Typically the franchise agreements are very complicated, you know, 50-page documents and there are a lot of rules in there. So what happens is these franchisees, either through embarrassment or through requirements that they do not talk to the public, are really reluctant to give you the details about these kinds of things.

So there is a big need for franchise legislation, but to satisfy the free market ideology of neo-Cons across the country, the Alberta government has basically collapsed its legislation. Three or four years ago it made some changes to it which, in my view, gutted its effectiveness, but it was really good while it lasted.

Once again, it might surprise you that it would happen. Why Alberta? There was—and I forget the circumstances—a major happening in Alberta that prompted this legislation to come in. Certainly, if you were going to be a franchisee, that was the place to buy the franchise would be Alberta, because you were protected. You knew that if they made promises, they were not going to get their money unless those promises were kept. If you were a franchisor you stayed away from Alberta, and they did in droves. They lobbied very heavily to get rid of that legislation, but that is an emerging area. Just stay tuned, because there is just more activity in that area than the public actually believes. So I will just leave it at that.

**Mr. Lamoureux:** Just, I guess, to add, I appreciate the comments from the member for Elmwood (Mr. Maloway). I guess I would follow it by commenting that given some of the circumstances that the member for Elmwood talks about and some of the things I made reference to, if the minister sees any benefit whatsoever in at least ensuring that there is some sort of a dialogue between his department and some of the franchisees that are out there to see if in fact it is necessary, and also if in fact there is legislation that might be out there somewhere that could be positive and contribute in a positive way here in the province.

**Mr. Radcliffe:** Certainly if there are consumers in the province of Manitoba who do feel aggrieved through some sort of inequity of commercial relations or the inappropriateness of regulatory bodies or departments for which this office is responsible, I have encouraged them to feel very free to contact my office. We do, I can tell the honourable member, have a number of phone calls on a daily basis that we handle. We have a steady stream of correspondence, some of it laudatory and some of it critical of the different departments. Likewise, I would extend a similar offer to my honourable colleagues, and through them to the people of Manitoba, that if there are situations which they feel are going unaddressed and unanswered, to feel free to

contact me either in writing or by person, and I would make every attempt to meet with them, review and absorb the particular issues that they are speaking about.

**The Acting Chairperson (Mr. Dyck):** Item 5.1.(a) Minister's Salary \$25,700—pass.

Resolution 5.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,217,800 for Consumer and Corporate Affairs, Administration and Finance, for the fiscal year ending the 31st day of March, 1998.

This completes the Estimates of the Department of Consumer and Corporate Affairs. The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates of the Department of Industry, Trade and Tourism.

Is there the will to have a brief recess in order to be able to get the next department in place? I would suggest we have a five-minute break in order to do that. [agreed]

*The committee recessed at 4:07 p.m.*

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#### **After Recess**

*The committee resumed at 4:15 p.m.*

### **INDUSTRY, TRADE AND TOURISM**

**The Acting Chairperson (Mr. Peter Dyck):** Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Industry, Trade and Tourism.

Does the honourable Minister of Industry, Trade and Tourism have an opening statement?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** Yes, I do. Thank you very much, Mr. Chairman.

First of all, let me indicate that my staff will be joining me in a few minutes. I guess I do my statement

first and then they join. Okay. [interjection] Oh, after his statement, okay. They may not want to join after his statement. Thank you, Mr. Chairman, opposition critic.

First of all, let me say, I am pleased to introduce the 1997-98 Estimates of Manitoba Industry, Trade and Tourism. After I have done my opening statement, I will invite my staff to come to the table with me.

Since I, T and T's main objective is economic development, let us take a few moments to review the state of our province's economy. I should say as well at the outset, I think it is important to note that we have had a considerable number of businesses that have, as well as a lot of other individuals, had to deal with this devastating flood, and I want to at this time acknowledge on behalf of the department and the people involved in our activities that we certainly have a strong feeling of compassion for those people who have had those difficulties, and feel that we, hopefully, are able to do what we can to get the businesses back into operation fully again that have been impacted. We have staff that are in fact working with the EMO and the different organizations to try and do just that. So there have been some impacts. Again, it will be dealt with, I am sure, in the discussions. But we want to acknowledge the fact that we have had staff involved on an ongoing basis.

According to the key economic indicators across all industry, industrial, commercial and resource sectors, Manitoba's economy is stronger and growing faster than most other provinces in Canada and well on its way to becoming one of the most competitive in North America. A recent record in job creation, low unemployment, new investment and exports tells the story. In the first three months of 1997, some 18,000 jobs were created in the province compared to the same period last year, a seasonally adjusted rise of some 3.5 percent. That is the highest growth rate of any province, and almost four times Canada's growth rate, so far this year. All of these new jobs are in the private sector, and nearly two-thirds are full time. At the same time our seasonally adjusted unemployment rate in March '97 was 7 percent, second lowest in Canada. Equally encouraging is the fact that Manitoba's unemployment rate among the youth aged 15 to 24 was some 13.5 percent for the first quarter of this year.

Again, the second lowest among the provinces and well below the national average of 18.2 percent.

Private sector investment is forecast to grow by 8.6 percent in 1997, above the Canadian rate of some 7.8 percent. If the 1997 forecast holds, Manitoba will have had six years of growth in private capital investment, which is unique among the provinces. Since 1991 that investment has grown in the province by 44.5 percent compared to the national average of some 17.1 percent. The outlook for capital investment in manufacturing is especially strong, as it is expected to rise by 23.5 percent over 1996. This is the third best of the provinces and five times the predicted national growth rate of just 4.7 percent. Since 1991, capital investment in manufacturing more than doubled as it rose by nearly 140 percent comparing that to the Canadian average of 9.4 percent over the same period.

\* (1620)

Manitoba's recent stellar success in exports, particularly to the United States, is, of course, driving many of these large increases in investment. Last year was the fifth straight year of double-digit growth in exports to the United States, and in that period our U.S. exports jumped by nearly 142 percent, the second strongest of the provinces. In 1996 the increase in U.S. exports was 12.6 percent, well above the national average of 6.9 percent, and manufacturing shipments accounted for about 40 percent of that growth.

Manitoba's overall exports in 1996 were just shy of the \$6-billion mark, increasing by 9.7 percent over 1995. Our total manufacturing shipments are also on a growth trend, rising by 8 percent in 1996, outpacing the 2.9 percent national growth average for the second year in a row. Our much celebrated diversity shone through again as we saw a double-digit increase in shipments of food products, buses, aerospace components, fabricated metals, wood products and electrical equipment.

Other sectors that contributed to the province's continued strong performance in exports were agriculture, which saw a 13.2 percent rise in farm cash receipts in 1996, the best of the provinces, despite the recent elimination of the transportation subsidies; and mining, which has been expanding, thanks to the better prices for nickel and copper and the opening of five new mines since late 1995.

Tourism continues to expand. The Canadian Tourism Research Institute forecasts expenditures will grow by some 5.5 percent in Manitoba in 1997, which should put them well over the \$1 billion.

Domestically, Manitoba's economy is performing well also. In particular, I note retail sales rose 6.2 percent in 1996 over 1995, the third best among the provinces, and in the first two months of 1997, they have increased a further 10.3 percent, second best amongst the provinces.

Manitoba is losing fewer and fewer people to other provinces, a trend now into its seventh year. In 1989, we experienced a net outflow of over 10,000 people; while in 1996 we lost around 1,700. This reflects the fact that more Manitobans are staying at home, as they can find jobs without moving to other provinces.

A number of factors account for our province's excellent economic performance. One is our skilled, dedicated labour force with its strong work ethic. Companies that establish operations in Manitoba tell us the quality of our workforce is one of the reasons they are attracted to our province. People are being trained in Winnipeg with all the talents that businesses need, and our workforce is clearly stable and has a strong desire to succeed and help employers succeed.

Manitoba also boasts a wealth of entrepreneurial talent, a sophisticated infrastructure and a low-cost base for business operations, but I believe the Manitoba government, in balancing its budget, reducing the debt and maintaining a stable and competitive tax structure, has also played a large role. Since 1988, we have worked hard to make government more efficient and more responsive to the needs of Manitobans, and have frozen major tax rates in every single year since. That makes 10 consecutive budget years with no rate increases in the major taxes. The best record in Canada.

In addition, of course, we have passed what has been called the toughest balanced budget law in Canada. All of these measures have boosted the confidence of Manitoba businesses and consumers, and led to increased spending and increased economic growth. So, overall, I am extremely optimistic about the prospects for 1997.

A summary of forecasts by seven major economic forecasters, including the most recent forecasts by the five major Canadian banks, show that Manitoba's strong growth is expected to continue. Real GDP is forecast to grow by 2.7 percent in 1997. Employment will grow a further 1.8 percent, and Manitoba's unemployment rate is forecast for the year at just over 7 percent, the third best in the country. This growth is expected to continue into 1998, with a further 2.5 percent increase in real GDP and an unemployment rate falling to 6.5 percent, again, the third best in the country.

Let me now shift attention to specific activities and programs within the Department of Industry, Trade and Tourism. I will start by saying this fiscal year finds a reorganized Industry Development group within the department. This group continues our focus on emerging opportunities in strategic sectors, such as health care, aerospace, information and telecommunications technology, environmental industries and agri-food.

However, it also supports core manufacturing industries in our province, including apparel, furniture, electronics, plastics and metal, and machinery manufacturing. Industry Development staff will continue to provide counselling services and sector expertise to Manitoba business, promote and facilitate investment, infrastructure development, R & D and technology transfer, and skills development across the province.

Let me mention some activities in a few economic sectors. Manitoba's health care products and services industry continue to surge ahead, bolstered by a recently announced federal-provincial alliance. The western medical technology strategy was announced by the two levels of government together with the National Research Council in early April. It will direct about \$110 million to enhance the capabilities and speed up the development of this vital sector. The first commitment of this strategy is to help fund two magnetic resonance imaging or MRI sites in Winnipeg.

As in other aspects of this new alliance, the emphasis is on interweaving objectives of technology research, commercialization, and targeting markets in western Canada and abroad. The fact this strategy is focused on

Manitoba reflects the impressive growth of our health care sector. Since 1984, it has grown from just four companies with annual revenues of about \$25 million to 109 companies generating revenues of \$330 million in 1996.

Industry, Trade and Tourism also is committed to funding a health research infrastructure initiative geared to encourage research institutions to become more aggressive and entrepreneurial in attracting external investment. In the food and beverage processing, our largest manufacturing sector, the Department of Industry, Trade and Tourism is working closely with Manitoba Agriculture and Manitoba Rural Development, as well as the Manitoba Food Processors Association. A good portion of our government's activities in this area has centred on promoting the hog and pork industry abroad, especially in Asia Pacific, mainly by working with the industry to encourage more companies to export and expand value-added production in our province.

We can take some satisfaction in the fact the food and beverage industry grew by some 12 percent in 1996, the largest increase in 10 years, to a value of \$2 billion. Of this, nearly \$540 million was in exports, representing a 40 percent jump over 1995. In particular, world demand rose for Manitoba pork, frozen potato products, canola oil and meal, and fish. The significant recent investment that we have seen in this sector certainly reinforces its terrific prospects for continued growth. Four major projects alone involving world-class corporations accounted for more than \$168-million worth of capital investment in the potato, pork and canola processing sectors.

Meanwhile aerospace seems poised for major sales growth of some 20 percent in 1997 and even stronger expansion in the years ahead. Significant industry players such as Boeing, Standard Aero, Air Canada's maintenance base are projecting good times ahead for themselves, which, in turn, means spin-offs for their local suppliers. The imminent change of ownership in Bristol Aerospace should also pave the way for renewed growth at this important member of the province's aerospace community.

Also, the Department of Industry, Trade and Tourism and the Canadian Space Agency, which promotes

research and development and commercialization of space-related technology, have awarded contracts, totalling more than \$200,000 to three Manitoba companies. The three companies are Kor Products Design, Lockheed Martin Electronic Systems, and Standard Aero. The technology includes an advanced hand controller, a diagnostic system for detecting potential malfunctions, and a special spacecraft computer system. The goal of all three contracts is to see innovative technologies applied to commercial-marketable products as soon as possible. I should note that the first two projects have conventional applications on earth as well as in space.

Now a word about the department's special operating agency, the Industrial Technology Centre. The ITC provides a wide range of technical services to clients that vary from start-up entrepreneurs and mid-size companies to large firms seeking specialized technical assistance. The centre's expert capabilities and forensic document services are unique in Canada, and it actually provides them to clients across the continent.

The ITC is proving to be yet another successful example of the SOA model for delivering public services. It has already reduced its reliance on government funds by enhancing its own source of revenue. In 1995, I, T and T formally re-established the Manitoba Trading and Investment Corporation, or Manitoba Trade for short. This semi-independent agency is the focal point of Manitoba's efforts in promoting more and more diversified exports to an ever-widening range of world markets and encouraging inward investment in our province.

\* (1630)

A central part of this work is to assist exporters and export-ready companies in cracking new markets by leading strategic trade missions, hosting delegations from key regions of the world and providing assistance in attending trade shows in various industrial sectors and geographic regions.

In 1996-'97, Manitoba Trade led and co-ordinated business participation in trade missions to South America, Mexico, South Africa, the Middle East, Taiwan and Japan. Most notably, perhaps, the agency

has helped several Manitoba companies get a foothold in the Japanese packaged home and furniture markets.

Besides organizing Manitoba's exhibitors at several major trade shows in Japan-Manitoba Trade worked closely with officials from the Japan External Trade Organization, a relationship that is already paying off in terms of sales by businesses from this province. Manitoba Trade has also expanded the range of information and promotional tools for use by government officials travelling abroad. These include the development of a detailed Manitoba Advantage booklet, a complementary video, publications targeted at business immigrants, plus trade show booth displays with a consistent departmental look.

Small business has long been of vital importance, not only to the economy of this province but also to the strategy of this department. After all, over 90 percent of all companies in Manitoba have fewer than 50 employees. Over a third of Manitobans work for small businesses, and studies show smaller firms have created more jobs in the last decade than larger companies or the public sector.

Thus, the Department of Industry, Trade and Tourism's Small Business and Entrepreneurial Development division is a high priority as it expands its role in assisting small business start-ups and providing services to help existing firms grow. It also aims to make sure small business owners and managers have easy access to training, information resources and other services aimed at small businesses. The division is doing this in partnership with a wide variety of government and nongovernment agencies and associations to narrow the number of contacts entrepreneurs need to find the information they are seeking.

In 1996-97, the division co-ordinated \$600,000 worth of loan guarantees under the Business Start program providing financial support to 69 new firms and creating some 200 jobs. Its staff are now working on a small business in Manitoba report which will provide information on the strengths, weaknesses, challenges and opportunities for small business in the province.

I should mention in this context that increasing access to risk capital for small and mid-size Manitoba

companies is a major priority for the Department of Industry and, indeed, for our government. The shortage of such venture capital has been identified as a significant stumbling block to economic growth in our province, and we have been working hard in partnership with industry and financial communities to address it, but I should add through third-party agencies and not the provincial government directly.

We therefore strongly support such sources of investment capital as the Manitoba Capital Fund, the Crocus Investment Fund and the Vision Capital Fund, among others. These three provincially sponsored funds have helped raise the supply of venture capital available for investments to about \$30 million for each of 1996 and '97, up from \$4 million in 1993. This reflects how effective such partnership can be in the financial arena. However, we have a ways to go if we are to meet the goal of \$60 million by the year 2000 set by the Department of Industry, Trade and Tourism, and we expect to reach that goal through new projects, including the Manitoba Business Expansion Fund to be announced next month and the union-sponsored venture capital funds announced in our government's recent budget and, hopefully, to be passed this year.

Let me now turn to the Manitoba Call Centre Team, a joint venture led by the Department of Industry, Trade and Tourism, which continues to market this province as a premier location for call centres despite some keen competition from other provinces. The team has done an admirable job in expanding this industry so that it now includes over 80 call centres and a workforce of more than 5,000 people. Earlier this month the Premier (Mr. Filmon) announced another large call centre. TeleSpectrum Worldwide now employs some 475 people in Winnipeg and is committed to employ some 700 people by the year 2000. In the meantime, the presence of other major call centres like CN North America, Faneuil ISG and AT&T Transtech is a great advantage in attracting operations to Manitoba from across the continent.

As I mentioned earlier, tourism is a major contributor to Manitoba's economy, and the last year has been no exception. In general, all arrivals from the U.S. and other countries were up from 1995-96, as were other indicators, such as accommodation occupancy rates, airport traffic and restaurant receipts. The Canadian

dollar is expected to remain low throughout 1997, averaging about 73 cents U.S., which will draw both Americans north of the border and encourage Manitobans and other Canadians to vacation at home this year. To compete in competitive national and international markets, Manitoba's tourism products must be of the highest quality.

Recognizing this fact, the Department of Industry, Trade and Tourism has launched a program to provide cost-shared assistance for developing new tourism products. The objective is to ensure that Manitoba capitalizes on viable product development opportunities that will generate new tourism revenues, lever private sector investment and create long-term jobs. The program targets opportunities in ecotourism, outdoor adventure, aboriginal tourism, culture-heritage tourism and regional community tourism development. Product-development program is also focused on small business and communities; funding is available to support regional tourism forums and community and regional tourism planning and implementation. The small- and medium-sized businesses that characterize the tourism sector have limited resources to capitalize on emerging opportunities. So this new program will provide assistance where other sources of funding are not available. The program is already up and running, and staff tell me that numerous regional forums have already been held throughout Manitoba in March and April. I do know that there have been some delays because of the flood. The flooding has caused some delays on some of these, but that is to be expected.

This summer all tourism partners expect to capitalize on the Canada Summer Games in Brandon, which we are pleased are here, in addition to our regular complement of fairs and renowned celebrations like Folklorama. The Games should attract visitors from various locations to our province.

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

Finally, I need to remind you that for 16 days in the summer of 1999 Manitoba and Winnipeg will host the largest sporting event ever held in Canada. Indeed, to indicate the magnitude of the Pan American Games, it is expected to be the third largest sporting event in North America after the Summer Olympics in Atlanta

and Los Angeles. In terms of direct expenditures and direct spinoffs, the Games themselves are expected to pump some \$225 million into our provincial economy. The 100,000-plus visitors are predicted to spend \$28.5 million and spin off another \$14 million here. Some 2,500 person years of employment are expected. Clearly, this is a huge opportunity for Manitoba's economic development among other benefits. This is why Industry, Trade and Tourism is working actively with the Pan American Game Society and its other partners to make the best of this opening to Latin America.

As the lead-up to the games begins in earnest, we will be encouraging all Manitobans and Manitoba export businesses in particular to take advantage of this increased exposure that our province will receive. From the obvious implications for tourism to the various industrial sectors that are seeking to expand their presence in Mexico, the Caribbean and South America, the games truly warrant our full attention today.

The Pan American Games seem an appropriate forward-looking topic on which to conclude my overview of the main Estimates and the activities of Industry, Trade and Tourism and my introduction to the department's Estimates for 1997-98. I would also like to include how pleased we are to have been awarded the 1999 World Junior Hockey playoffs that will be held in our province, which will again add to the overall economic development of our province, particularly the communities of Westman through Brandon, Portage la Prairie, Selkirk and Winnipeg.

I look forward with all my colleagues and staff to another challenging and successful year, working in partnership with other departments, with the business community and indeed with all Manitobans to continue building a strong, diverse and outward-looking economy as we prepare, not only for 1999, but also for a new century.

\* (1640)

I will conclude my remarks again, Mr. Chairman, by saying I look forward to a very positive and productive examination of the Department of Industry, Trade and

Tourism and welcome the comments from the opposition critic.

**The Acting Chairperson (Mr. Helwer):** We thank the Minister of Industry, Trade and Tourism for those comments. Does the official opposition critic, the honourable member for Crescentwood (Mr. Sale), have any opening comments?

**Mr. Tim Sale (Crescentwood):** I do, Mr. Chairperson. First of all, I would like to thank the minister for his remarks. In many ways, in a broad sense, I think all of us concur in the sense that Manitoba's economy is flourishing in many aspects in terms of the economic aspects of that economy. I am particularly struck in the tours that I have done in the last six months or so about western and southern Manitoba's agricultural economy and the value-added components of that economy. I am also always struck by the industry, inventiveness and commitment to regional and rural economies throughout our province.

One particular example was a brief tour we had of the community of Rosenort, now surviving the flood, in which we toured a number of industries, but in particular toured their new arena. If the minister has not had a chance to be to their new arena—I am not sure whether he has or not—but if he has not, it is a very interesting place. I think it, in some ways, symbolizes the inventiveness of our community. That particular arena is heated by deep water wells with a heat exchanger.

The titanium heat exchanger, which is the heart of the whole system was designed and built by Fort Garry Industries and installed by local people for the most part volunteering their labour or providing their labour at a very favourable rate. The thing that is so unique about this arena and commends it to the minister, if he is thinking about industrial and other kinds of development in more remote communities, is that the energy consumption of this arena is roughly 10 percent of that of a conventional arena, because virtually no heat is exhausted through the compressor into the atmosphere. So there is no pollution at all, because it is a closed-loop system, very little energy consumption and not, perhaps, quite unique in rural arenas, but the seats are warm, because they use the heated side of the

loop to heat the concrete under the seats, while they use the cold side of the loop to freeze the ice.

So it is a very unique, inventive arena built with an enormous amount of local labour, concern and technology which you do not expect to see in something like an arena, but there it is in the community of Rosenort.

I would like to make a few opening comments in the context of what I think are some of the difficulties that face what is admittedly, on a dollar basis and from a pure economic, macroeconomic picture, a very positive picture in most regards.

First of all, as the minister knows, Manitoba is, unfortunately at least it appears to be, increasingly regionalized in its economy. I think that if you look at the economy of the city of Winnipeg, apart from the economy of the province as a whole, you see a picture that is not nearly as positive as the minister paints in the province as a whole. Perhaps this is symbolized by the unfortunate circumstances facing Eaton's, but we can list a great number of very good jobs and good companies that have, for whatever reasons, decided that they either cannot survive here, or are moving, consolidating their operations elsewhere.

If you look at the unemployment rate in Winnipeg, it is significantly higher than the provincial unemployment rate. If you look at the tendency to out-migration from the urban area, it is a very serious problem from the point of view of the urban tax base. I think that those of us who are concerned about the development of our province—and I can probably include the minister and his staff in that—need to recognize that the southern and western parts of the province and the economy of those regions are extremely strong. The unemployment rates are often virtually zero for all intents and purposes in some of those communities—2 percent, 3 percent, essentially the frictional rate of unemployment and really negligible from any perspective.

You go to Winnipeg, you see a different picture. Unfortunately, if you go to the North, you see an even more depressing picture in terms of the overall situation. Now the minister talks about mines, and, of course, he is right about that, and there are bright spots.

The Dauphin area, for example, the minister's own staff and the staff of the federal government in that region estimate that the true unemployment rate is around 20 percent in that region. The official rate is in the 12 percent, 13 percent region, but the true rate is around 20 percent.

Of course, we know the situation in the Far North in aboriginal communities. So increasingly, we have a provincial economy that is segmented into three zones that are doing very differently and have very different problems and very different opportunities.

So, in a broad sense, I would encourage the minister, if he has not already done so—and he may already have done so—but if he has not already done so, to begin to think about the province in a little more segmented sense, because the region he represents and the region that many of his caucus members represent is doing very well. That is not because they represent those areas any more than the reason that the North is not doing very well because members, like the current chairperson, are from an area that is farther north. It has got nothing to do with who represents it, but it has to do with some structural issues that are very, very difficult issues.

I wanted to highlight that, by looking at our unemployment numbers. The minister and the government have been as, I think, positive as we have been about the strong gains in the last half of 1996 and the first few months of 1997. I am sure that we all hope that those gains persist and strengthen. The difficulty is that in Manitoba something in the order of 50,000 of our labour force are not counted in the employment statistics, and that is because Statistics Canada does not count Status aboriginal people on reserve in their employment statistics. So Manitoba historically has, as has Saskatchewan and Alberta, always been second or third. No matter who has been in government, the unemployment ranking has been incredibly stable at second or third. Occasionally, we drop to fourth; occasionally, we bump up to second, but usually we are third.

Now there is a very real, serious structural reason for that, and that is because in the other provinces in Canada, particularly Ontario and Quebec, the larger provinces, and very much in the Maritimes, aboriginal

people comprise a very, very small portion of the overall total population of the province. In Manitoba, Saskatchewan and Alberta, but particularly Manitoba and Saskatchewan, they comprise something in the order of 10 percent of the overall population. The Status aboriginal population is around 7 percent, and that population resident on reserve is not subject to statistical counting of a whole number of statistics. The minister probably knows that the poverty statistics for children do not include statistics of aboriginal children on reserve. Likewise, the unemployment statistics do not include any sampling of on-reserve aboriginal people.

So the real world in Manitoba is that, of our working age population, the true unemployment rate, simply taking into account aboriginal people, puts us over 11 percent unemployment. The true rate in Saskatchewan is similar, and I am not trying to make a political point here, because Saskatchewan is an NDP province at this point and historically has been that more often than anything else since the second war, but they have the same problem.

From a social, health, and education perspective, these provinces, among their citizens and in their population, a community that is, and I think everyone agrees, disproportionately disadvantaged represented in all of the negative numbers that we might want to count and at a proportion which is out of whack with their overall numbers.

\* (1650)

So the structural problem that we face is masked by what are, admittedly, positive unemployment numbers in a traditional sense, but I just put to the minister that this is really not a different picture than there has been in Manitoba for the last 20 years. It is essentially the same picture. We are second, or third, or fourth, but neither of the two big prairie provinces count their aboriginal folk when it comes time to be worried about unemployment. I hope to have a chance to talk perhaps through the minister or maybe even directly with his Bureau of Statistics Director, Mr. Falk, in which, hopefully, we can have a discussion about the reliability of the unemployment numbers themselves, which I know Mr. Falk has concerns about, and I am sure the minister has concerns about, because I know

that his recent comments on Manitoba's employment patterns have been very carefully couched because of the unreliability from month to month of the numbers as they bump all over the place.

I just want to comment on a few other most recent statistics in our province that I think are important to note. Manitoba is very much a middle-of-the-road province. The minister makes it sound as though we were top of the heap in everything. The real world is that we are not.

The Manitoba Bureau of Statistics, March 11, 1997, most recent quarterly economic summary: In terms of population estimates, we rank from ninth to fifth, depending on the years in question in terms of overall growth or loss of population in regard to the rest of Canada. In terms of employed labour force—seventh, second, ninth, fourth, fifth, approximately in the middle; seasonally adjusted year over year. So, very much like the rest of Canada, not particularly above or below. The unemployment rate, as we have said, second or third, usually third; I think second, three times, four times in the last few years. We have been second from month to month, most of the time third, as it has been for more than a decade.

Average weekly wage earnings, we rank right, again, in the middle—nine, eight, eight, four, six, five, somewhere in the middle, probably about sixth if you average those. So, again, not at the top of the heap by any means. Consumer price index, here we are almost worst, seventh, eighth, seventh, tenth, tenth. So we have had a sharper increase in prices than most other provinces for reasons that I cannot explain. Capital investment, third, tenth, first, second, sixth. All over the map. Probably on average about in the middle, where you might expect. Gross domestic product, tenth, fifth, tenth, seventh, third. So, again, in the middle, perhaps a little below the middle. Factor costs, about the same. Farm cash receipts, fifth, third, first, ninth, eighth. All over the map, but basically not much out of what you might expect.

So when you look at things, including even manufacturing shipments, where our performance has improved since 1991, when we were last, to the most recent period, when we were third, you see a situation where we are not by any means leading the pack. We

are about in the middle where you might expect the province. It is an equalization recipient province.

There are some areas where we are strong. Our trade performance on exports has been strong, and we would acknowledge that. However, this performance masks some very serious problems in the area of employment, and I want to again put on the record from the Manitoba Bureau of Statistics, February 13, 1997. There is a picture of employment from 1989 to 1996, and it is a very instructive picture. The only sector in which there has been growth in that period of time is the service sector. I will not take the time, Mr. Chairperson, to read all of the sectors in, but the minister could check page 13, table 13, of that report. You will find that agriculture, 40,000 down to 39,000. Primary industries 9,000 up to 10,000. Manufacturing 64,000 down to 59,000, and so the pattern goes. Little bits of change, but basically a stable picture.

However, when it comes to service here is all of the growth, 30,000 new jobs in service since 1989. Now, in that 30,000 jobs, of course, are the 5,000 telemarketing jobs that the minister speaks about as though they were high-quality jobs. I can tell the minister, and we will talk about this in that sector of the Estimates, that many, many people have talked to us about their frustration, their lack of satisfaction in those jobs. They are seen as essentially the sweat shops of the 1990s. They are not unlike the kind of garment-industry jobs in which there were production quotas, in which people were fired on the spot for performance that was seen to be subpar, in which the work was episodic, you are called in some days, you are not called in other days, in which there are no or very few benefits, only the statutory benefits. The so-called training on the job, we will talk about that in that sector. The training very often consists of a manual that you are supposed to read, and then you go on the phones. That is the training for these jobs.

So when you look at the pattern of employment, what you see is that virtually all of the growth, well in fact not virtually all, all of the growth in employment has been in the service sector. You can see that by virtue of the fact that the average industrial wage in Manitoba has fallen 8.6 percent over the time of this government being in office. The purchasing power of the wage packet that people take home has fallen 8.6 percent on

average. That, of course, masks big differences. A few, a small proportion of the workforce has done extremely well, the upper 20 percent or so, but everybody else has not done very well, which is why families are reluctant to make the kinds of long-term investments, and why they are fearful, why when you go out and survey people and ask them what they are concerned about, they are concerned about jobs. They are concerned about job security, and they are concerned about the fact that they are worried in their families as to whether they should try and make an investment in a small starter home because they do not know if they are going to have the employment next year let alone next month. They do not know whether they are going to be employed so they can keep that mortgage.

If you look at the national statistics on work, what you find is that what gains we have seen are because more of us are working longer hours and part time, and yet fewer of us are members of the work force. All of these are Statistics Canada studies.

You see that some 35 percent of all part-time workers would like a full-time job but they cannot get one. I think we have to understand that the segmentation of our economy and the pattern of employment is an increasing problem that we need to address in a structural sense.

I think, also, it is important that the government—and I do not really expect the minister to acknowledge this but in his private heart of hearts he knows this is true. We have a tremendous segmentation also of departments responsible for economic development. We have I, T and T, we have Northern Affairs, we have Urban Affairs and we have Rural Development, and from feedback I have had from people in the field, Rural Development and I, T and T are often in competition with each other. They are not sharing information. They do not seem to work together terribly well. There seems to be a real competition between those departments and that, of course, is not going to help overall development in the province. So I hope we will have a chance to talk about that, as well.

Finally, the area of tourism the minister talked about, I think we already know that on a 10-year basis, 1987-1996, there is only one province that has done worse

than Manitoba, according to Stats Canada Touriscope publication, and that is New Brunswick. We have had a loss of 14.6 percent on our tourism from that time, New Brunswick 16.4 percent. Canada has a gain of 15.7 percent and our neighbouring province, Saskatchewan, which probably faces about the same kind of marketing challenge as we do, has had a gain of about 7.7 percent over that period of time.

So I am glad the minister in his comments said that he is trying to develop a new strategy. That is probably what Barb Biggar was hired to do, to help create a new segmented strategy that focuses on ecotourism, aboriginal, outdoors, cultural, segmented tourism, and I hope that that strategy is successful, because it is very clear that whatever the strategy has been over the last 10 years, it has not worked. We have had a dismal record in comparison to the rest of Canada, and that is a very important industry to us, as the minister knows. It is going to be very hard this year, given the events of blizzards and floods, to deal with the tourism question of this year.

Finally, I see also in this department over the couple of years that I have been involved, quite a serious turnover of senior staff. We had last year, and discussed in Estimates, the report of Price Waterhouse, which the minister indicated was also a concern to him and that he was taking steps to address many of the issues, and I hope we will have a chance to find out a year later what has happened to reverse, or at least address, some of the signs of really deep distress in the department in terms of the feelings of staff expressed in that report last year, feelings that what they did, did not matter particularly, but that the department was politicized in many ways and that that was unhelpful, that people were not clear about their jobs and so forth. There were many negative things in that report, and hopefully in this year those have been addressed.

\* (1700)

So, Mr Chairperson, with those remarks, I think we should begin considering the Estimates in detail.

**The Acting Chairperson (Mr. Helwer):** I thank the critic from the official opposition for those remarks, and under Manitoba practice, debate of the Minister's Salary traditionally is the last item considered for the

Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with the consideration of the next line; but, before we do that, we invite the minister's staff to join us at the table and we ask that the minister introduce his staff.

**Mr. Downey:** Let me introduce, Mr. Chairman, Mr. Murray Cormack, who is Acting Deputy Minister of Industry, Trade and Tourism and Mr. Jack Dalglish, who is the head of the finance section of the Department of Industry, Trade and Tourism.

**The Acting Chairperson (Mr. Helwer):** I thank the minister. We will now proceed to line 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$489,400, on page 86 of the main Estimates book. Shall the item pass?

**Mr. Sale:** Mr. Chairperson, there has been a substantial turnover in senior staff in this department, as I have just referenced, and we have quite a different structure than was the case in previous years in the department. Could the minister indicate who have been the deputies and assistant deputies of I, T and T, acting and appointed, since 1988, when the department was formed, and how long each deputy was acting or appointed in the positions in which they found themselves?

**Mr. Downey:** Mr. Chairman, I do not know what the member is trying to get at, whether he is trying to prove that I am a tough person to work for or what it is that he is trying to accomplish, but I will provide that information for him. I have no difficulty with it. Since 1988.

From 1988, we had Hugh Eliasson, Michael Bessey, Paul Goyan, Fred Sutherland and Murray Cormack, and I can tell you the majority of those people are still within the Province of Manitoba, government, or have gone to further education and/or have gone to other activities of which have basically all been to-and one other individual to go to the private sector. So that is the lineup that he has asked for.

**Mr. Sale:** Mr. Chairperson, what were the dates at which Mr. Eliasson, Mr. Bessey, Mr. Goyan and Mr. Sutherland resigned from their positions, approximately?

**Mr. Downey:** This is a rough estimate. Mr. Eliasson did not resign from the position. He was moved over to the Deputy Minister of Government Services, and is still there, approximately 1991, I think it is, 1991. Mr. Bessey was there from 1992; he followed Mr. Eliasson, 1992 to 1994. Paul Goyan was there in 1994, and then we had—yes, I have to correct my statement. Mr. Kupfer acted for a short period of time, following Mr. Goyan, and then Fred Sutherland went from that period of time, from Mr. Kupfer, to just February of 1997. I apologize. I did not include Mr. Kupfer as acting for a short-term period. Mr. Kupfer is now an assistant deputy minister in Government Services, but also involved in some of the boards of which are still operating under I, T and T.

**Mr. Sale:** Can the minister tell the committee whether there is a search process underway or whether the intention is to fill this position from existing staff currently? What is the process for dealing with this acting status of Mr. Cormack?

**Mr. Downey:** Mr. Chairman, it would be my intention to fill the position on a permanent basis as soon as the final decision is made as to who it will be and it will be my intention to, as I said, do that sooner rather than later.

**Mr. Sale:** Mr. Chairperson, could the minister indicate what has been the process of seeking a permanent position and seeking a permanent incumbent for that position?

**Mr. Downey:** Yes, basically, Mr. Chairman, identifying the most capable person who could get the job done that the government feel has to be done.

**Mr. Sale:** Mr. Chairperson, was the position advertised?

**Mr. Downey:** I do not believe for this current deputy, no, or for the position that is open now, basically not.

**Mr. Sale:** Mr. Chairperson, in the British system, deputy ministers generally have a longer tenure than ministers do and many of them, at least traditionally, are there for quite a long time. We have had five different people in this department since 1994, including the current incumbent, Mr. Bessey, Mr.

Goyan, Mr. Kupfer, Mr. Sutherland, Mr. Cormack. That is significantly under three years, we have had five different people in this position.

Last year, the minister had a report from a respected consultant that he liked to quote in regard to some other studies that that consultant did, and that consultant told him in very clear terms that his department had serious problems in it. He concurred, in fact, in Estimates with the fact that there were issues that needed to be addressed. Whenever you have a medium-size organization, which I, T and T is, the senior leadership in it is pretty critical in terms of the overall functioning of the department.

\* (1710)

I find it, perhaps, a little strange that there was no attempt to do a professional recruiting job for this position, not doubting the qualification of many people within the civil service of Manitoba, including the current acting deputy minister. Why was this position not advertised so that you might cast a wider net, as it were?

**Mr. Downey:** I am not trying to lighten this discussion, but I guess what one could say is I am trying to change some of the British traditions to make sure the minister actually lasts longer than the deputies. [interjection] So far it is working. But the objective is to have the senior manager, senior deputy minister to carry out. I can tell you, with all sincerity, that the acting deputy minister who I have currently is doing an excellent job and will be considered for the job on a permanent basis.

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

As far as looking at the outside or going further than what we have in the past, there have been circumstances of which each one have been considerably different that have caused the changes to take place. So I am satisfied with the process that we have gone through. I also can report to the member that I think if one were to look at the attitude and the feelings and the operations of the department today that we would find that the whole department, the operations and the attitudes, are totally different than they were at the time we had the study done, and the

changes that have been made to date have been of a very positive nature. That is my response.

**Mr. Sale:** Mr. Chairperson, I hope that when the person is appointed finally, whoever it is, that this will be seen as a long-term appointment, because I believe this department needs the stability that a stable senior management team provides. The senior management team of this department has not been particularly stable over the last period of time. It has changed quite a lot. I think that some of the problems that it has experienced may be a reflection of whatever was causing that kind of rapidity of change.

Mr. Chairperson, the mission statement has also changed this year. The minister should take a look at last year's mission statement versus this year's mission statement. We have a change. It seems to me that it is an unfortunate change, because it puts the role of industrial trade and tourism development in a very ideological framework. I think that is unfortunate, because departments ought to survive the government of the day and have a long-term mission that is broad and inclusive of all kinds of roles and functions of citizens in the economy.

We have gone from "creating a dynamic economic environment which stimulates exceptional growth for the benefit of Manitobans," which is a laudable mission statement. It clearly allows for a wide variety of initiatives from the kind of health initiative which has R & D and the university sector, as well as public and private sector components to it. That is the way it ought to be, and that was started, as the minister knows, under previous governments and has continued to grow and flourish under this government. That is good.

We have gone from that kind of broad statement to facilitating private sector job creation, as though there were no other real jobs, no other valuable jobs, and the private sector is the only thing that we need to worry about in terms of our industrial trade and economic development. I wonder why the minister would move from a broad, inclusive kind of mission statement to one that is so ideologically focused only on the private sector, as though that was the only employment that mattered to Manitobans, as though you can have a strong private sector without having other things in the economy, such as a strong public sector health system,

education system, environmental protection, urban—there is just no recognition here that the job that the minister sets out to do is much broader than just stimulating the private sector to create jobs. What is the rationale for this narrowing and ideological focus to the new mission statement?

**Mr. Downey:** Mr. Chairman, it is unfortunate the member can only be so focused and narrow in his reading of the mission statement and only reading part of it and putting an interpretation which he feels comfortable with, in opposing what this government is doing because of his narrow approach.

Let me read what the role and mission statement is in total, so that we have it in total context, Mr. Chairman: "The Minister of Industry, Trade and Tourism and the department, in pursuit of a vision of a prosperous and dynamic Manitoba economy generating progressive and sustainable employment growth for all Manitobans, have established as their mission: To facilitate private sector job creation by fostering and promoting an environment conducive to the development and growth of Manitoba business."

That in total is what we are talking about, Mr. Chairman. We have Operating Principles: "The role for Industry, Trade and Tourism, as outlined in the mission, is exercised in accordance with the following operating principles: taking the initiative to both create new and exploit existing opportunities; bringing partners together to work as a team—which includes government; "developing human resources to enhance productivity and foster a motivational environment; and earning trust through integrity."

Again, Mr. Chairman, you have to read in total what we are accomplishing, not just a narrow focus that the member for Crescentwood is trying to place on it.

**Mr. Sale:** I can assure the minister I did read it entirely, and that was one of the things that struck me, that he has taken the same operating principles and the same strategic thrusts—I believe they are virtually word for word over the two years—and yet the mission of the department has narrowed substantially from the kind of broad and inclusive mission to a very focused, private-sector business orientation.

The implication here is that that is how you create jobs. Of course, if you look at the record of this government, that is the only place that there have been any jobs because the public-sector jobs have declined over the time they have had in office; and, indeed, even manufacturing jobs, one of their most frequently boasted-of areas, has lower employment today than it did in the mid-1980s. Admittedly, it produces much more product with the same number of employees because productivity has sharply increased, but employment has not.

I have a real concern that, unless we start thinking as a society about the creation of meaningful work in some context other than simply let the private sector do it all, then I think we are flying in the face of a great deal of statistical evidence that we are at a point in our history where we do not need everybody to work in the private sector producing goods and services because there is no demand for the amount of goods and services the private sector can now produce.

Look simply at the automobile sales in the time that you have been in office. You will see that we have sold 50 percent fewer automobiles because cars are lasting longer. They are a better product; they are being produced with fewer and fewer people; they are nicer vehicles to drive; they are more environmentally friendly. All that productivity has to go somewhere, or we are going to have the kind of social unrest that is increasingly evident in lots of parts of our world.

When you think of job creation as only private sector, I think that you leave out a lot of the really significant potential that governments ought to be concerned about in the context of industry, trade and tourism because there are many more than just private-sector job creation issues at work, and yet this government has consistently laid off staff and said the only place we are going to look for employment growth is in the private sector. Nations that have done are putting themselves at significant risk because there is not enough work to go around anymore if you just look at traditional private-sector approaches. It is a very old fashioned approach, and I do not think it is going to serve us very well in the future.

**Mr. Downey:** Let me be the first as a member of our government to acknowledge and compliment each and

every one of those people who work for our government and particularly demonstrated in this last few weeks of the tragedies that we have had to deal with as it relates to the floodwaters of the Red River and the responses that we have had and the dedication and the commitment that we have had. I do not think anybody should underestimate just how important they are and how much work they have put forward on behalf of the people of Manitoba. I take my hat off to them and compliment them at every opportunity.

Let me as well say that, as it relates to the Department of Industry, Trade and Tourism, we believe very strongly that it is the private sector that generates the wealth that will pay for the employees that are hired by government as well as present the revenues to the province to give us the health care system that we need to pay for the health care system. So it is extremely important that the private sector be healthy; generate the wealth that does the paying for the work of the employees.

\* (1720)

I can go through many examples of where, under his philosophical approach, and I can bring several to the table, one particularly being a Manitoba oil and gas corporation which quite frankly cost the province of Manitoba a considerable amount of money because they were dabbling in trying to produce oil for the province of Manitoba which we can take our royalties off of it, which the private sector, quite frankly, can do very well, and \$16 million wasted by the New Democratic Party, of which the member for Elmwood (Mr. Maloway) is sitting here with his smug grin on his face, quite frankly, proved it did not work.

There is in fact strong support for the employees, strong support for the employees of government. Quite frankly though, it all has to be in balance, and what we are talking about within the Department of Industry, Trade and Tourism is in no way a reflection on whether or not people are needed in government or whether they are not needed in government.

Mr. Chairman, I can tell you that in our department we have an excellent work staff. We have seen the people who are working there who are developing tremendous relationships, and I think they are seen as

being a major part of the economic growth. The member's own comments at the outset, the member's comments at the outset acknowledged the growing economy of Manitoba. He did make reference to the regionalization that has taken place.

I can assure him that I think all parts of the province are advancing very rapidly. He has pointed out some anomalies, but I can tell you with the mining sector, particularly in the northern communities, when we talk of the forestry industry in the northern communities, we are seeing tremendous activities taking place. So I do not quite accept in total his comments, but the point he is trying to make now is that we do not really care about government jobs. Quite frankly, we do. We really appreciate the work that those people are doing and will continue to do. It is a matter of, are the services being provided, essential services that are being provided, and the answer I would give is yes.

Within our department, we are continually and will continue to encourage the private-sector investment, the private sector jobs which in fact generate considerable wealth to propel this province forward. Again, that is part of what our overall strategy is, is to make sure that we have a reasonable tax policy, the best environment for the creation of jobs through the private sector, so he may object to it. I am not going to let him put on the record or accept the fact that we do not care about government employees and those jobs, because we do. They continually demonstrate how important they are to our province.

**Mr. Sale:** Mr. Chairperson, I used to teach in the area of strategic planning and that whole general field. It is an interesting field to work in. One of the things we used to teach, and used to be thrown at us by the people that taught us, was that the role and mission statement drives the operating principles in this strategic thrust, et cetera.

Here is a situation where there has been, I would think, a significant change, not just a wording change, and yet the operating principles in this strategic thrust have not changed. So it simply seems strange to me that there would be that degree of change and yet the overall Operating Principles approach had not changed at all, so it is a little unclear whether the minister thinks that the mission statement has really changed or

whether he thinks that this really is the same as creating a dynamic economic environment to facilitate private-sector job creation by fostering and promoting an environment conducive to the development and growth of Manitoba business, creating a dynamic economic environment which stimulates exceptional growth for the benefit of all Manitobans. It seems to me to be quite a change, and yet the principles and thrusts have not changed at all. Can the minister explain that?

**Mr. Downey:** If I could repeat what I just said, Mr. Chairman.

**Mr. Sale:** Oh, no, do not do that.

**Mr. Downey:** Then you will have to take it as answered.

**Mr. Sale:** What has happened to The Pari-Mutuel Act? Some other minister have it now?

**Mr. Downey:** The actual Pari-Mutuel Act now falls within the Ministry of Finance. However, the operations of the Horse Racing Commission fall within the jurisdiction of Industry, Trade and Tourism.

**Mr. Sale:** Moving on to the organizational chart, Mr. Chairperson, if we can, here there are some very large changes, some of them puzzling. I think the minister may have already answered where the assistant deputy minister has gone. I think he indicated that he is assistant deputy minister in Government Services at this point, Mr. Kupfer?

**Mr. Downey:** That is correct.

**Mr. Sale:** Mr. Swain, I think it is Bob Swain is listed as the secretary of the Economic Development Board. The phone book says Stu Duncan. Where has Mr. Duncan gone?

**Mr. Downey:** To the private sector.

**Mr. Sale:** So Mr. Swain is no longer where he was, he is now secretary of the Economic Development Board.

**Mr. Downey:** That is correct.

**Mr. Sale:** The Economic Development Board is shown as reporting to the I, T and T minister, but in fact

my understanding is it reports to the Premier (Mr. Filmon). Is this a change?

**Mr. Downey:** No change.

**Mr. Sale:** Does the Economic Development Board in fact then report to the minister?

**Mr. Downey:** I guess on the chart it shows basically that is what it does, but I should make a clarification. The Premier actually chairs the Economic Development Board of which the secretary reports to for the purposes of basically reporting. It comes through the Department of Industry, Trade and Tourism. For example, the movement of work, the passage of work that would flow from Economic Development Board would come through the Ministry of I, T and T.

**Mr. Sale:** For clarification, is the minister saying that essentially administrative support for the board comes from the department but the decision making, the policy function of the board, is really a function under the direction of the Premier directly?

**Mr. Downey:** The administration falls within the Department of Industry, Trade and Tourism.

**Mr. Sale:** Could the minister detail the major changes in the personnel and mission of Manitoba Trade? Just for context, Mr. Chairperson, a couple of years ago the intention was cited of reactivating Manitoba Trade.

Last year the act was amended to give it a slightly different name and some different powers, or to augment its powers I guess because there were no powers taken away from it. Now we have a situation where the Estimates books from the two years do not agree in terms of numbers of staff in different places. It is not simply a change from one to the other, but the stated number for 1996-97 do not agree with the '96-97 book. So there is a series of differences in here that are simply puzzling. I am wondering if the minister could walk us through the changes in personnel and mission of Manitoba Trade under Mr. Rod Sprange.

**Mr. Downey:** Quite frankly the people who are now involved in Manitoba Trade came from the Industry Development section which in prior years would be reported under the Industry Development section. So

now the Industry Development section has seen the Manitoba Trade personnel split off from that section.

**Mr. Sale:** Then where do we find the staff that were formerly the largest I think group of staff who are under the strategic initiatives of the department. They were under the various so-called managing partners who now have disappeared and are presumably under perhaps Mr. Cormack, I am not sure.

\* (1730)

**Mr. Downey:** Basically, as part of the reorganization, they would be found in the Industry Development section.

**Mr. Sale:** Has this been—well, I do not want to imply any kind of assessment of it. What has been the change in the various sectorial initiatives, or are they essentially intact but now under Mr. Cormack?

**Mr. Downey:** That assessment is basically correct.

**Mr. Sale:** We will probably get into this more when we could look at each area, but one of the things that Price Waterhouse raised was the appropriateness of some of these, and in particular they raised the question of the appropriateness of putting a lot of energy into the Environment Industries Development Initiative because of the size of the industry in Manitoba and the question of whether strategically this was a good use of resources.

There were also some questions raised by that report about the overall approach in terms of whether focusing on relatively narrow sectors was a good strategy or not. It sounds like you have decided to continue with the previous pattern without any change. Is that basically correct?

**Mr. Downey:** Basically, there is a change. The way it is now established, it gives the department and the Industrial Development section the opportunity to shift more resources to a particular area as it relates to a specific priority. It is not just, for example, the environmental industry section operating as the environmental industry section. If they, for example, were needed in another area, in a lot of cases to say this is an Industrial Development section or an Industrial

Development activity, specific environmental industries, then there would be people that could be called upon to be part of that, but it all fits under the basic umbrella of Industrial Development.

I think it gives the department more flexibility. Mr. Cormack has been very aggressive in spending a considerable amount of time getting that system working, and we will work somewhat on a team approach. I think it gives us more flexibility than we had previously and, quite frankly, better communications within our department as it relates to industrial development taking place.

Again, the Financial Services people are able to sit as part of that committee. If, for example, we were developing an industrial activity that would include potential MIOP participation, it gives the ability for that part to be tied in. So I think it gives more flexibility. It is not so much as one would refer to as silo approach, if you have 13 managing partners or 14 managing partners. In fact, it takes away that, what I would call silo approach, within the department. There is a greater cross-transference of information as it relates to development, and I can report at the early stages of it that I think it is working better, and I am confident that it is going in the right direction.

**Mr. Sale:** Mr. Chairperson, is the new structure such that Mr. Cormack basically assigns the work of the some 22 or 23, I am not exactly sure how many, 24 staff who are development consultants, and makes up teams to work on specific projects as he thinks best, obviously with the advice of other people—I do not mean he is a dictator in that sense. But is that the style that we are in now, or is it some kind of matrix management style? What are we doing here?

**Mr. Downey:** Basically, there is a priorities committee established by the deputy which, in meeting with the senior personnel within that section of the department, will determine the overall approach to a strategic development or a project or a group of projects, and prioritization will be placed on it, and who the best resource people to be part of that will be put in place.

Again, from the outset, I think it feels as if there is a greater team approach to the overall industrial development and a greater knowledge of what, in fact,

is taking a place within the department. I am satisfied at the outset that the system that is now established, and the process, not only will work within industrial development, but the member made some comments about not understanding clearly what would be happening between the different departments of Economic Development. It, I think, also gives us the ability to put on that industrial development team someone from another department if it related more to Rural Development, that kind of approach.

**Mr. Sale:** Well, then I go back to my previous question then and perhaps we are just clarifying here, but Mr. Cleve was responsible for Aerospace. I am not sure who S. Leahey is, whether it is a woman or a man, Mr. Lilley, Val Zinger—they all had specific areas of responsibility. I am hearing a mixed message here. Do they still have specific responsibilities for sectoral initiatives such as aerospace, technology, health, agri-food, environment? Or is it now more project or—tell me what it is.

**Mr. Downey:** Basically, they still have that same responsibility but rather than coming under a broader range of managers, they are more targeted to a less group of managers. Again, this is in dealing with individuals in a fair and equitable basis, because we had basically several number of managing partners which had certain expertise and responsibilities; for example, there is still work to be done that is co-ordinated under the deputy minister and what will be the assistant deputy minister's position in Economic Development.

There can be, for example, Aerospace where Dennis Cleve has been responsible for, a greater responsibility for example in working with Highways and Transportation in a broader way that is related to the work of Winnport. Again, somebody has to do that and, in most cases, we have to make sure there is a relatively experienced and senior person. That is the kind of work that that person would be delegated to do as it relates to the operations of the department.

**Mr. Sale:** So would it be fair to say that this is a transition process towards trying to address some of the issues raised from Price Waterhouse to maybe break up some of the silos, as the minister so aptly described them?

**Mr. Downey:** That is correct, Mr. Chairman. Again, we are dealing with capable individuals who have been in managing partner positions, and it is working and it brings a team approach to the business.

**Mr. Sale:** Could the minister indicate the rationale for linking Tourism with Small Business Development? Is this just because the person responsible happened to have that particular background? It is not an obvious linkage to me, and I would think given the importance of Tourism for Manitoba that adding Small Business in there is kind of like adding an appendix. What is the rationale for this?

**Mr. Downey:** I guess the answer would be yes to the first, that the individual did have responsibility for Small Business, but in finding the work that we are doing in Tourism, there are a lot of Small Business operations in Tourism. There is a better fit than one would automatically look it or see it as in the initial stages. Plus, I think it is important to note that the staff, the individuals who are working within that department have considerable experience, particularly the head of the Tourism department has had considerable Small Business and, quite frankly, the combination is working quite well.

**Mr. Sale:** In the departmental phone book, which is maybe a little out of date, is the area called the Business Services Branch what is the Small Business section in the Estimates?

**Mr. Downey:** Yes.

\* (1740)

**Mr. Sale:** There are obviously many, many, many more businesses that are small that are not tourism businesses. There may be many small tourism businesses, but there are far more that are not, and the minister made a very strong point that small business creates a great deal of jobs. It also, of course, gets rid of a lot of jobs, too, because there is more churning in small business than there is in large business, but it is a dynamic sector. There is not a lot of staff associated with this function, so they must work very hard, and we will note in these Estimates, as my colleague for Elmwood has noted in the previous ones, that in the co-op area you have really got only two staff now, with

one support person, and yet that is a very big area of our provincial economy.

I do not find the minister's rationale for having Small Business here under Tourism terribly convincing. We have serious problems in tourism. I think this is acknowledged by the tendering of a new contract and the recognition that we have not done well by comparison with other provinces over the last little while. I think we need somebody responsible for Tourism that is responsible for tourism. That is a huge industry in Manitoba and a very important industry. I really question sticking Small Business under Tourism when tourism has as many priorities as it has. Can the minister comment on that?

**Mr. Downey:** Yes, I can Mr. Chairman, and I can deal with it at this particular time or later on when we get into Tourism as to some of the challenges that the tourism industry is faced with in Manitoba, and I will probably delay that until later, but I think the question that the member raises is one which I feel comfortable with. We are getting done what has to be done, and I do agree the individuals that work there work very hard. The individual who heads up Tourism and Small Business is not denied the support and services out of the Industrial Development section. If there is a need for people to be brought in as it relates to some of the businesses that may at some point be smaller or seem to be smaller business enterprise, if in fact it is of greater magnitude than what the capabilities are within that department, the access is available to the Industrial Development section, so they quite frankly work very closely together. So it may seem as reporting only to Tourism and Small Business. There is a considerable amount of work again crossing what would be seen as the line or the stovepipe from Industrial Development. So it is not that here is Small Business out here all on their own with Tourism. It is Small Business and Tourism as it relates to this, but when it comes to Economic Development and Industrial Development there is a team approach which is brought together and support services are brought forward in that regard. As well, we still have the Financial Services branch which are brought in to do the work that is identified by Small Business that has to be done if it is doing the guaranteed loan program, the small business loan program. That is where the support would come from for Small Business.

So I think, again, the member is probably overplaying the tying of the two together. Again, at this point, I am satisfied that it is working. I can assure the member, as well, that I want to make sure that the Tourism section does not go wanting, and we will again get into that in a little more depth at the appropriate time in these Estimates.

**Mr. Sale:** I guess we will get a chance to talk about that further. It just seems that Financial Services and Business Services might be very closely related, and it seems strange to have them under two separate assistant deputy ministers, but I will get a chance to talk about that further.

On page 5, Mr. Chairperson, there are some allocations of funds from headings, the Communications Technology and Industry Development Agreement. What program received those funds, what program in the Estimates? Where did they go?

**Mr. Downey:** I missed what the member asked in the question. The funds from what appropriation?

**Mr. Sale:** On page 5, the Reconciliation Statement, there are funds from a Canada-Manitoba Enabling Vote on Communications Technology that is federal-provincial. There are funds from Government Services, from Highways and Transportation, from Rural Development. Where did they go to, was the question.

**Mr. Downey:** I am told that the Communications and Technology amount is basically used to cover off expenditures in the other departments that needed the resources, and it is a matter of reporting it here. I have to get further information. Basically, Mr. Chairman, I am told it is a reconciliation of funds.

**Mr. Sale:** Mr. Chairperson, I may just not understand what is going on here, and Mr. Dalglish can probably instruct me, but the department received these funds from other sources and these are the sources, if I am reading it correctly, the Canada-Manitoba Enabling Vote, Government Services, et cetera. It credited those funds to some functions within the department, presumably; that is what it did. It spent this money doing something or it has not spent it yet? It is going to spend it during this year. Is it going into a specific line

in the Estimates? And what are those lines that those monies are going into?

**Mr. Downey:** For example, Government Services would have been the upkeep of our tourism information centre. Highways and Transportation is not a huge amount of money, but it could have been the same type of thing. I can get the exact details of that if the member wants, but basically the Government Services one is the best explanation of what that money was used for. It was for the work that was done on behalf of Tourism for the information centres.

**Mr. Sale:** Mr. Chairperson, it does not have to be now, but could he provide, the next time we meet perhaps, where the Communications Technology Development Agreement money went? What areas of Estimates it went into? Could he also indicate what functions were transferred to the Community Support Services for a cost of \$75,000? What did we transfer out?

**Mr. Downey:** I will put the best effort forward to get that information.

**Mr. Sale:** On page 6 of the supplement there are a range of grants. The total is very similar and there are some significant changes, and I expect they are all covered elsewhere in the department. Am I correct that these could all come up under the appropriate page?

**Mr. Downey:** That is correct.

**Mr. Sale:** We can go over that and bring it back later. Okay, I think with those initial questions—just one question here.

I cannot remember. It seems to me, because of the change to an SOA, we no longer have discussion about the EITC. It no longer has a line, I believe, anymore. Am I correct, Mr. Chairperson?

**Mr. Downey:** No, that is not correct, Mr. Chairman. EITC still does report to the Department of Industry, Trade and Tourism.

**Mr. Sale:** Then let us pass the first area of Executive Support.

**The Acting Chairperson (Mr. Dyck):** Item 10.1. Administration and Finance (b) Executive Support (1)

Salaries and Employee Benefits \$489,400—pass; (2) Other Expenditures \$71,300—pass.

Item 10.1.(c) Financial and Administrative Services  
(1) Salaries and Employee Benefits \$631,500.

**Mr. Sale:** Mr. Chairperson, in this area I do not have any questions. I just wanted to express my thanks to the minister and through him to Mr. Dalgliesh, his staffperson, for assistance and understanding the horseracing issue last year and, generally, in responding to questions that have been asked through the minister's office. I appreciate Mr. Dalgliesh's work in that regard.

**The Acting Chairperson (Mr. Dyck):** Item 10.1.(c)(1) Salaries and Employee Benefits \$631,500—pass; (2) Other Expenditures \$311,500—pass; (3) Computer Services \$110,000—pass.

10.1.(d) Research and Economic Services (1) Salaries and Employee Benefits \$523,600.

\* (1750)

**Mr. Sale:** Mr. Chairperson, in this area of Research and Economic Services which comes under Assistant Deputy Minister Mr. Barber—is that correct? [interjection] This was an area in which the Price Waterhouse study had a lot of, I think, very helpful comments to make, and it was one in which they cited a number of other jurisdictions as best practice jurisdictions. They cited Alberta, Quebec, Oregon, and perhaps some others as well, as having some very sound practices of strategic information development.

I think the point that Price Waterhouse was making was that this is a very, very difficult area for government, because the needs are so broad and the area is changing so rapidly that it is a very challenging area to address. I think Mr. Barber is very well thought of and I am not, in any sense, commenting on any staff in the department. What changes have been undertaken as a result of the Price Waterhouse report in this area in which the minister could comment on?

**Mr. Downey:** I would agree, Mr. Chairman, I have a lot of respect for Mr. Barber and the work that he is doing within this area. He has basically had a lot of responsibilities that relates to the Internal Trade

Agreement, and I can assure him that he has carried out his work very ambitiously.

The member can be made aware that we have actually increased this area in staff by three people to further support that area. I can say that staff will work to co-ordinate the communications within I, T and T and to also do a greater amount of work with the development of outside stakeholders in this whole area. So we took note of what was said in the report and have responded, to some degree, to try to improve it.

**Mr. Sale:** Could the minister indicate what staff are now there, what their backgrounds in broad terms are and, specifically, what staff? Who were the staff transferred in and what was the particular skill mix that they brought to strengthen this area?

**Mr. Downey:** Mr. Chairman, I will have to get that detail for the member.

**Mr. Sale:** Mr. Chairperson, in this whole area, it is a very difficult area because it is very competitive among jurisdictions and, yet, you would want in lots of ways to have co-operation between Canada and Manitoba, for example, in regard to many of the kinds of strategic information that is provided by this department to industry and to other sectors that might be wanting to perhaps invest in Manitoba or to expand their investment in Manitoba. How does the branch work with the federal staff, or does it work with federal staff? What are the mechanisms here for levering our relatively modest resources? And they are very modest.

**Mr. Downey:** Mr. Chairman, again, a good portion of the work that they have been doing has dealt with the Internal Trade Agreement, and that linkage on that side has come through the Internal Trade Secretariat, which is a representative organization of all the provinces, and the good fortune to have it in the province of Manitoba is ours I am sure. So there is a good, ongoing activity as it relates to that part of the work activity.

Again, I give a lot of credit to the individual who directs that portion of the department as it relates to the manner in which they work not only with Internal Trade but other federal departments. I am not clear on the direct linkages that he is looking for or indeed any way that any other department would work with a

federal department or the government other than direct communications on issues of direct concern. I am not quite clear on what he is driving to get for an answer.

**Mr. Sale:** Mr. Chairperson, whether the minister finds this remarkable or not, I do not have an answer in mind. I am trying to discover how the department has changed to adapt to the circumstances that were pointed out in the Price Waterhouse report. Just, for example, in the whole area of science and technology there is a federal ministry of science and technology, and the current minister is Mr. Gerrard, Dr. Gerrard, who happens to be a cabinet minister from Manitoba. We have a federal imaging centre here on Ellice Avenue, a national Centre of Excellence in which we just attracted significant new investment which helped us get large additions to our MRI capacity in the health sector as well as significant research.

This whole field and the field of imaging is one I do not even begin to understand and would not pretend to understand, but colleagues and friends who are in that field tell me that it is an immensely rapidly developing field with applications ranging from human, you know, all the way through to our smart bridge that we are going to build at Headingley, the first smart bridge I believe in Canada, maybe perhaps in the world, I do not know, but certainly in Canada. The director of the materials testing lab at the University of Manitoba, Dr. Sami—I cannot remember his last name—but a fascinating man who has pioneered the notion of a bridge with live sensors in it that can virtually tell engineers what is going on under different load conditions and different temperature conditions. These are very exciting developments. How that information gets gathered in an efficient and accessible manner and then made available to potential investors in Manitoba is a very tough job, because that is just one field out of hundreds. It kind of amazes me that we are trying to do this with nine people, particularly given that the focus of Mr. Barber has been almost exclusively on trade and not on industrial intelligence or the things that are related under the Infrastructure section of this activity identification.

So I am not looking for a particular answer, Mr. Chairperson. I am trying to discover how we can respond to what I thought was a very good report from Price Waterhouse, that identified some real

opportunities. I think it is probably very good that this branch has had three more staff. I am interested to find out who has been added, not by name so much as by skill base. I am also concerned that this may still not be sufficient resources to do the kind of job that the Price Waterhouse report anticipated when they said, look at what Oregon is doing, look at what Quebec is doing, look at what Alberta is doing. Can we do it with this staff?

I do not know whether that helps the minister to understand where I am coming from.

**The Acting Chairperson (Mr. Dyck):** The hour being 6 p.m., committee rise.

## CULTURE, HERITAGE AND CITIZENSHIP

**The Acting Chairperson (Mr. Gerry McAlpine):** Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply has been dealing with the Estimates of the Department of Culture, Heritage and Citizenship.

Would the minister's staff please enter the Chamber.

We are on Resolution 14.4 Citizenship and Multiculturalism (a) Citizenship (1) Salaries and Employee Benefits \$1,368,400. Shall the item pass?

**Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship):** Yes, I would like to say “pass.” I just believe, though, I should put a couple of comments on the record in response to comments yesterday. There were two issues raised at the end of yesterday. One was the Manitoba Intercultural Council, and I had given an answer to the member for Point Douglas (Mr. Hickes) regarding the fact that we do not have plans to re-enact the act dealing with MIC. I did give him an answer.

But the member for Thompson (Mr. Ashton) raised two issues in relation to this. First of all, a recent meeting was held, and I suppose it is a matter of perspective of how things went at that meeting. I believe he said it was an excellent meeting, well attended, and I just feel it is important to say that, obviously, any efforts put forward by the community are important. However, my understanding of the

meeting was that it probably got off to a fairly good start with about 50 or so individuals, but through the day it did dwindle significantly, I am informed, to about 30 by lunch, 15 by the end of the day. So I think I have to take the member from Thompson's comments and put them together with some reports of the day to determine in fact a little bit more about that meeting. I will endeavour to get more information on the meeting. But the answer on that issue is the same one that I gave to the member for Point Douglas, and the reasoning is the same.

The second issue that arose at the end of our last sitting was the question of the member for Thompson about whether we could in fact make, I believe it was, family class into an area of provincial responsibility. I am informed that is not possible. The reasoning behind that is that the federal government has apparently the sole jurisdiction on the classification side, and that our influence is on the labour market side. So, though I understand the basis of the suggestion, apparently it is not possible according to the way that the power is divided. However, I want to leave this on a positive note because I believe that there were a number of areas of agreement in our discussion between the member for Point Douglas (Mr. Hickes), the member for Thompson (Mr. Ashton) and myself yesterday. There certainly were a number of areas in which we had shared our concerns about recent changes that the federal government had made, and I do want to reiterate my commitment. One, the letter that I have written. Secondly, that I will raise the issues that we discussed again at the next federal-provincial meeting. I know the member and I will have an opportunity to talk before that time, but I think the issues were very important that he raised. I would like to leave on that positive note, because I think that is what the people of Manitoba would like to hear from us too.

**Mr. George Hickes (Point Douglas):** I just wanted to let the minister know that I appreciated all the answers to my questions, and I want to take this opportunity to thank the minister and her staff for all the answers. I do look forward to some work that we have to do in the future and other events and activities that I am sure we will be crossing paths. I just would like to encourage the minister to do a follow-up on her letter, and hopefully everything will work out positively for our great province of Manitoba. I thank the minister and

her staff for the answers and for this part of the Estimates.

**The Acting Chairperson (Mr. McAlpine):** Item 14.4.(a) Citizenship (1) Salaries and Employee Benefits \$1,368,400-pass; (2) Other Expenditures \$444,700-pass; (3) Grant Assistance \$1,391,600-pass.

14.4.(b) Multiculturalism Secretariat (1) Salaries and Employee Benefits \$84,200-pass; (2) Other Expenditures \$47,600-pass.

14.4.(c) Multicultural Grants Advisory Council \$284,700-pass.

Resolution 14.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,621,200 for Culture, Heritage and Citizenship, Citizenship and Multiculturalism, for the fiscal year ending the 31st day of March, 1998.

As agreed we will revert to Section 14.2. as we agreed yesterday.

Item 14.2. Culture, Heritage and Recreation Programs  
(a) Executive Administration (1) Salaries and Employee Benefits \$267,100.

**Ms. Diane McGifford (Osborne):** I am sorry, Mr. Chair, I lost track of where you were for a minute, but I think the minister wants to introduce her staff.

**Mrs. Vodrey:** Thank you to the member for Osborne. I would like to take a moment to introduce the people who have now just entered the Chamber. Mr. Dave Paton, who has been here through the Estimates, is the acting deputy minister at the moment. This is Lou-Anne Buhr, who is the ADM of the Programs Division. I would like to introduce Ann Ryan, who is the acting agency relations manager, and Mr. Terry Welsh, who is the acting director of the Arts Branch. Those are the four staff people who are here today.

**The Acting Chairperson (Mr. McAlpine):** 14.2.(a) Executive Administration (1) Salaries and Employee Benefits \$267,100-pass; (2) Other Expenditures \$72,600-pass.

14.2.(b) Grants to Cultural Organizations \$7,303,400.

\* (1440)

**Ms. McGifford:** I do have a few questions to ask here. Last year the minister very carefully discussed these particular grants and programs with me, so I really do not need a lot of information, but I would appreciate if I could have a brief written statement, perhaps at some later date unless the minister wants to give it to me now, outlining which groups, agencies or initiatives receive grants in the amount of each grant. I would greatly appreciate that. Of course, if the minister wants to give it here, that is fine.

But could I ask one specific question, please? Well, I have a few specific, but first of all, under Major Agencies Operating Grants, is the Winnipeg Art Gallery included in this category?

**Mrs. Vodrey:** Yes, it is.

**Ms. McGifford:** Then I would like to take this opportunity to congratulate the Winnipeg Art Gallery on many things. I certainly admire the work they are doing currently in making sure that all of their artifacts and pictures, et cetera, are safe, but I wanted to congratulate them on their free day for the public. I think it is Wednesday, and I think, as a publicly funded gallery, it is publicly responsible to be open one day when anyone can go who perhaps may not be able to afford the admission fee, and I think that certainly encourages individuals to visit the gallery and become familiar with the works in there and go to the show. So I wanted to congratulate the Art Gallery at this time.

I also wanted to ask the minister to move backwards in time for a moment, and if she could tell me if my figures are right, if the actual expenditures for 1995-96 were \$10,617,200 as opposed to the estimate which I think was—maybe my figures are wrong; I have \$10,879,900, but that could not be right for the estimate. I am just interested in the difference between what was actually spent and what was estimated.

**Mrs. Vodrey:** Could I just ask the member where she is looking to get her figure of Estimates versus actual? Is she looking in Supplementary Estimates? Is she looking in another report? Just so that we can look at where she is receiving—

**Ms. McGifford:** I was looking at the annual report.

**Mrs. Vodrey:** Just to clarify, the member was looking at the annual report.

First of all, just a response to the first question, rather than read into the record the grants to the major agencies, I will be happy to provide those numbers to the member and then she will have them for her reference.

The second question was the difference in the annual report of the estimate and actual, the difference between the actual and the estimate of the funding for the major agencies. I understand that the actual is the number '95-96 of \$10,617,200, and that the estimate was \$10,879,900.

**Ms. McGifford:** I do not have my '95-96 book here. Well, I do. Yes, in the '96-97 Departmental Expenditure Estimates, it says that the Estimates of Expenditure for '95-96 was \$7,619.9 million. Is this to do with the lottery grant? I do not quite understand this incredible difference.

**Mrs. Vodrey:** Mr. Chair, moving from year to year the '95-96, '96-97, I am sorry, we are having a little trouble determining what the difference is that the member is pointing to. So I wonder if she would mind clarifying for me, please.

**Ms. McGifford:** Mr. Chair, I have the '96-97 Departmental Expenditure Estimates, Supplementary Information for Legislative Review book, and on page 31, under Grants to Cultural Organizations, I read that the Estimates of Expenditures of Grants to Cultural Organizations for '95-96 was \$7,619.9 million. Yet the annual report says what was actually spent and what was estimated were in the tens of millions, and I am just wondering why. There must be some simple reason for accounting for this difference, but I do not know what it is.

**Mrs. Vodrey:** Mr. Chair, the member is moving from the Operating line down to the total Grant Assistance line so she is referring to the estimate of \$7,616.9 million and comparing it to total Grant Assistance, which is a total bottom line on the actual of \$10,617 million, and that number also includes the capital. The \$10 million also includes the capital. So the lines are

not being compared across, it seems they are being compared sort of one at the top and one at the bottom.

**Ms. McGifford:** May I ask the minister, then, where do I find the capital in the Estimates book?

**Mrs. Vodrey:** Mr. Chair, the capital line, I understand, is on page 67. It is line 14.5. So what was in here in the annual report included both lines, both in the estimate and the actual spending and then there is a total at the bottom.

\* (1450)

**Ms. McGifford:** Thank you for clarifying it. I understand it now. I will not say perfectly, but I understand it now.

Last year, in connection with the Community Initiatives line, the minister told me that in Winnipeg, Culture, Heritage and Citizenship had traditionally funded a summer camp—he told me this on June 6—and that the grant was something like, he said, \$30,000 or \$35,000, and that the Westman area enjoyed the same grant. I wonder if the minister could give me some details about these summer camps that are funded under Community Initiatives?

**Mrs. Vodrey:** I understand that there is the Sunshine Fund to which we contribute \$35,000, and then there is the Sun Fund, which is the Westman fund to which we contribute \$5,000. Then those organizations send young people to camp.

**Ms. McGifford:** The figures that the minister cited in last year's Estimates were \$30,000 or \$35,000?

**Mrs. Vodrey:** I am informed the number is \$35,000 and \$5,000 more.

**Ms. McGifford:** Last year, too, the minister, in discussing Community Initiatives, told me that this was rather an informal program and that he felt the informality was very important because he felt flexibility was extremely important in this particular program. His point was heard, although I heard it with some caution, and I am sure that this minister, like the last minister, realizes that flexibility has to be cautiously and judiciously monitored.

So I wanted to ask the minister, the current minister, does she plan to follow the previous policy of flexibility and informality, or is she considering clarifying and formalizing access to Community Initiatives grants?

**Mrs. Vodrey:** I am informed that the flexibility was very helpful and did allow for issues which came up to be dealt with. So at the moment I do not have a reason to look at trying to change that method. If there is any that should be brought to my attention, though, I hope that the member will do so.

**Ms. McGifford:** Is the flexibility so that if something unusual comes up in the year there is an ability to respond to that with financial grants or grant?

**Mrs. Vodrey:** The answer is yes.

**Ms. McGifford:** I wonder then if the minister would mind forwarding to me, along with the other things that she has already agreed to forward, a list of Community Initiatives grants and who has received them.

**Mrs. Vodrey:** Yes, I am happy to do that. I have a list of the grant recipients and projects here now. Would you like them read into the record?

**Ms. McGifford:** Yes.

**Mrs. Vodrey:** Okay, so these are the grant recipients for '96-97. Manitoba Film and Sound Development Corporation, to assist with costs re bringing some film producers from the U.S. to Manitoba to, I presume, look at our locations, and the amount processed to date is \$3,000.

The Philippine Heritage Week Co-ordinating Committee, that project was the 98th Anniversary of Philippine Independence, and processed to date is \$1,000.

The Association of Manitoba Museums—Planning and Evaluation Study and processed to date, \$8,955.

The Manitoba Audio Recording Industry Association, that was for a strategic planning retreat, and the amount was \$4,000.

The Manitoba Crafts Council, that was for the Industry Inventory Economic Impact Study and Strategic Plan, and that was \$10,000.

Wanda Koop, Aganetha Dyck and Bill Ekan, that was travel to Amsterdam for the "Home Is Where the Heart Is" project, and the amount to date is \$3,774.

The Manitoba Multicultural Resources Centre and initial development of attracting some corporate sponsorship, the amount was \$5,000.

The Association of Manitoba Book Publishers, development costs of the National Intellectual Properties Conference, and the amount was \$5,000.

The Manitoba Historical Society, to celebrate the Manitoba 125th Anniversary Program, the amount was \$6,480.

A grant recipient was Storyline FX, and the project was Freeze Frame. The Winnipeg International Film Festival For Children, the dollar amount processed to date was \$8,000. Primus Theatre tour to New York City, the processed amount to date, \$2,200.

The Northern Manitoba Trappers Festival 50th Anniversary, the arts and cultural component of the organization's 50th anniversary, the amount was \$5,000.

Manitoba Crafts Council, to hold the Crafts Industry Forum, the amount was \$6,000.

The Western Francophone Games, to assist with the arts and cultural components of the games, the amount processed to date, \$7,200.

The Manitoba Crafts Council, to support the Hong Kong Pottery Workshop, the amount was \$2,000.

**Ms. McGifford:** I would not have asked the minister to read it into the record if I had known it was so long. I could have simply received it, but I thank her for doing that. I have no more questions on Grants to Cultural Organizations.

**The Acting Chairperson (Mr. McAlpine):** Item 14.2.(b) Grants to Cultural Organizations

\$7,303,400—pass. (c) Manitoba Arts Council \$6,767,300.

**Ms. McGifford:** I wanted to begin by asking a question that I have asked before in connection with other lines, and that is when was the last time that the government reviewed the act creating the Manitoba Arts Council? I notice it was passed in 1987, so we are at that magic 10-year mark mentioned by the minister last year in his determination to review The Heritage Act..

**Mrs. Vodrey:** I am informed that the government, in 1990, had the arts policy review which submitted a report, and I understand that report did not make any recommendations regarding changes to The Arts Council Act.

**Ms. McGifford:** I would like to ask the minister, Mr. Chair, if that was the report commonly known as the DeFehr Report.

**Mrs. Vodrey:** Yes, it was.

\* (1500)

**Ms. McGifford:** I know that in the past the council has approached the community and major stakeholders requesting feedback to the council on asking questions about whether the community feels the council is responding to the community needs and whether it can or should do something differently. I wonder if the minister knows if the Arts Council itself is considering undertaking such a review, and if it is, would that review be an internally generated one or would it be—well, I guess it would be internally generated if it were doing something like that.

**Mrs. Vodrey:** I am informed that the Manitoba Arts Council has implemented a multidisciplinary community committee, which meets four times per year to discuss any needs, issues. As then issues are presented to them, they look at attempting to make whatever modifications may be necessary, modifications, I presume, which do not require changes to the act but are ones that they can do to meet community needs.

**Ms. McGifford:** Would the minister tell me, or does she know, who is part of this multidisciplinary

committee? How does one become a part of this group? Are they appointed by the Manitoba Arts Council, by the community? What is the—

**Mrs. Vodrey:** Mr. Chair, I understand that organizations are asked to send representatives and also that individual artists are appointed on a rotating basis.

**Ms. McGifford:** But my question was, who does the asking?

**Mrs. Vodrey:** Mr. Chair, I understand that council staff ask their organizations then to send representatives and to determine who might be on on this rotating basis of artists.

**Ms. McGifford:** So there is no way of lobbying the community and having the community send their own delegates or appointees or representatives, or does that also happen? The concern behind my questions is that a body that regulates and looks after itself but also makes its own appointments is not vetted in the same way as a group which has members of the public appointed by the public; in this case, it would be members of the community appointed by the community as opposed to being asked by the Arts Council. I hope I am making myself clear.

**Mrs. Vodrey:** I understand that it is advisory and that it represents the clients. I am not quite sure if the member is saying there then should be other community representation who perhaps are not necessarily involved and that they should somehow make it known by an advertisement or something that this committee exists and people could forward their names. I am not quite sure how to get at the community part that the member is speaking about.

**Ms. McGifford:** Well, it is very difficult, I think, to get at the—it is often very difficult. But my concern is with people being appointed rather than groups being asked to send a person. That is what happens?

**Mrs. Vodrey:** I understand that is what happens, that the groups are approached and the groups determine whom they will recommend to sit on the committee. It is not that the Arts Council reaches in for a person, but rather they reach through their client group, who appoints someone from themselves.

**Ms. McGifford:** That seems to me to be a much sounder method than what I had understood to exist, and I am glad that it is existing.

I want to ask a question of the minister, and I ask this without any criticisms at all of the Manitoba Arts Council, because I think I certainly put my very complimentary remarks on the record last year. But could the minister explain to me exactly how the Arts Council is accountable to Manitobans? What is the chain of accountability?

**Mrs. Vodrey:** I am informed that the annual general report of the Manitoba Arts Council is tabled by the Premier in the Legislature.

**Ms. McGifford:** Does the Arts Council have an annual general meeting to which the public are invited or can attend?

**Mrs. Vodrey:** I understand they do not.

**Ms. McGifford:** I wanted to make a comment and that is that I have heard both from the Manitoba Teachers' Society and from artists in the schools themselves that there have been some problems with the Artists in the Schools program. Apparently the process of obtaining grants for artists is becoming increasingly labourious and time consuming, and consequently, so I am told, teachers are less inclined to apply than they have been in the past.

I believe as well that there may be some added complexities in remuneration to the artists themselves. In any case, regardless of the complexity of circumstances, some teachers and some artists have been upset so much so that the Manitoba Teachers' Society and the artists, I believe, have met with representatives from the Manitoba Arts Council.

I wanted to say that I think that the Artists in the Schools program is excellent, and it is essential to the education of children in Manitoba. I think exposure to practising artists, musicians, writers story tellers, actors, dancers, puppeteers—and this list is not even inclusive because that program is really so multifaceted and there are so many different persons involved.

Anyway, I think that the program is practically and pedagogically sound in a practically and pedagogically sound way of developing and encouraging creativity in our students. This seems to me more and more important especially at a time when the curriculum in the schools, I believe, is becoming narrower. Some believe it is becoming rigid and especially, I think, at a time when we need creative solutions to the problems of daily life whether these be local problems, national problems or international problems. I think we simply cannot afford to dull our students' creativity and, in this case, I am talking about the Artists in the Schools program.

I want to add that I think we need always to be aware of the important economic gains and spinoffs of the arts. I think, as the minister said in her opening statement, Credo is proving that in spades, and I think it is clear in the numbers of people who come to see performances of the ballet, to attend the new music festival or the Manitoba Theatre Centre or the Warehouse or Prairie Theatre Exchange or to visit the Winnipeg Art Gallery or any of the myriad of galleries that we have in Winnipeg.

There are also other art forms that are generated here. There is publishing which generates jobs and monies in Manitoba. So my point is that artists play a very important role in our economic lives as well as in our cultural and creative lives, and I think the future generations of artists should begin their creative lives in our schools, and that is why this program is so important.

\* (1510)

In short, and I think I can speak for my caucus here and I think artists know this, we are and I am, my caucus by way, are very, very much in favour of a strong, well-run Artists in the Schools program, and I wanted to put this on the record. So we hope that both the Minister of Culture, Heritage and Citizenship and the Minister of Education along with MAC will share our commitment. We do not want to see this program go the same way as Grade 11 History seems to have gone, that is, into the dumpster.

We need to proceed with the program. We need a commitment to these dedicated artists, who really do

work for our children, and to the teachers who facilitate this work. So I wanted to make that comment, and I do not know if the minister wants to respond. I realize it was rather lengthy.

**Mrs. Vodrey:** Mr. Chair, I think that I do not really find anything to disagree with in what you have said in that we also are very interested in the artisan school. I have had personal experience of friends who have taken that role, and as former Minister of Education, I was well acquainted with it.

I can tell the member, just to bring her up to date, that the department has discussed this with the MAC staff. I understand that changes were made to ensure that schools participated fully in the process. The program was apparently designed to spread employment amongst the artists and also to improve accountability. I understand that, subject to some of the complaints, MAC has made some additional revisions, which have satisfied the artists, but I know that they are also meeting with the artists to attempt to resolve what has been seen as the complexity issue.

**Ms. McGifford:** Can the minister tell me if during the past year, for example, the number of requests for artists in the schools remains constant or increased? Does the minister have those figures?

**Mrs. Vodrey:** Mr. Chair, I understand I have just been handed a booklet, which I am either happy to table or send the member a fresh one—perhaps that would be the best—entitled "Art Support '95-96." What this does is it lists every single grant. It does not total it, though, so I am not able to give you a total, but I certainly do not have any difficulty sending the member a copy of this. I see the one that I have in front of me has got a name on it and some marks in it. So, if that would be helpful, I would be glad to do that.

**Ms. McGifford:** Well, I thank the minister; I actually have that particular report. I was more interested in the '96-97 year, but I am sure that will come out and then I can look up those statistics for myself.

I am very glad to hear that the minister shares the commitment to the Artists in the Schools program because we clearly both believe that it is very important.

**Mrs. Vodrey:** Mr. Chair, I would just say that apparently we do not yet have the '96-97 report, so when we do receive it, the member will get a copy of that.

**The Acting Chairperson (Mr. McAlpine):** Item 2. Culture, Heritage and Recreation Programs (c) Manitoba Arts Council \$6,767,300—pass; (d) Heritage Grants Advisory Council \$578,400.

**Ms. McGifford:** I do have a few questions. I am sorry to be such a nuisance. I wonder if the minister could tell me if there is a specific act governing the workings of the Heritage Advisory Council.

**Mrs. Vodrey:** Mr. Chair, no, there is not a specific act.

**Ms. McGifford:** I understand that the Heritage Grants Advisory Council grants money under the Heritage Grants Program. I wonder if the minister could explain the difference between grant assistance through the Heritage Grants Program and grant assistance through Community Heritage Grants in Historic Resources.

**Mrs. Vodrey:** The HGAC grants are administered by citizens who are appointed to that council, and they provide recommendations on the distribution of funds for projects, specific projects. The Historic Resources branch grants are operating grants. They are ongoing; they are formula based.

**Ms. McGifford:** Are the heritage grants, or what the minister I think called the hack grants—

**Mrs. Vodrey:** HGAC.

**Ms. McGifford:** HGAC grants. That is better than hack, is it not? Is there one pool of applications received a year, and is it decided at that time who gets the money? What is the process for obtaining?

**Mrs. Vodrey:** There are two intakes for the HGAC grants, one in January, one in June. They are by application. Subcommittees of the council review the grants. They review in areas of their own particular expertise. They then make recommendations to the full council, which makes recommendations to the minister.

Where there are technical needs or where there is a technical assistance required, that is provided through the Historic Resources branch.

**Ms. McGifford:** Could the minister tell me if the grants through the Heritage Grants Advisory Council are generally spread around the province so that different regions receive what we might call, loosely speaking at least, their fair share?

**Mrs. Vodrey:** I am informed that the council would say that they make their recommendations based on merit, that they do not follow a specific geographic formula. However, I am also informed that the general outcome is one in which there in fact seems to be a good, general distribution.

\* (1520)

**Ms. McGifford:** I wonder if the minister or her staff would forward me a copy of the most recent Heritage Grants Advisory Council, or the grants anyway, and I wonder, the minister spoke about the expertise of councillors, and I am assuming then there are a set of criteria for appointments where people are appointed for their expertise. I wonder if she could give me a sense of the variety of expertise represented on the council.

**Mrs. Vodrey:** This council is made up of people with specific expertise in a range of technical areas, by and large, people who have professional training as archeologists, as architects, general historians, people with a background in museums, people with backgrounds that would assist in assessing these specific kinds of projects that tend to come before the council for evaluation and for grant assistance.

**Ms. McGifford:** Three very related questions, or at least two. Does the minister make the appointments and on whose advice, and is the current council geographically representative of the province?

**Mrs. Vodrey:** The minister makes the appointments. I understand that when there is a vacancy on the council, council suggests to the minister the type of expertise or experience that they would like and they feel they need, and I can tell the member that I am at the moment looking to make some appointments to that

council, and I am looking to make an appointment that would be representative of the northern part of Manitoba.

**Ms. McGifford:** Well, I thank the minister for that because I know it was a concern expressed in last year's Estimates by my colleague from Flin Flon. I am also pleased to hear—it sounds to me as though the Heritage Grants Advisory Council in a sense with the approval of the minister appoints itself, and therefore it is truly a citizens' group.

**Mrs. Vodrey:** What the council does is they recommend a type of expertise. They may forward some names or—this is my first year of making these appointments. Sometimes it may be perhaps that we have to try and find some people with that expertise and a willingness to serve.

But I think that the important part is that a number of the people who are active in the area of expertise required are probably known to council members, so that they may, in fact, submit some names and look to see if that expertise can be satisfied in that way.

**Ms. McGifford:** Is there any remuneration for sitting on the council?

**Mrs. Vodrey:** There are no per diems, but expenses are covered.

**Ms. McGifford:** Thank you for that information. I wonder if the Heritage Grants Advisory Council provides financial support to any of the archives around the province.

**Mrs. Vodrey:** I understand we do not have a specific example at the moment. However, I understand that, if there was an application made, they would be considered on their merits, and maybe we do have an example. Sorry. We do have an example. For '96-97, the Association for Manitoba Archives received a grant of \$15,088, and the Carberry Plains Archives received a grant of \$2,616.

**Ms. McGifford:** I understand that the federal government provides the Manitoba chapter of the Canadian Council for Archives with approximately \$120,000 and that most provinces match this amount

with provincial grants, but that Manitoba really, according to the archivist to whom I have spoken, and I quote here, "hasn't really pulled its weight here." Many archivists in the province feel there is not really a serious commitment to the preservation of archival material.

My understanding is that very often what happens in Manitoba is the body that generates a record needs to assume responsibility for preserving the record and often assumes responsibility for making that record available to scholars. So, in essence, then, the record generators are responsible for maintaining records and for providing staffing in order to make records available. I am sure that the minister and I both agree that preserving our records and our history is extremely important. Whether these be records of churches, colleges, universities or whatever, I am sure that we agree that history is extremely important, and we want to preserve our heritage. Consequently, the minister is the Minister of Culture and Heritage.

I want to ask the minister if she would look very closely at the support that is needed for the preservation of records in Manitoba, and I would really like to know if staff are doing this kind of work, because I am very concerned about it.

**Mrs. Vodrey:** Well, I think this government does have a record of support to the archives. We certainly put a significant effort into our own archival area within government. We will be cost-sharing with the federal government, the Centre du patrimoine with the Franco-Manitoban Cultural Centre at that centre, and we also provide a grant to the Association for Manitoba Archives of \$10,800. So there is certainly money being spent by our government in support of the archives. We also are supporting the Hudson's Bay Company Archives as well. So there are a number of examples of support and dollars spent in this area. But in this area, as in all areas, there do have to be some decisions made in terms of the dollars spent, and I believe our government does have a good record of preserving funding in these areas.

\* (1530)

I have just been informed of another example of our support. We also fund the Ukrainian Cultural and

Educational Centre, which has archives, at \$67,000 a year. So there are lists of our support, and I suppose, as in any area, the question is, well, what is actually enough? But I think our commitment is certainly there, and in some cases it is really quite significant.

**Ms. McGifford:** I wonder how the minister responds to what I have heard from many archivists and that is that many jurisdictions in Canada match the federal government's grant. In this case, I understand that the federal government, as I said before, provides the Manitoba chapter of the Canadian Council of Archives with \$120,000. I am told that this is, in many jurisdictions, matched provincially.

**Mrs. Vodrey:** The line 14.3. (d) Provincial Archives is one in which we will have staff from the Archives here. So perhaps the line of questioning could be carried on at that line. I know we have a staff member who is quite affected by the flood. I am not sure if that individual will be here, so I may have to undertake some questions and return the information to the member. So I cannot confirm whether there is in fact matching in other provinces. As the member knows, all provinces appear to give grant money in different forms. There might be money under this umbrella, none under another, in which case this province has maintained commitments in many areas and in many ways in reference, for instance, to the Ukrainian Cultural Centre which has an archival component to it. So I certainly think that our support in the area of support to archives is at least a commitment on the part of this province to the work and also to our interest in that particular area.

**Ms. McGifford:** My specific question was that I asked the minister if she looked very closely at the support for preservation of records, and I put that question forth once more.

**Mrs. Vodrey:** I think the best answer at this point is to say that I am looking at all areas of my department who, I really believe, are doing very important work on behalf of the people of our province and all others. The member references scholars who use this material in some of their work. When we have staff at that appropriate line as well, if there are some more detail that I might be able to provide at that time, I would be happy to do that then.

**Ms. McGifford:** Certainly. I wanted to say at this point that I appreciate the minister's statement that she is relatively new to this critic area. I am sure that the minister appreciates that my role as the critic is to solicit opinion from people in the various fields and bring their concerns to the floor when I have the opportunity as I do. So I am not asking questions with malintent. I am asking questions because I feel I have a duty to the constituency that I represent here, being the culture and heritage community. So I just wanted to put that out.

**Mrs. Vodrey:** Let me just assure you, no offence taken. My answers are the answers I would give if I had the opportunity to sit with those people as well at this time. As an attempt to answer to them what our support has been, recognition that no one can provide everything that is perhaps desired, and to reiterate to those individuals what our commitment is, and if there is something more that needs to be looked at, then the commitment to look ahead. But I appreciate the member's comments, and there was no offence taken either. Thanks, though, for your comments.

**Ms. McGifford:** To move on then. Last year the minister said that the decrease in grant assistance from 1995-96 to 1996-97—I believe in 1995-96 it was \$600,000, and it went down to \$500,000 and remains so—was offset by the ability to recuperate funds through bingos. I wanted to ask the minister how this ability to recuperate funds was affected by the lottery strike.

**Mrs. Vodrey:** Mr. Chair, first of all, for any groups who may have been affected by the strike, the government has compensated those groups with an equal dollar amount that they were expected to generate from the bingo. I also understand that it really did not affect HGAC in the first year of their bingo. But the general answer was that if anyone was affected, they have in fact received a compensation.

**Ms. McGifford:** So does this mean that, since the grant in 1995-96 was \$600,000 and then it went down to \$500,000, in '96-97 \$100,000 was made from bingos by the various groups that would normally have gotten money through—what is the minister calling it—HGAC?

**Mrs. Vodrey:** I understand that is, in fact, correct.

**Ms. McGifford:** So that is 33 bingos, I guess. I wonder if the minister sympathizes with the fact that in some situations there are certain groups who find it very difficult to find the staff people to run bingos, and I think some groups have a very difficult time managing their day-to-day affairs. The work is taxing enough without having to find volunteers and prepare them for bingos. I do not think that there is a never-ending stream of volunteers who are dying to do bingos. I know personally I have done bingos and just about have been asphyxiated from the smoke in the bingo halls, and I find it really distasteful work, but, I mean, one does these things from time to time.

\* (1540)

**Mrs. Vodrey:** Just to make sure the record is correct. The member spoke about 33 bingos. I understand 27 projects were allocated bingos. I understand as well that volunteers are required to operate bingos, and that is a fact. Many of the community groups do have volunteers or can call on other friends. It does not necessarily, as the member knows, have to be a volunteer of that particular organization. It can be whoever takes the responsibility to then call on either their own volunteer group or other friends and neighbours to assist.

I understand that, in general, the council has had some positive feedback from many organizations that are wishing to work bingos and that the volunteer time spent to work the bingo is considered as the organization's contribution, and therefore with smaller projects, no cash outlay is required. So, as the member said, there is not a never-ending supply of volunteers, that is true, but there is not sort of a never-ending supply within a government allocation. So we looked for a way in which to allow groups and to assist groups with the amount allocated being really quite a significant amount of money. So I think it is still an opportunity for groups to assist them in the dollars that they need.

**Ms. McGifford:** I mentioned 33, because I know that one gets approximately \$3,000 a night for running a bingo, so it was a very quick rough calculation. I am sure that there are many requests for working bingos, because people need the money or organizations need the money in order to keep running. But my point was

that there are some groups for whom it is very difficult to obtain volunteers because of the nature of their work. For example, I, at one time, was on the editorial collective of a poetry magazine, and it was very difficult for us to get volunteers to go and run a bingo for that poetry magazine which we needed in order to continue.

I realize I am not talking about a heritage grant group here. Archivists, for example—I do not know whether any of the persons who received monies through the bingos happened to represent archives, but they are not kind of “the sexiest act in town.” I think it may be very difficult for those groups to get the volunteers. So I am really speaking on behalf of those groups, and is there any other arrangement that could be made for them?

**Mrs. Vodrey:** I understand that the groups do have to indicate a willingness to work a bingo in their application. So if some groups would feel that they would have difficulty in terms of getting the appropriate number of volunteers, then they would indicate that they were not prepared to work a bingo.

**Ms. McGifford:** The line of questioning here is based on what the minister told me last year, and he told me last year that monies that a group lost because of the cut of \$100,000 could easily be made up by doing bingos. But if a group cannot do a bingo, am I right in my understanding then that the group cannot make up to get the grant that they would normally have gotten before?

**Mrs. Vodrey:** I understand that just about the total amount of the \$100,000 has in fact been awarded for the bingo. So in fact that dollar amount has been made up, and there is not a question of it not having been made up. If groups are not able to work a bingo or are unwilling for some reason or unable to for some reason that would be factored in by the council in their awarding of the dollar amount.

**The Acting Chairperson (Mr. McAlpine):** Item 14.2. (d) Heritage Grants Advisory Council \$578,400—pass.

14.2. (e) Arts Branch (1) Salaries and Employee Benefits \$465,900.

**Ms. McGifford:** I certainly have some questions on the Arts Branch, and I would like to make some general comments, and then perhaps that will lead to a specific question.

First, I want to suggest to the minister that she, on behalf of arts groups in Manitoba, request that the Minister of Finance (Mr. Stefanson) give these groups the same privileges that certain sports organizations have had, and that is the opportunity to solicit government employees, including MLAs, for season tickets through payroll deductions.

I am sure that the performing arts groups, and I include both those inside and outside Winnipeg, would welcome the opportunity to increase their ticket sales. I hope the minister will go to bat for them. I know I have had requests to buy season tickets for sports groups, and I wonder if we could not do it for arts groups too.

**Mrs. Vodrey:** To the knowledge of the staff people here with me, there has not been such a request by those groups. If there were such a request, then we would follow up with that request and see what may be possible.

**Ms. McGifford:** They probably have not thought of it. It is kind of a cheeky suggestion, and maybe if the minister were to phone them up and ask them, they would be only too glad.

**Mrs. Vodrey:** I understand that the RWB expressed an interest a few years ago and then decided that they did not wish to proceed. I can tell the member, in my meetings with these groups, they have been very creative in their own audience development programs, and this has not been something which has been recommended. I have been very interested in the commitment of the boards of all the arts groups that I have met with in terms of their own view of how they wish to proceed with their audience development but, at this point, I would say that if any of those groups did approach us then I am certainly willing to follow up.

**Ms. McGifford:** Well, I am sure from their point of view, the more season tickets sold, the merrier. Maybe I will call some of them and make the suggestion directly and see what they think about it.

**The Acting Chairperson (Mr. McAlpine):** Order, please. I would just remind the committee that any remarks are to be made through the Chair.

**Ms. McGifford:** Thank you, Mr. Chair. Maybe I will phone those arts groups.

I wanted to take this opportunity to congratulate officially and on the record the Manitoba motion picture industry on its resounding successes. I know the minister spoke about them, notably "The Arrow," "Twilight of the Ice Nymphs," "The Adventures of Shirley Holmes," "My Life as a Dog." I understand that Derek Mazur, the president of Credo and chairman of the Manitoba Motion Picture Industries Association, believes that the Manitoba film industry will be doing \$100 million worth of business by 2000. I think the minister made that comment in her opening address.

\* (1550)

I am pleased, too, to note that the Manitoba motion picture industry has initiated a training program to ensure the personnel necessary for the predicted expansion. Certainly one wants to congratulate Carol Vivier from the Manitoba Film and Sound Development Corporation for her contributions to this industry. I could continue, but I only will make one more point on this theme, and that is again to point out the economic benefits of the arts. Clearly, when films are being made, restaurants, hotels, retail outlets, and other businesses are enjoying really a brisker business.

I wanted to ask a couple of specific questions, however. I have a news release from the Manitoba Film and Sound Development Corporation, in which it says that in 1996-97 fiscal year, a total of 153 projects received assistance from Manitoba Film and Sound for a total commitment of \$1.7 million, and then it breaks down that figure. I think that this is just a point of clarification, because I note that in the Estimates book for 1996-1997, the line for Film Support Grants is \$2,053.9 million, so I am confused. Does this mean that all the money from the Film Support Grants does not go through the Film and Sound Development Corporation but is given out in another way?

**Mrs. Vodrey:** I can tell the member that the total amount, \$1.248.9 or a little over \$1.2 million, does

flow directly to Manitoba Film and Sound as a grant. The dollar amount that she sees in the budget line, which is 2.53, that is made up of additional grants which are made to sound programs, to locations, to training and discretionary fund and some dollars to administration and salary. It does all flow through Manitoba Film and Sound.

**Ms. McGifford:** I believe the minister said in her introductory remarks that she would be soon announcing the board members of the Manitoba Film and Sound Recording Development Corporation.

**Mrs. Vodrey:** Yes, I will be announcing those shortly.

**Ms. McGifford:** Those names are not yet public.

**Mrs. Vodrey:** No, they are not yet public.

**Ms. McGifford:** I wonder if I could ask a couple of questions in the area of film. First of all, I wondered what the provincial government did in response to the federal government's cuts to the National Film Board, if there was a response to that from the provincial government.

**Mrs. Vodrey:** Well, our government cannot continue to backfill the cuts of the federal government; that is clear, because the cuts in all areas have been significant, particularly in the area of health, education and support to families. However, in this area what we did was not a backfill, but rather developed the special loan program and also the tax credit program. So we developed two programs ourselves to try and assist.

**Ms. McGifford:** Mr. Chair, I did not mean to suggest that the provincial government should be responsible in this case. It would seem to me that one of the things that is very important in view of the fact that the film production industry is growing in Manitoba, is that we have a strategy to promote the viewing of local and national film in the province, and I wonder if there is such a strategy.

**Mrs. Vodrey:** I understand that we provide support to the Brandon Film Festival and to Freeze Frame and to the Winnipeg Film Group and also to Cinematheque.

**Ms. McGifford:** It sounds to me, Mr. Chair, as though there is funding on an ad hoc basis, but is there a fixed strategy or is there an effort to develop a strategy to encourage all Manitobans to have the opportunity to see the films that we are making here in the province of Manitoba?

**Mrs. Vodrey:** I understand what the member is speaking about in terms of a way to encourage Manitobans to actually see some of the work that is produced here or developed here. The Arts Branch does have a mandate to support audience development. The dollars that are spent in the Brandon Film Fest and Freeze Frame are part of this mandate, so I do not think ad hoc is the way to describe it but rather a decision and a commitment on the part of our mandate.

There has also been, as the member mentioned in her own opening remarks today, really quite a lot of feature films and series and movies of the week that have been filmed or developed here, so there is also then general support and advertising and audience development to deal with those, just by way of example, "Heck's Way Home," "My Life as a Dog." There has really been quite a lot written and I think also promoted about some of these, certainly "The Arrow" as well. But I think what the member is saying is not sort of general but in a more specific way is there something—that an effort is being made in a reliable way. I think it is a good point. Yes, we do have the mandate to do that. Yes, I believe some it is done, but I do think it is worth watching for as well.

**Ms. McGifford:** I think my point is that without the promotion of individual Manitoba film makers the industry is just another place to work and will not really encourage creativity and whatnot in the province. Just to put that aside for a minute, I wanted to ask the minister if her government has plans to advocate for film study in schools as part of the school curriculum and perhaps even as a part of the Artists in the Schools program because we cannot start too early, can we?

**Mrs. Vodrey:** I understand that the Winnipeg Art Gallery has a program which is very useful and helpful to encourage people into film making; young people in particular. Whether or not it becomes a part of a curriculum development or part of a school curriculum the member may wish to raise this as well with my

colleague the Minister of Education (Mrs. McIntosh). I am not aware at this time of this being specifically a part of the arts curriculum, however, I have not been as close to some of the school issues as I was at one time, so it is certainly something that I think could be looked at.

I understand that on their own a number of high schools are moving in this direction, and that MMPA is getting a lot of requests. Just by way of example, two of the schools, because high schools can do this, Westwood and R.B. Russell have moved in this area and also Glenlawn which has a very active department in this area as well.

\* (1600)

**Ms. McGifford:** Earlier we talked about the DeFehr Report. This is a report about which I have asked the former minister for the past two years, because I do take its recommendation seriously. I have repeatedly asked the former minister about one particular important and central recommendation, Mr. Chair, and that is that an art act be legislated, this being an act which recognizes the complexity and maturity of the relationship between government and the arts.

There are two basic purposes to such an act. First of all, the minister responsible for that act, who would be the Minister of Culture, Heritage and Citizenship (Mrs. Vodrey), would be in a stronger position to advocate on behalf of the arts among the various government departments and among government agencies. Secondly, an art act would provide the minister with an opportunity to present an annual report on the arts in Manitoba and so inform and educate both legislators, that is us, and the public at large.

Once again, I think we agree that the arts are important and influential in many government departments, in Education, in I, T and T, and they could probably be extremely important in Urban Affairs. I think that we perhaps could do more to encourage the development of the core of our city through the arts. An act would be, I think, a golden opportunity as well as a formal opportunity for the minister to advocate for the arts for their role in the province. It would be an open and public sign that we value the arts, including cultural industries.

So I want to ask this minister, having asked the former minister for two years running, if there has been a change of heart, and would she consider introducing an art act as recommended in her own government's DeFehr 1990 report, bearing in mind of course that such an act would cost nothing yet perhaps accomplish a great deal.

**Mrs. Vodrey:** I understand that the federal government, which has such an act, worked on it for quite some time. It was very, very complicated, and it also took significant time to proclaim, even parts of it, and then further time before the whole act was in fact proclaimed. So at the moment we do not have plans to do that, but I do believe that our commitment to the arts is very, very evident, and I do not think there is any question in the minds of the arts community in Manitoba about this government's commitment.

This government has taken a number of steps in all areas of the arts to assist our artists, to assist in arts development and to assist communities in terms of their arts development, the arts development both in the major arts groups as well as in community arts development. So though we do not at the moment have an act, that does not mean that we have in any way stood still in terms of our commitment. It is a very complicated issue to develop the act. I would not want to hinge our commitment to the arts on the development of that act alone. As the member says, it is complicated. It would involve issues such as labour, education and training, Revenue Canada and so on.

So I would focus instead on the other concrete things which in many cases have been dollars, the new tax credit and other initiatives, which I believe have shown the arts community and have given them tremendous support. They receive support financially. I believe they also receive support by way of interest of this government in terms of—I know we can maybe talk about the Crafts Council, the Royal Winnipeg Ballet, the efforts to bring arts into the community, our community arts development, so there has been a lot of work and a lot of effort in that area. That is a concrete work and at the moment the priority of this government.

**Ms. McGifford:** The art act was recommended, of course, to the minister's own government by the DeFehr Report which was part of a group commissioned by the

current government. Having left the art act, then, I wanted to try this one, and that is the Status of the Artist Act.

Many jurisdictions in Canada, the federal government, the former NDP government in Ontario and the current Saskatchewan government—though there may be more; I am not up to date on every jurisdiction—have done preliminary work and preliminary reports on the possibility of the Status of the Artist Act. These acts, as I am sure the minister knows, and here I am summarizing, generally make recommendations which government could implement and identify actions which government could take to provide social and economic equality for artists.

The point is to demonstrate concretely that the artist is a valued part of our society, that the artist status or position in our society is valued and also to acknowledge the myriad ways in which artists enrich our lives. The recommendations made in the reports I have read generally include economic equity issues, social equity concerns, education, training and professional development, visibility, legitimacy and access to art issues, minority rights and nondiscrimination issues and social benefits.

Having said all that, my question is, I wonder if this minister is considering or would consider examining the status of the artist in Manitoba, as I am sure this minister knows that many and even most of our artists live in grinding poverty without pensions and without the monetary comforts of old age that many of us have to look forward to and do this all in the service of art and the exploration of culture.

**Mrs. Vodrey:** Mr. Chair, the answer here is really the same. I understand that some governments have focused on some legislation. Sometimes the legislation may be the only thing they have to show for their support to the arts and to artists.

Our government's position has been the support that we have provided to the arts, to the artists and to the artistic community, and we are focusing on measures which bring jobs, which increase the participation in the artistic community, which increase markets for the products of the artist. I mentioned several in my

opening remarks that I believe will really assist our artists of all types.

So at the moment the act is not a priority, so things have not changed there, but what has been a priority for this government is to assist the arts groups and the artists. I believe we have done that in a very concrete way, and it is evidenced through very measurable things such as the dollar amounts generated and the participation of the community and so on.

**Ms. McGifford:** I do hear the minister saying that her government's priority has been to assist artists and arts groups, yet Stats Canada reports, and I do not think Manitoba is very different from other Canadian provinces, that on the average painters, sculptors and related artists have an average income of \$14,000, and 55 percent of that is cultural income, so their cultural income is \$7,600. Writers have an average income of \$23,500, 65 percent generated from their writing or \$15,275. Musicians have an annual income, again average, of \$20,300, and 67 percent of this money is culturally related or \$13,601. I am going to stop here with these figures.

It just seems to be quite clear that the biggest subsidizers of arts and culture in Canada and undoubtedly in Manitoba are the artists themselves. They are well-educated and skilled people who sacrifice their standards of living in order to pursue their culture, and again we are cognizant, as we have been saying repeatedly, of the economic contribution they make to this province. So I do not think that we are necessarily serving the artists in this province well. I do not think we are necessarily doing well by these people.

\* (1610)

**Mrs. Vodrey:** In terms of the member's concerns about the level of income to allow people to continue as artists, I am not sure that an act is going to make a big difference in that. So I do not see that that is going to be a priority at the moment for our government, because I do not see that as a demonstratively good mechanism to assist. What we are doing to assist, however, is we are working with the artistic community, we are working with government departments to address the key issue which would assist

them in this area, and that is the marketing of their products. When the marketing of the products, the market for those products increases, then obviously what comes back to the artists by way of income would be increasing.

The ballet, for example, told us that the ballet, our Royal Winnipeg Ballet, now works 46 weeks a year. I believe that was the number when I went to visit the ballet board and executive director. I understand that is really an incredible number of weeks of employment for those artists as compared to other ballets across the country. Part of that is because their market has expanded. Not only do they perform here in Winnipeg, but they also perform across Canada, across United States and also in other countries.

The Crafts Industry Development Forum, through that a strategic plan was developed for that industry to guide its development to assist it. I was really impressed when I went to visit with that group at their fairly recent conference how very, very seriously this issue had been tackled by that group who were very understanding of the needs to expand their markets and also therefore to improve their income.

The Export Readiness Forum for all Manitoba's cultural industries, film, sound, visual arts, crafts, performing arts, publishing, will assist them in developing partnerships and strategies for promoting and for selling their products. So, though I do not dispute the numbers put on the record by the member, what I would say as a way to improve those numbers is to improve the market, and that is what this government has been assisting the artists to do. I believe that is an important priority.

I would also say too that the funding to the arts has really been relatively stable in this environment, and stable funding in this environment ensures that Manitoba musicians and other artists can live and work full time in our province. So our government has had, I think, a commitment in a several-pronged approach to deal with stability and increasing markets and increasing income of our artists in Manitoba.

Now that is certainly what I would intend, as minister, to want to make sure continued for the artists in Manitoba. If there is any question of her wondering

about my interest in that area, I have assured the arts groups as I have met them of my personal interest, my interest in their developing and developing their markets.

**Ms. McGifford:** The minister said she did not dispute the stats. They are not mine; they are Stats Canada. Artists have been poor and needed patrons since well before the Renaissance, and some generations, some historical epochs have done better by artists than others have, for example, the Renaissance. I think it was Bramwell Tovey who said a couple of years ago when there was so much brouhaha about the Winnipeg Jets that one Jet made more money than the entire Winnipeg Symphony did in a year so-

**Mr. Doug Martindale (Burrows):** Shame.

**Ms. McGifford:** Shame, as my colleague from Burrows says. I do not lay that at the government's doorstep. That certainly is a reflection of public values and, in my opinion, a sorry reflection.

However, I wanted to make a couple of other points, and one of them is that the minister referred to the funding to the arts as being stable and stable, of course, does not take into consideration inflation. So stability is important, but it does not tell the whole story when we say it is stable. It is still my experience that most artists that I know are not doing well financially, that they do not have pensions, that they do not live in the kind of house I do, for example, and I think that the status of the artist act would begin to try and address some of these inequities if it were taken seriously.

We have, again, talked several times. Both the minister and I have mentioned the importance of the arts, the economic spinoffs of the arts, the money that the arts bring to this province and, yet, it seems to me that the artists themselves, the ones who create the market, are not the recipients of this economic prosperity.

However, having said that, I wonder if I could ask the minister if she has ever considered holding an annual meeting with people from the arts and with the public, if the public were so inclined, as a kind of opportunity to engage stakeholders and talk to people. I realize that the Manitoba Arts Council is a presence in the

community, but several individuals in groups that I have talked to have expressed an interest in having an annual meeting with the minister. I wonder what the minister thinks of this or if she has considered it. I ask the minister.

**Mrs. Vodrey:** Mr. Chair, I had not considered it because of the number of annual meetings held by a number of groups, had not considered it perhaps because the request had not come to me at this point and because I am fairly new in the ministry. So I am trying to understand what the member is looking for. The ministry certainly meets regularly with clients. I understand that no one has expressed this to the departmental staff at this point, so it is an idea that is perhaps developing. I am prepared to look at what the requests might entail and to see how such a thing might be accomplished. At this point I had not planned to do that, but the idea may be one which may merit exploration.

**Ms. McGifford:** Mr. Chair, well, maybe I have the privilege of unusual lines of communication because I have spoken to several people, people in the publish industry, at galleries and what not, who thought that this was an interesting idea for the minister to hold an annual meeting, invite various artists, various groups and just speak with them, hear their concerns first-hand, which I am sure the minister would agree is a little different than artists meeting with representatives from her ministry, talented and hospitable and open as they may be and I am sure they are, but the minister is the minister is the minister.

**Mrs. Vodrey:** Okay, Mr. Chair, I think I understand what the member is saying now then, as opposed to an annual meeting sort of forum, but an annual opportunity for certain groups to come and meet with the minister. I have certainly been trying to meet with all the groups that would like to have that opportunity, and so if the member is aware of certain groups that perhaps have not yet requested a meeting but would like to request a meeting, then they only need to make the request. I have had a wonderful opportunity in the past few months meeting with a large number of groups, and there are more to be met with when there is in fact more time to do that. I am trying each week to meet with those who are interested, and that part I can say I am certainly willing to do.

**Ms. McGifford:** I wanted to make reference to the recent decision by the federal government re advertisements by the tobacco industry and what she thinks the effects on Manitoba arts and on the Manitoba art scenes might be. I think—well, I will leave that with her.

**Mrs. Vodrey:** Certainly Manitoba's hope is that there will be compensatory funding for the arts and for cultural events. As the member rightly points out, this is a federal decision, one that was made at the federal level and it will have some effect.

I will be writing to the Honourable Sheila Copps and would say in that letter some of the areas that I think would be important. First of all, I have no argument—in fact our government is supportive of the concerns for health, particularly youth, and we have always been supportive of federal initiatives to prevent access by minors to tobacco products, but what we do want is some stable arts funding from the federal government just as we believe we have provided stable arts funding in Manitoba. We are looking to see if there are any special exemptions which might be afforded to the arts, and I think, again, most importantly is will there then be as a result of a federal government decision any compensatory funding.

\* (1620)

I will not be waiting for a ministerial meeting to write that letter, though. Because we are in the process of a federal election, I will have to wait to see who that minister may be at the end of the election process, although I suppose, since the minister still does hold that portfolio until the election day, then that letter could be sent now. So maybe I think the best point to say is that I am prepared to get that letter off immediately to deal with that minister right now, while that person has that portfolio and while the issue is very much before the public.

**Ms. McGifford:** I think it is an excellent idea for the minister to write to Ms. Copps, who, I am sure, will deal expeditiously with her communication.

I wanted to ask the minister if her government has a policy with regard to support by the tobacco industry, support of the arts.

**Mrs. Vodrey:** Our government's position has always been a concern for the health of youth in particular, and that is what this bill focuses on, is youth. The federal bill focuses on an attempt to deal with youth who are smokers, and our government has always expressed that concern. In fact, when we get to the Status of Women we will be discussing some of the initiatives put in place by this government in an attempt to keep young women in particular away from smoking. However, as a result of the federal legislation then and the effect of it, we will be looking for some compensation for the arts.

**Ms. McGifford:** Does the minister's government believe that the arts should accept funding from tobacco companies?

**Mrs. Vodrey:** I understand permissively before this time, it was always an effort to balance the health issue with the funding which was available for the arts. Now that there is federal legislation which particularly is restrictive of this funding because the bill is aimed at not having young people be targeted in terms of smoking, then the balance is now changed. So now we will be then saying to the federal government: Now the balance changed. What kind of compensation is available for the arts? Because that would be important.

**Ms. McGifford:** I understand that the New Music Festival depends on \$100,000 from du Maurier. I understand that du Maurier has given cash to just about every prominent arts group in Manitoba. I am assuming that the new legislation would change all that in that du Maurier would no longer be allowed to prominently display du Maurier, so I am wondering if the minister thinks that we might have had our last New Music Festival.

**Mrs. Vodrey:** Just to make sure the member's figures are correct on the record. I understand that, in the past, it has been a \$60,000 contribution from du Maurier. This year the contribution was to have been \$75,000, and that du Maurier made a contribution to the province of \$100,000. At this time, we do not know what the impact will be as a result. Du Maurier can still sponsor the festival. This is the issue for a number of the companies as to make a decision about whether they wish to still sponsor the festival and not have prominent

notability at the time, so I am not able to tell the member what in fact the outcome will be.

**Ms. McGifford:** I think that du Maurier is on record somewhere as having said that it would be unlikely to sponsor the festival if it could not prominently display its name, but I could be wrong on that. I am sorry, I did not understand what the minister meant when she said that du Maurier made a contribution to the province of \$100,000.

**Mrs. Vodrey:** That was my fault in how I said it. Sorry. Let me correct the record myself, as well, to say that du Maurier makes a contribution to provincial arts projects in the \$100,000 range. I just wanted to make sure that it was clear on the record. The \$100,000 was not to the new music festival alone, but there were projects within the province that du Maurier supported to that level.

**Ms. McGifford:** I wonder if the minister would tell me which projects those were and if du Maurier's name was prominently featured or attached to those projects.

**Mrs. Vodrey:** The seven groups are the Winnipeg Symphony, the WSO; secondly, the Fringe Festival; thirdly, Folk Arts Council; fourthly, Rusalka; fifth, Cercle Molière; sixth, the Jazz Festival, which the member has referenced; and seventh, the RWB.

I am informed that du Maurier did have prominent advertising in each of those seven areas of contribution, and that across the country their contribution was \$1.7 million to 194 recipients.

**Ms. McGifford:** They did rather well for \$200,000, got a huge tax write-off and got prominent display in seven places.

I wanted to ask some other questions, if I could move on. I read in the annual report from which I quote, about the co-ordination of an interdepartmental committee on cultural labour force development with Manitoba Education and Training. I hope I am correct in understanding that Industry, Trade and Tourism has joined the other two departments, and that it includes representatives from national cultural industries and organizations. I understand that the focus is on cultural industries, particularly crafts and film, and that the

committee met during the months from April 1995 to August 1996, and certainly appreciate the Arts Branch's continued response to the 1990 report of the government arts policy review committee, the DeFehr Report which I cited earlier, and I have a series of questions I wanted to ask here on this interdepartmental committee on the cultural labour force.

I wonder if the minister could tell, first of all, who chaired the committee, which national groups were involved and who represented them.

\* (1630)

**Mrs. Vodrey:** Mr. Chair, this was an interdepartmental committee. It had representatives from I, T and T, from Training and Advanced Education and from Culture, Heritage and Citizenship. The committee was chaired by Terry Welsh from our department, who is here at the table now.

**Ms. McGifford:** Could the minister tell me please, Mr. Chair, if submissions were made to the committee and who made these submissions? Is it possible for me to have a copy of any of these submissions or could she talk to me about them?

**Mrs. Vodrey:** Mr. Chair, I understand that there were no submissions, that the committee in fact was gathering statistics primarily from groups such as StatsCan.

**Ms. McGifford:** Has the committee published any reports?

**Mrs. Vodrey:** Mr. Chair, I understand that there is some draft information. The draft information is basically a compilation of widely available statistics. The effort in doing that was to assist the three departments in terms of their work.

**Ms. McGifford:** Mr. Chair, am I right in understanding that on June 2, 1997, there will be a cultural industries export forum at the Fort Garry Hotel, I understood sponsored by the minister?

**Mrs. Vodrey:** Mr. Chair, I understand that, yes, there was to have been a forum on June 2. It has been postponed. It was postponed as a result of the federal

election and also our situation in Manitoba at the moment with flooding and a new date has not been set yet.

**Ms. McGifford:** But the forum will go ahead at a later date.

**Mrs. Vodrey:** Mr. Chair, yes, it will.

**Ms. McGifford:** I wonder if the minister could tell me something about the nature of the forum, specifically the goals of the forum, what it hopes to accomplish.

**Mrs. Vodrey:** Mr. Chair, it was an orientation session on export marketing. Groups such as Canada Heritage, Foreign Affairs, Industry Canada, provincially I, T and T, were going to act as presenters in this orientation forum.

**Ms. McGifford:** I wonder if the minister could tell me, please, who the presentations would be to.

**Mrs. Vodrey:** Mr. Chair, to the arts community, any individuals or organizations who want to export their artistic work would all be people who would be welcome to attend this forum.

**Ms. McGifford:** Then one of the goals would be to assist artists or artists groups in understanding ways or different ways of marketing their products.

**Mrs. Vodrey:** That is it exactly.

**Ms. McGifford:** I understand that fairly recently there was a consultation with crafters regarding industry marketing.

**Mrs. Vodrey:** Mr. Chair, yes, that is correct.

**Ms. McGifford:** Could the minister tell me something about the consultation? I am wondering if the government is interested in—well, clearly there is an interest in developing these strategies in the marketing of crafts and the products of art, since we just talked about that, but I ask this question because recently I was in Brandon speaking with people in that community, and people there seem to have some excellent ideas on marketing and really seemed to have

a desire to have the opportunity to market their products, especially craft people.

**Mrs. Vodrey:** Mr. Chair, our government put money into the strategic plan development and also into the forum.

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

**Ms. McGifford:** I wonder if the minister or her staff have met with any people from western Manitoba, who seem to have some very good ideas about marketing their products and need, I suppose, some of the assistance and expertise that the minister and/or her staff may be able to supply.

**Mrs. Vodrey:** Forums are being held in Brandon, in Dauphin, and in Thompson, so there are four forums, one in Winnipeg, three in rural Manitoba.

**Ms. McGifford:** Mr. Chair, I have a couple of questions about the Art Bank, which I think is an absolutely wonderful idea. I understand from a very careful reading of the annual report that there are 3,000 items currently in the collection, and I am assuming that this includes art in government buildings, but I wonder where else the art is housed.

**Mrs. Vodrey:** Mr. Chair, work from the Art Bank, I am informed, is all out, and it is all out in government buildings across the province. I did mention, however, in my opening remarks that we will be looking at some work from that Art Bank for the focus on women artists in Women's History Month in October, and I spoke about that, as I have said, in my opening remarks.

**Ms. McGifford:** The best way to view it is to do a tour of all government buildings and see it. I believe, and I also read in the annual report that last year or in '95-96, 21 pieces of art were purchased. I am wondering who makes the purchases, from where and what criteria are followed in determining whether to make a purchase. Is there a policy governing purchases, that sort of thing?

\* (1640)

**Mrs. Vodrey:** The minister has a committee to purchase that art. The committee has on it usually—it is a small committee by the way—an artist, at least one

artist, community members who may have some special interest in the arts community and usually one MLA. I can say I had the opportunity to do that one year and participated with an interior designer and an artist, and it was very interesting. The committee then goes to galleries, to juried art shows and they attempt to look at decision making representative of all kinds of artists in their visiting, and they make some recommendations to the minister. I would also like to say that some of the dollars allocated are spent in the Winnipeg area but there are also dollars which are spent in the rural areas as well, so that when there is a juried art show or an opportunity in rural Manitoba that we make every effort to also look at purchasing some art from those particular areas as well.

**Ms. McGifford:** Are all the pieces of art purchased done by Manitoba artists?

**Mrs. Vodrey:** Yes, they are all Manitoba artists. That is the one criterion, that the art purchase must be of Manitoba artists.

**Ms. McGifford:** I understand the minister said there was a variety of art purchased and I took that to mean that there would be some ceramic pieces, there would be some oil paintings and there would be some water colours. I am wondering if there is a conscious effort to have a balanced art collection which includes representational pieces from these various—I do not know whether the correct word is "media" or anyway different materials.

**Mrs. Vodrey:** I forgot to mention to the member that when this committee goes out they also go out with our arts consultant, so that there is also someone who is able to provide some guidance in terms of what some of the needs might be. When they are looking at the art, they try to find a balance between what the facility needs might be, historical importance of certain artists or artworks, what any gaps may be within our current collection.

Just to follow up on another part of the member's earlier questions, we are getting the collection on the website so that Manitobans can view the collection on the Internet. So, when the member was saying how do we find it, is it just if we have it in that government

building, we are making an effort to, in fact, make sure the public can access it.

The art also is rotated. Our art bank collection is rotated, as well, so it is not as if it is a static piece in one place forever, but there is an effort to show the collection to Manitobans and make it available.

**Ms. McGifford:** Mr. Chair, if the minister is ever interested in sending a member of the opposition on the buying expedition, I would very much like to be included. I think it is a great idea that it will soon be on the Internet.

A couple of other questions, I am wondering about the protection of these objects of art and also about the annual budget and whether that varies from year to year and where I can find the annual budget in the Estimates book.

**Mrs. Vodrey:** Mr. Chair, first of all, in terms of the care and making sure that the work is protected, Government Services has a line in their budget, \$8,000, to ensure appropriate framing and insurance, and we provide guidelines in terms of what is required and also the inventory.

The amount in our budget is \$27,000. It is found in the operating line of the Arts Branch. Then \$8,000 further to that is found in the Government Services budget line, so the total amount is \$35,000.

**Ms. McGifford:** A point of clarification, Mr. Chair, I believe the minister said there was a sum of money found in the operating line in the Estimates book, but I thought she said \$27,000, and the figure I read here is \$15,000. Maybe I am looking in the wrong place.

**Mrs. Vodrey:** Mr. Chair, I probably was not as specific as I could have been. The member would find it on page 35 of this year's Supplementary Estimates under 2, Other Expenditures. The line is capital. The amount is \$35,900 because that also includes expenditures such as computers and so on that would be required.

**Ms. McGifford:** Mr. Chair, actually it was totally my fault. I was looking at the wrong page.

I heard when I was in Brandon that there is some art moving to Brandon, and I wonder if the minister has any information about that.

**Mrs. Vodrey:** Mr. Chair, I am informed that the Manitoba Arts Council has an art bank, and their bank is being relocated for a three-year pilot period to the Art Gallery of Southwestern Manitoba.

**Ms. McGifford:** Is the public of Manitoba the final owners of the Manitoba Arts Council's art bank and the materials therein?

**Mrs. Vodrey:** Yes, that is correct.

**Ms. McGifford:** Does the minister know if these materials will be stored in Brandon or will they be on view?

**Mrs. Vodrey:** Thank you, Mr. Chair. I understand that the art is there for exhibition and education. It is not there for selling.

\* (1650)

**Ms. McGifford:** No, I did not think it was there for selling. I understand as well that the Art Gallery of Southwestern Manitoba is moving across the street from where it is currently located into a firehall, which is truly a wonderful building, and I think just an absolutely fantastic site for an art gallery. But I am wondering what will happen to these materials from the Manitoba Arts Council's art bank in the interim.

**Mrs. Vodrey:** Mr. Chair, I am informed that the art is still at MAC, at the Manitoba Arts Council, and will remain there until the move is complete to the new building, and we will assist to make sure that the conditions are right or that anything special that is required then is available.

**Ms. McGifford:** Mr. Chair, in the annual report I notice that the Arts Branch has consulted with federal agencies on issues like copyright, and I know that copyright is a burning issue for Canadian writers. I wonder what the results of these consultations on copyright have been.

**Mrs. Vodrey:** Mr. Chair, I understand that phase two of the copyright legislation, which is federal legislation, is now law.

**Ms. McGifford:** Yes, I would like to ask some questions on publishing grant assistance in Publishing Support Grants. First of all, I wanted to ask what kinds of publishers are funded. By which I mean, are both profit and nonprofit publishers funded? Secondly—well, let us leave it at that for now.

**Mrs. Vodrey:** I understand there are 13 commercial publishing houses which we support.

**Ms. McGifford:** So it is by 13 commercial publishing houses. Those would be publishing houses that, ostensibly at least, are trying to turn a profit. I think we are both aware that most presses in Manitoba are extremely small presses and perform more a public duty than they are really serious business endeavours, because I do not think Turnstone or Pemmican or any of our presses really make a lot of money.

**Mrs. Vodrey:** Mr. Chair, I am not sure if the member was asking a question, I was just asking for clarification.

**The Acting Chairperson (Mr. Penner):** I was not sure either.

**Ms. McGifford:** I have met with people in the publishing industry, and there seemed to be some concern on the part of publishing people that there may be a move on the part of Culture, Heritage and Citizenship to fund only nonprofit publishers. Since the minister has told me that all of the publishers that are funded are, in fact, commercial publishers, this seems to be a misplaced concern.

**Mrs. Vodrey:** Mr. Chair, I am happy to clear that up. I believe it is a misplaced concern. It is a general support to the industry.

**Ms. McGifford:** I wonder if the minister would mind sending me, or have her staff send me, the names of the publishers and the grants that they have received in the past fiscal year?

**Mrs. Vodrey:** Mr. Chair, we will be happy to send you the list.

**Ms. McGifford:** Mr. Chair, the minister could correct me if I am wrong, but I think there was a time, a few years ago, when magazines received some direct funding; that is, funding from publishing support grants as opposed to the Manitoba Arts Council and that this funding was used for a variety of purposes, wage assistance, perhaps, technological assistance. I believe it was used particularly for training and particularly for capital purchases. I think it was also used as marketing for direct mail and perhaps in a few other ways. Am I correct in understanding that this used to be in place and is no longer in place?

**Mrs. Vodrey:** Mr. Chair, I am informed that we did fund them at one time, but now that funding is accessed through Manitoba Arts Council. The same kinds of assistance is available through MAC as was available through our grant.

**Ms. McGifford:** So is the minister telling me that a small magazine, for example, could get money to train, to make capital purchases, and to do marketing from the Manitoba Arts Council? Because that is not my understanding.

**Mrs. Vodrey:** Mr. Chair, the answer is, yes, they can access, and I pointed out earlier this booklet, Art Support, which the member said that she had. I am referencing the '95-96 copy because we do not have '96-97 yet. On page 19 of that report, the member will see periodical publishers' projects and a whole section on writing and publishing in that book.

**Ms. McGifford:** Well, the minister, having been on the editorial board of a magazine, my understanding was the money we received was not for capital purchases, was not for marketing and was not for training, that the money that we received was for the publication of the magazine to underwrite, because, of course, you do not get back what you need to put out when you are publishing a poetry magazine. My understanding is that marketing, training and capital purchases are not covered by the Manitoba Arts Council.

**Mrs. Vodrey:** Mr. Chair, I am informed that there is both project support and operating support, which is both included in this page, which lists the grants which have been given through MAC.

**Ms. McGifford:** I understand then that small magazines preferred to get their money through Publishing Support Grants and that it worked better and that most of them would like to see this restored. I have met with most of the small magazines in Manitoba, and that seems to be what they would prefer. Most of the editors that I spoke to felt that technological upgrading was extremely important, as is marketing extremely important, that they had not had grants for technological upgrading for a long, long time and that, given the nature of the technological developments with computers and whatnot, they really needed this if they were to continue to be viable and to do their work as they wanted to do it.

**Mrs. Vodrey:** Well, I think the important thing is that there is funding provided. There is funding which deals with project support and operating support. I believe there only needs to be one mechanism of funding, and there is an accountable mechanism in place at the moment. I think that if the member has some issues that she would like me to be aware of, perhaps in more detail than we have time for today or whatever, I would be happy to talk to her about those. I am quite interested.

\* (1700)

Just as an aside, I attended the Literary Awards on Saturday evening and was really interested in the awards that were given and the number of people nominated for work done by Manitobans and Manitoba publishing companies and so on. So I had an opportunity in that evening to gain some first-hand insight. These issues were not raised to me at that time, but if there is something further that the member would like to let me know about I would be happy to hear from her. As I said in answer to an earlier question, if there is an association or a group of publishers who want to meet with me to express their interests or their concerns or their issues—we talked about it in terms of an annual meeting—then that is certainly something which I am more than happy to do, because I do need to know if there are any concerns.

I am just informed, referring again to the 1990 DeFehr Report, that there was a recommendation for the streamlining of the funding structures. So what we have in place is a structure which does provide some

funding, and if there is something further that the member thinks that I should know, then I would be more than happy to spend some time talking with her about it.

**Ms. McGifford:** Maybe the DeFehr Report was not right about everything. As the minister has pointed out, this would be another reason for an annual meeting with community people where they might put forth their concerns, because I do not think they do that at the Literary Awards. It is not really the forum to start complaining. It is a celebratory evening. So, anyway, I have no more questions on this branch.

**The Acting Chairperson (Mr. Penner):** Item 14.2.(e) Arts Branch (1) Salaries and Employee Benefits \$465,900—pass; (2) Other Expenditures \$120,600—pass; (3) Grant Assistance \$4,010,300—pass.

14.2.(f) Public Library Services (1) Salaries and Employee Benefits.

**Ms. McGifford:** I wanted to begin by thanking the Public Library Services for their newsletter, which I find both informative and educational, and I think it provides a very valuable service.

I wanted to ask a couple questions stemming from the most recent edition of that newsletter. First of all, I noticed that extension services includes collection support to establish libraries and a basic books-by-mail service to areas not served by a municipally supported library, and I wanted to know what is meant by collection supports.

**Mrs. Vodrey:** Mr. Chair, the answer is yes.

**Ms. McGifford:** My understanding then is that the extension services—am I correct in understanding that it would provide the collection support to established libraries but only basic book by mail service to areas that do not have a municipally supported library?

**Mrs. Vodrey:** Mr. Chair, I am informed that where there is no library, people receive their books by mail. Then there are also 21 travelling libraries, and those books can be displayed in store fronts, or other opportunities, so that people of the community can then have access to those books.

**Ms. McGifford:** But what I was trying to get at was in those communities that do not have a library, my reading of the information from the Public Library Services Newsletter is that those people can only receive books and that they are not in line to receive the other materials that a library might house, for example, video tapes, sound tapes.

**Mrs. Vodrey:** Mr. Chair, I understand, I am informed, that they can in fact receive video tapes, they can in fact receive the special collections, the talking books, the Francophone books or what is available.

**Ms. McGifford:** I wonder why the newsletter then uses the expression "basic books" by mail service to areas not served by a municipally supported library? Because that certainly implies to me that they could only get books and not other materials.

**Mrs. Vodrey:** Mr. Chair, I am informed that our best assessment is that they have used the term "books" to refer to collection.

**Ms. McGifford:** So, then, in fact the minister can assure me that all the materials in a library are accessible to all Manitobans, regardless of where individual Manitobans live?

**Mrs. Vodrey:** Mr. Chair, I am informed that that is, in fact, correct.

**Ms. McGifford:** Could the minister tell me, please, how many communities in Manitoba are not served by a municipally supported library, and how many are?

**Mrs. Vodrey:** I am not sure if I am trying to answer this the wrong way around in terms of how many do not have library services. I am informed that we have 49 regional libraries. That means 86 outlets. If then a community does not have access to those, they would be served by the extension services.

**Ms. McGifford:** Is the province currently taking responsibility, financial or otherwise, for encouraging the development of more libraries in the province? Could the minister give me some details if the answer to the question is yes.

**Mrs. Vodrey:** I am informed that there have been a couple of new libraries last year and I believe this year.

We are just looking for the names of where those libraries are. We do assist communities with feasibility studies, but I am informed that it is in fact a local decision. So we can assist them again with the feasibility study, but they need to make a local decision. Then we can attempt to assist in terms of service.

The new libraries established in 1996, the member may know, the R.M. of Coldwell established the Pauline Johnson Library in Lundar; the R.M. of Mossey River joined the Parkland Regional Library; in 1997 the R.M. of Eriksdale established a public library, and I understand that was opened in April; and the R.M. of Minitonas has joined the Parkland Regional Library.

\* (1710)

**Ms. McGifford:** When these new libraries are opened, is the municipality responsible for purchasing the books, tapes, videos, whatever materials go into that library, or does the province provide financial assistance via a grant?

**Mrs. Vodrey:** I am informed that on the operating side, where the municipality comes up with a minimum of \$3.75 per capita, we will match that per capita. If they come up with more than \$3.75 per capita, we will continue matching that, and we will raise our matching grant up to a maximum of \$7.50 per capita in that municipality. We also provide a one-time-only establishment grant of \$5,000. Then every year we provide a \$5,000 grant for book collections, and that goes to each of the 86 outlets that we have.

**Ms. McGifford:** I am sure the minister agrees that there is no replacement for a hands-on library and that books by mail are better than not having books, but to be able to go into a library, especially for a child, to explore the library, to actually touch books, to thumb through books is a very important step in developing one's interest in the world of reading. With this in mind, I wanted to ask the minister if she could tell me how many reserves in Manitoba have libraries.

**Mrs. Vodrey:** I would certainly agree on the importance of libraries for communities. I chaired our province's task force on literacy and had a chance to travel the province to look at the issues of literacy, stimulation of literacy, literacy training, and so on,

across the province and the value of books to communities. I also am told that sometimes it is difficult where municipalities have the benefit of the travelling library, or extension services; then sometimes that may be a disincentive to actually make the commitment towards a local outlet. So sometimes it is really very difficult to decide it. It is almost like a Catch-22. We want to make sure that there is a provision. That provision may in fact be what the community, the local decision-making says that it wants, and it is not prepared to look at some of the other options.

In terms of the reserves, I am told that we fund one library. It is on a pilot basis at Norway House. We provide a \$9,000 grant, and it is to their literacy and cultural centre. I understand that is a start. As the member knows there is also federal funding which flows to those communities as well.

**Ms. McGifford:** The member for Emerson (Mr. Penner) tells me that all the reserves in his community have libraries. I wonder if the minister could tell me, since she cited the one in Norway House, how the libraries on the reserves in the member for Emerson's community are funded.

**Mrs. Vodrey:** I am informed that those libraries would be as a result of federal funds. It would also be a local decision-making process of determining whether they wish to have a library or a recreation centre or perhaps other choices that the community has decided to make.

**Ms. McGifford:** I am told by my northern colleagues that, as one moves north in Manitoba, books and libraries become scarcer and scarcer. The minister probably knows this, but I just point this out to her for her attention. It may be an area that she wants to take a look at as she becomes more and more familiar with her new portfolio.

During the Estimates on Urban Affairs, I joined the minister and the critic one day and asked the Minister for Urban Affairs (Mr. Reimer) if his department was considering amendments to The City of Winnipeg Act, which would allow the City of Winnipeg to levy a charge for library cards. He said unequivocally that he was not considering such a change. I would like to ask the minister today if she would tell me her department's

view of a fee for library cards. I ask this question because I am concerned, and I believe in vigilance, and I also ask it on behalf of the Friends of the Winnipeg Public Library.

**Mrs. Vodrey:** Mr. Chair, our position is that we do not intend to amend The City of Winnipeg Act to allow charging a user fee for library membership. I understand that during the 1996 Estimates the former minister was asked if he intended to stand by this, and I understand last year the minister also responded that the government did not intend to amend The City of Winnipeg Act to allow the Winnipeg Public Library to charge for library membership fees, and I share his opinion.

**Ms. McGifford:** I am pleased to hear that this minister shares the view of the former minister, and that we have it on the record that Culture, Heritage and Citizenship does not support user fees or a charge for library cards in the city of Winnipeg.

I have read the Quality and Access: The Future of Public Libraries in Manitoba document and this 1994 report set certain goals—quality, service and access—and includes several objectives and action steps that are vital in order to realize the fulfilment of these goals.

Last year, I asked the minister for an update on the implementation of this report which he provided to me, and I wanted to ask about two of the recommendations that came in the update. First of all, recommendation two—starting with that one—was to encourage the formation of larger regional libraries. The document goes on to say that a provincial library plan has been developed to provide an integrated library system for Manitoba libraries. I could actually read from the documents, but perhaps I could just ask my question. All this information is written in the conditional. It is replete with the use of "was" and "would" and that kind of disturbs me.

So I would like to know if the plan has been developed, and if it has been, I would like to know about the implementation of the plan. I cannot find the document.

\* (1720)

**Mrs. Vodrey:** Mr. Chair, I understand that our goal is access, not necessarily through the regionalization but rather through automation. A provincial library plan has been developed to provide an integrated library system for Manitoba libraries, and we believe that this will ensure that rural and northern communities have the same level of library and information service that is available to urban Manitobans. The objective, again, was to make sure that the access through automation was such that I think it is probably a more modern view and way to access what libraries are offering.

**Ms. McGifford:** Could the minister elaborate on what she means by make available through automation?

**Mrs. Vodrey:** It has been to develop and to encourage electronic access to the world information resources and services for all Manitobans. So, as part of the plan, Manitoba Public Libraries, an integrated provincial library system, the Manitoba Public Libraries Information Network, MAPLIN, has been designed and developed. If the member would like some further detail on-[interjection] Okay. I am informed, Mr. Chair, that there are four parts to this. There is the electronic catalogue, there is the automated rural system, there is the automated public library system, and then there is MAPLIN, which links them, and then also we are looking to have access to the Internet.

**Ms. McGifford:** Mr. Chair, so this would link a library, for example, in northern Manitoba to the library services in Brandon?

**Mrs. Vodrey:** Mr. Chair, yes, that is correct.

**Ms. McGifford:** So a person in Thompson, for example, would be able to electronically peruse the collection in Brandon and know what he or she wanted and request that material, which would be subsequently sent?

**Mrs. Vodrey:** Mr. Chair, we are moving along as quickly as we can. I understand what they are able to do is to look at the holdings at the moment and then the next step will be to be able to order what they find in that catalogue.

**Ms. McGifford:** So the person in Thompson can look but cannot get the material?

**Mrs. Vodrey:** Mr. Chair, well, they can look. It is an easy preview in terms of what is there. They would have to order it in terms of the usual system where they would actually receive it through the usual method of transportation, because we cannot transmit the holding electronically yet, but they can at least access the holding and know it is available and what they want to order.

**Ms. McGifford:** I am not very good with computers, so I am a little confused still. So is the ultimate goal to enable the person in Thompson, which we are using merely as an example here, to get what that person cannot get now?

**Mrs. Vodrey:** Mr. Chair, it is complex, this automated area. I understand the way it works is that now a person in, for example, Thompson could at least look at the holdings, which would not have been possible before because it would have been very hard to determine what was available. At the moment they cannot electronically put a hold on it. That still has to be done through the usual methods of using the phone, and the transportation being the usual method, so we still have to ship the book.

**Ms. McGifford:** So it replaces the old card catalogue and presumably is more up to date because as new items come in they are more easily entered into the collection. Then I imagine some of the challenges faced are, first of all, financial ones in supplying, both hard and software, but also challenges in training persons in the library to use these, so that they can in turn give advice to individuals and to the public who come in and need to use this technology.

**Mrs. Vodrey:** The automation is of the catalogue and the circulation which would be very helpful. It is very likely that it would also eventually save money, because you would not have to have the same item in every library where people could know where it was and it is not just sitting there, so eventually the goal would then be to simply buy and also be able to share that piece of information.

**Ms. McGifford:** I think it must be quite challenging for some of the persons working in libraries to assist the public who are probably—many of whom especially as we go further north who are not familiar with the

technology must be quite overwhelmed by this equipment.

Are there regular training programs or grants or assistance to enable personnel in the various libraries throughout the province to update their skills with the technology?

\* (1730)

**Mrs. Vodrey:** I am informed that there are three ways that we attempt to assist. The first Red River Community College has an adult education program for library technicians, then there is also onsite professional development that we provide with our consultants. I understand there has been about 130 visits. Then we also sponsor conferences during the year to assist.

**Ms. McGifford:** The first recommendation in the update that the minister sent me and according to this information the first recommendation was to strengthen and update the Manitoba Public Libraries Act. I think we all know that this work has not been done, and I wonder if the minister could explain how and why the act was intended to be amended and provide some information about the progress of the amendments.

I guess I want to add here that I have heard reports from individuals that what really needs to be done is for the entire act to be scrapped and replaced with a more contemporary act, one which would take into consideration the scope of modern technological advances and the kind of thing that the minister and I have just been discussing. I believe there are several good models in North America. I think particularly there is an excellent model in Colorado, anyway just putting those points out to the minister.

**Mrs. Vodrey:** I understand that the act is, in fact, a very old one, and there does seem to be a need to look at it. At the moment, we are looking at the regulations.

I cannot make a commitment that we will be reviewing the act specifically this year or when new legislation could be possibly tabled, but I will say that it certainly seems to me that there is a need to look at the act. I will undertake to determine how I might be able to do that in the next while.

**Ms. McGifford:** I want to table a letter and read it into the record. It is a letter of resignation from the Public Library Advisory Board, and I want to read it and then ask the minister some questions about the contents of the letter. The letter was sent to the Minister of Culture, Heritage and Citizenship and reads:

Dear Mrs. Vodrey: When I was appointed to the Public Library Advisory Board last June, I was delighted. I viewed it as an opportunity to be of service to the library community and to the general public of Manitoba. It is with regret, therefore, that I tender my resignation from that board for the following reasons:

(1) The membership of the present board lacks professional education and experience to carry out the recommendations of the previous PLAB, specifically that a new public library act be drafted.

(2) No member of the Manitoba Library Association, specifically designated to represent the wishes of the Manitoba Library Association, has been appointed to the PLAB, a second recommendation of the previous board.

(3) The chair of the present PLAB, a nonprofessional librarian, was appointed by your predecessor in spite of the fact that the present Public Libraries Act, pages 3-25, states that the board appoints its own chair for a period of one year.

(4) No member appointed by the Senate of the University of Manitoba has been included in the present board; see The Public Libraries Act, page 2, Section 2(1).

(5) Although appointed last June, the present PLAB did not meet until October. To date, it has accomplished nothing.

(6) It appears to me that the unprofessional and totally inappropriate board was appointed deliberately in order to forestall real library developments in this province.

(7) The properly constituted board would have been in a position to apply to the Carnegie Foundation or other library-granting agencies for funds to facilitate travel throughout the province and to consult with rural

Manitobans about an up-to-date public library act. British Columbia receives such a grant and drafted a workable act. No grant agency will entertain a proposal from an unqualified and nonprofessional board.

Recently, upon request, we wrote an article for the Winnipeg Free Press. It was radically altered for publication. For your information, I enclose the original article that I wrote, Materials describing the system the American public library association deems the best statewide network in the U.S. We are pitifully behind in Manitoba. Given the lack of will and co-operation on the part of Manitoba libraries and the indifference of both levels of government, I cannot foresee significant progress taking place in Manitoba at this time. Had an appropriate PLAB been appointed, there would have been a chance. In my view, Manitobans are being shortchanged on a very important issue in this information age. Because of the situation I have just outlined, I ask you to accept my resignation.

And the letter is signed, Yours truly, Kathryn Dean.

Indeed, given this letter, it is not surprising that the Public Library Advisory Board has been unable to implement the recommendations of the 1994 report. I would like to ask the minister some questions with regard to this letter and just check some of the facts, first of all. I think the first statement about the membership lacking professional education really is a matter of judgment, and what constitutes professional education and experience may well be a matter of opinion and that will vary from person to person. But there are some very definite statements here, and the second one says that no member of the Manitoba Library Association has been appointed to the Public Library Advisory Board, and I wanted to ask the minister if this is indeed the case.

**Mrs. Vodrey:** Mr. Chair, well, let me start out my comments by saying we discussed this in Question Period one day, and I made it clear at that point that it is always regretful to receive a resignation where someone appears to feel disgruntled in some way with the efforts of colleagues and the efforts of a board that they are serving on. So it was with regret that I accepted the resignation of Ms. Dean. I also believe that there is some comment to be made on the other side to her concerns, and I will endeavour to do that

through the questioning, but I think overall it is important to put on the record to thank her for the time that she did spend. She was a well-intentioned appointee, and I am sorry that as a result of a long career—I understand she has had a very long career in this area—and so as a result of quite a long career, this is not now a suitable appointment for her. So it is with regret that I accept her resignation.

I will comment on the first issue in terms of not a member from the Manitoba Library Association. I understand that is not a specific requirement; however, I have just written to the Senate of the University of Manitoba for their representative to be nominated. When I receive their nomination, it may be that person will be a professionally trained librarian and may be a Bachelor of Library Science when they appoint their nominee. That person may in fact belong to this association. So I think the first step is the appointment of the Senate, and that the Senate, I am sure, will in fact comply and make that nomination.

\* (1740)

**Ms. McGifford:** Mr. Chair, and contrary to what the minister says, I do not think we discussed it in Question Period. We do not get to discuss, we get to ask questions which are very infrequently answered. So I do not consider, with all due respect, that we did discuss the matter. I think it is also extremely important to make the point that Kathryn Dean is a very, very qualified professional librarian who was head of research at University of Manitoba for years and years. Her credentials are impeccable. She is not only well intentioned—a phrase which I think rather demeans Ms. Dean—she is an extremely, extremely qualified librarian. Actually as well—

#### Point of Order

**Mrs. Vodrey:** On a point of order, Mr. Chair. I think it is very important to not have the member leave any assertion on the record that there was an attempt to in any way discredit the writer of the letter. That is absolutely not true. I know if the member reflects on my remarks and has a chance to read my remarks she will see in fact that I provided recognition in my remarks of the very long and distinguished career of Kathryn Dean. I understand in addition to that she is

also often a speaker. So if the member somehow took exception to the remarks made, I feel that those comments certainly deserved a point of order where they could be clarified.

**The Acting Chairperson (Mr. Penner):** This is not a point of order. This is a dispute of the facts.

\* \* \*

**Ms. McGifford:** Mr. Chair, I was going to, although the minister made response to the issue of no member from the Senate at the University of Manitoba having been included in the present board, I believe I had actually asked her if it was true that there was not a member of the Manitoba Library Association on the Public Library Advisory Board.

**Mrs. Vodrey:** I believe I answered that at the moment that is not the case, but that I will not be looking to make a—there is not a requirement for that, is my understanding, and secondly, I said that when the senate does make their recommendation for appointment, that person may in fact be a member, so I am awaiting the appointing of the senate to determine what additional qualifications. It may be, as I said in my answer, that appointment will also bolster what has been identified by Ms. Dean, and I am not necessarily accepting totally, but that there may be some additional professional library qualifications that will come with the appointment from the senate. So in fact we may be able to deal with three very important issues through that appointment.

**Ms. McGifford:** Mr. Chair, I do understand that according to The Manitoba Public Libraries Act, it is not a requirement that the board include a member of the Manitoba Library Association. However, I further understand that it was a recommendation of the previous Public Library Advisory Board that a member of the Manitoba Library Association be included in the board.

I suppose what concerns me is that there seems to be not only not much respect shown for the recommendations of the previous Public Library Advisory Board, but also, according to the minister here today, a real violation of The Public Libraries Act in there not being a member from the senate of the

University of Manitoba having been included in the board. I wonder if we could also discuss the question of the chair of the present Public Library Advisory Board, who is, as Ms. Dean says, a nonprofessional librarian, but furthermore was appointed by the former Minister of Culture, although The Public Library Act states that the board should appoint its own chair.

**Mrs. Vodrey:** Mr. Chair, I just want to try and change the tone of this discussion somewhat because it is sounding very negative, very as if somehow there is a plot, and that is certainly not the case. Now, perhaps that is just the way it is sounding to me, and the member is relying heavily on the comments of one individual. So I want to stress, first of all, that this is an important issue, and that these are important decisions to be made, which I am acting upon and which I have already taken steps to act upon.

Let me say in the terms of the chair, no attempt at a deliberate violation there. The issue, I understand, as has been told me, is that we appoint six members. Four had terms which were completed, and that this measure was an interim measure in an attempt to deal with the chair for the interim and that by this fall, when the appointments are complete, we will in fact have that chair appointed following the legislation by having the members appoint a chair. So the corrective measures are in place, and have begun to be acted upon.

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

I think it is very important, for those people who are currently serving on this board, not to in any way discredit those people, and not in any way to make it a kind of negative force in which people then do not want to participate. I would prefer to, in our discussion, point out a positive force, a positive action and an effort to make sure that we are in compliance. We are doing the right thing. I think it is important.

**Ms. McGifford:** Mr. Chair, I think it is very important for ministers to abide by the acts that are created, and it seems to me the minister, this minister, has used the word "negative," and I think that what I am saying is an act that was very slackly enforced. So I would talk about slackness and incompetence as opposed to saying

that there was a deliberate plot or perhaps merely not caring, not valuing this particular board enough.

I certainly value the work of the board. At the same time, without devaluing that work, I think it is extremely important for the minister, the former minister—none of this is directed against the current minister—I think it was very important and it was incumbent upon the former minister to abide by the act that was his responsibility to enforce. So I just want to put that on the record too. Certainly, I do not mean to criticize any of these people. I have been in public service long enough and know how it can be thankless at times, and I applaud them for the work they are doing. Certainly I do.

Anyway, I would like to ask the minister if she could provide dates of the meetings that the board has had since June 1996.

**Mrs. Vodrey:** I understand that there is no legislative requirement for the number of board meetings. The board has traditionally met five to six times a year. The board has met twice since the appointment of new board members. They met on October 17, 1996, and on November 25, 1996.

**Ms. McGifford:** Has the board, Mr. Chair, met since November 25, 1996?

**Mrs. Vodrey:** Mr. Chair, my understanding is that they have not met.

\* (1750)

**Ms. McGifford:** I would like to ask the minister: Who convenes meetings of the board? It seems the minister had told me a couple of minutes ago that the board traditionally meets five or six times a year. I know the new board members were appointed in June of 1996. It is the something of May, the 8th of May, I believe, and there have been two meetings. So that seems to be quite a departure from tradition.

**Mrs. Vodrey:** I understand that there was an orientation meeting in June, that the group also met with the minister in the fall, and that there have been two meetings since. I understand that the accusations levelled in this letter have had some disruptive effect.

The chair is the person who does call the meetings, and I understand that some of the negative accusations have caused some disruption. I am very hopeful that with the appointment from the Senate and with some supports that we can get this board really back on the rails and functioning.

That is my point about wanting to balance and recognize comments which come from individuals where they have some concerns about the boards. I think that has to be taken very seriously, but I think always those concerns have to be balanced with also some of the efforts of the individuals concerned and where the chair was appointed as an interim measure, I understand, of necessity. I would assume that would have been clear to the members and that we will be putting a new chair, according to the legislation, that they will name their chair in place in the fall, that it is important to get on with the work, that it is important to focus on some of the positive efforts which are needed to be done.

So with our discussion today I hope that what I have been able to put on the record will, in fact, positively reinforce the work of this group, will also let this group know of my level of seriousness for the work that they do.

I visited the university libraries and the several collections and areas. I was out just a couple of weeks ago. I am very interested in a number of the kinds of work that is done by our libraries, and I can see the importance of this Public Library Advisory Board. So in putting my remarks on the record, I want to make it clear how important it is and how I feel it is important, as I said, to balance concerns raised with also attempting to support a continuing operation, and steps have been taken to do that.

I feel that is really important because there has been discussion that we have had in terms of violation of legislation and sloppiness. There has been all kinds of allegations, and I understand the member's obligation to bring forward concerns that have been raised to her. But in doing so, I feel as minister it is very important to, on the other side, make sure that all points are known.

I understand, too, that there was no Public Library Advisory Board for 20 years prior to my colleague, now

the Minister of Family Services (Mrs. Mitchelson), calling it together in 1989. So I do not want it to stand on the record in any way that this government has not had a commitment, because that is simply not the case.

**Ms. McGifford:** I am pleased to hear that the minister recognizes that my position as the critic is to bring concerns to the Legislature, and I am simply doing this. I do not like the idea that seems to be generated here that my remarks proceed from negativity rather than from a sense of duty and responsibility, from which they indeed do proceed.

I guess I do not quite understand why the chair of the Public Library Advisory Board has not called a meeting. Because of disruptive remarks? This seems to be a way of blaming the messenger, and, frankly, I do not think it works. I am very glad to hear that the minister is on the record and has made a commitment to revitalize the board. I gather that in her efforts to revitalize the board, she will try to create a board which will certainly honour the current Public Libraries Act and at the same time work towards creating a new public library act, which the minister has also acknowledged is probably needed in the province of Manitoba.

Having said that, I wanted to ask a question about library grants to the City of Winnipeg. I understand that the library grants to the City of Winnipeg for 1995-96 were \$1,761,900. I wanted to ask the minister if this grant was designated for a specific purpose or whether it is a no-strings-attached kind of grant.

**Mrs. Vodrey:** I understand for this grant, it is basically what would be considered a no-strings-attached grant, in the member's words. However, we do require an annual report which I think is appropriate. We also are

interested in the sharing that is possible, so though it could be classified as the term "no strings," there is, in fact, some expectation which I think is reasonable. Again, I understand in more specific terms, it is based on receipt and review of application and audited financial statement, an annual report and annual statistics. So there is, in fact, a reporting requirement for this.

**Ms. McGifford:** I wonder if the minister could tell me how the grant figure is arrived at. Is it a per-capita basis, or is there some other way of weighing and measuring the grant?

**Mrs. Vodrey:** The grant and financial assistance is established under The Public Libraries Act and The City of Winnipeg Act. It is based on a formula. The formula is 11 percent of the operating budget of the Winnipeg Public Library, and it is to a maximum of \$1,910,100. So that is the formula that is in use.

**Ms. McGifford:** I wonder if the minister could tell me how the grant to the City of Winnipeg, to the Winnipeg Public Library, compares to grants made in other jurisdictions across the country. I suppose the question is a little unclear, but I wonder if the minister would like to attempt it anyway.

**The Acting Chairperson (Mr. McAlpine):** Order, please. The hour being 6 p.m., committee rise. Call in the Speaker.

#### IN SESSION

**The Acting Speaker (Mr. McAlpine):** The hour being after 6 p.m., as agreed, this House is adjourned and stands adjourned, as previously agreed, until Monday at 1:30 p.m.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 8, 1997

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