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Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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authority of
The Honourable Louise M. Dacquay
Speaker*



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 14, 1998

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Winnipeg Hospitals Food Services—Privatization

Ms. Becky Barrett (Wellington): Madam Speaker, I beg to present the petition of Carol Schulkins, Cindy Nowicki, Kerri Medwid and others praying that the Legislative Assembly of Manitoba urge the Minister of Health (Mr. Praznik) to put an end to the centralization and privatization of Winnipeg hospitals food services.

Ms. Jean Friesen (Wolseley): Madam Speaker, I beg to present the petition of Joan Brown, Janette Dobbie, B. King and others praying that the Legislative Assembly of Manitoba urge the Minister of Health to put an end to the centralization and privatization of Winnipeg hospitals food services.

READING AND RECEIVING PETITIONS

Winnipeg Hospitals Food Services—Privatization

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

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

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

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

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

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

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

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

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): Madam Speaker, the Committee of Supply has adopted a certain resolution, directs me to report the same and asks leave to sit again.

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

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the loge to the right where we have this afternoon Mr. Brian Pallister, former member for Portage la Prairie.

Also seated in the public gallery this afternoon we have seven Grade 9 students from Chief Peguis Junior High School under the direction of Mrs. Delores Smorang. This school is located in the constituency of the honourable Minister of Family Services (Mrs. Mitchelson).

Also, we have forty-seven Grade 11 students from Gimli High School under the direction of Mr. Peter Bjornson and Mr. Richard Johnston. This school is located in the constituency of the honourable member for Gimli (Mr. Helwer).

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

* (1335)

ORAL QUESTION PERIOD

Post-Secondary Education Tuition Fee Policy

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the First Minister. During the election campaign the Premier (Mr. Filmon) promised to review tuition fee policies for universities and community colleges. He stated that the 5 percent cap, of course a pre-election tuition fee cap, had been put in place and that they would be coming back with a policy on tuition fees. Can the Premier today table for the people of Manitoba, some three years after his promise, the tuition fee policy for community colleges here in Manitoba?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, when the government began to proceed with the establishment of the Council on Post-Secondary Education in Manitoba, a body that is in the process of co-ordinating activities between and amongst post-secondary educational institutions in Manitoba, at that time was struck an interim transition

committee which established a sub-committee of it on tuition fee policy for students. That body did come up with some recommendations which were then transferred to the Council on Post-Secondary Education when it was established. That body has now been in existence for about a year and amongst the many things they are doing is the examination of that recommendation on tuition fee policy. That policy currently being examined had input from students amongst other educational stakeholders and they have yet to report back to us on their conclusions on that study, but the process has been underway for some time.

Mr. Doer: Madam Speaker, this was a promise made by the Premier (Mr. Filmon) over three years ago to the people of Manitoba. It was not a promise that somebody else would give it to somebody else who would review it with somebody else and some day report. It was a specific promise made in writing to the people of Manitoba.

I want to table a draft business plan for the Red River Community College which indicates that they are proposing to raise tuition fees at the Red River Community College 10 percent per year for the next five years. This of course is on top of some 30 percent increase in tuition fees at community colleges. I would like to ask the Premier today: will he reject those 10 percent proposed tuition fee increases and follow through on his promise to have a tuition fee policy that will allow students to fairly access community colleges here in Manitoba?

Mrs. McIntosh: The member opposite I am sure is aware that tuitions in Manitoba are the third lowest in Canada, a very good record. He is also aware, I am certain, that we have increased substantially our funding to community colleges and this year in particular to universities and colleges, a very large increase.

We have done a number of things as well as having the tuition fee policy devised initially with input from students, now with the Council on Post-Secondary Education currently being reviewed by, amongst others, students for final recommendation to the government. In the meantime, Madam Speaker, we have increased

the amount of money going to community colleges, we have put and made a pledge and are in the process of completing having students increased to 25 percent representation on college and university boards of governors, those bodies that set the tuition fees. I will conclude the response with the next question.

Mr. Doer: The minister did not answer whether they had developed the policy as they had promised in the election campaign, and she did not answer on the second question whether she would reject the 10 percent proposed increase per year for the next five years. This feedback is coming to us from students who are very alarmed that this government would be proposing this massive increase. They feel that the accessibility for average working families will be totally destroyed if this 50 percent rate increase goes through in our community colleges. It will have a direct impact on the training and skills of our future workforces as well as the future opportunities of our young people.

I would like to ask the minister or the Premier again today: will they reject this proposed tuition fee increase on behalf of accessibility and fairness in our community colleges?

Mrs. McIntosh: The member has indicated in his first question—and I remind him that we did for two years have a cap on tuition. We now have that tuition fee policy in its final stages being checked out right now by students and other stakeholders in education. In the meantime, I must stress that, in addition to increasing representation on boards of governors so that students will have 25 percent representation on the bodies that set fees, we have also increased opportunities for scholarships. We have introduced a Learning Tax Credit, so that rebates can be given at income tax time on tuition; that includes college tuition. We have, in addition to that, still the third-lowest tuition fees in Canada, and we are increasing as well opportunities in community colleges for apprenticeships as we take over funding for apprenticeship from the federal government. As well, Madam Speaker, we have been regularly meeting with students and receiving input from them on their thoughts on these things.

* (1340)

Post-Secondary Education Tuition Fee Policy

Ms. Jean Friesen (Wolseley): Madam Speaker, enrollments are falling in universities across Manitoba, and the enrollment of sequential students out of high school into community colleges is not increasing in a commensurate way. One reason is that students in Manitoba have no predictability of what their fees will be from the time they enter to the time of graduation four years later.

I want to ask the Minister of Education to explain why it is she has been incapable of delivering to the public the tuition fee policy for Manitobans that she promised three years ago. I asked her about it in the House December '95, June '96, May '97. She has still been incapable of providing a tuition fee policy.

Hon. Linda McIntosh (Minister of Education and Training): Perhaps, if she wishes to argue about the speed with which things happen, we could maybe talk about that, but certainly to say "incapable" is not correct. We had an interim transition committee subcommittee set up. It met for a year. It had the presidents of UMSU; it had other student representation on it. That recommendation then in turn went to the Council on Post-Secondary Education which has taken a look at that in context of all of the institutions together, because we are now co-ordinating activities, something the member supported.

Madam Speaker, tuition fee policy for the province was set down in terms of reference and parameters that all institutions can use. That necessitates a more in-depth look than was originally proposed, and that look is currently being concluded, with students taking a final analysis of the Council on Post-Secondary study of those recommendations put forward by the interim transition committee. In the meantime, we have put in many incentives and usages for students across this province.

Ms. Friesen: Could the minister explain why families in Manitoba waited three years for the Roblin report? They waited another three years for the government to think about it, and two years on from that we have subcommittees and advisory committees and still no tuition fee policy for Manitobans. Other provinces are

able to deliver policies. Could the minister explain why Manitobans cannot?

Mrs. McIntosh: These things that we are doing were long needed doing, and I am pleased that this government has taken the initiative to do them. These things needed doing in the '70s and the '80s when they were not being done. I would hope that members opposite would be pleased to see that these things are finally being done, because they were not done during the time that they were in office. They did not even try to address these things as we are doing.

The Roblin report she speaks about resulted in the establishment of a Council on Post-Secondary Education. It is in existence; it is working; it is operating. They are charged with these other mandates that will also have things that will soon be in place and operating. Rather than complain about things that they did not do that they do not like the way we are doing, I would ask them to support what we are doing since they seem to like the principle of what we are doing.

I would also indicate, Madam Speaker, that we have the third-lowest tuitions in Canada, that we have a very vibrant job market, a strong economy that sees many students going straight to work rather than to post-secondary training.

Ms. Friesen: Could the minister tell us exactly why she is prepared to allow fees at Manitoba universities to rise at a rate 35 percent higher than the national average while Manitobans wait and wait and wait for a fee policy that never comes?

Mrs. McIntosh: In terms of providing access to post-secondary education, this year to universities and colleges was a very substantial increase. We have also increased support for scholarships and bursaries to the tune of \$5 million, something that again, unfortunately, did not occur under them when they were government. We have \$5 million in scholarships. We have a Learning Tax Credit where students can get rebates from their tuition at income tax time. We have put on university boards of governors and college boards of governors 25 percent student representation so they can have direct input into the establishment of fees. We still have the third-lowest tuitions in Canada, and we have done a number of things in terms of debt

reduction. We are harmonizing our efforts on debt reduction, interest and so on with the federal government to make it easier and easier for students to gain access to post-secondary education in Manitoba.

Manitoba Telecom Services Stock Option Plan

Mr. Tim Sale (Crescentwood): Madam Speaker, last week the Leader of the Opposition (Mr. Doer) asked the minister responsible for Manitoba Telecom Services what position he took at the annual meeting of the shareholders at which the stock option plan was debated and passed. The minister did not answer the question at that time. Will he now answer the question?

What position did he take at last year's annual meeting?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have already indicated how the stock option plan was ratified by the shareholders of MTS in May of 1997 at the annual general meeting. We get to appoint four directors to the board of directors of MTS. I have indicated very clearly to this House who those four individuals are. They have participated in the discussion at the board of directors, and ultimately the recommendations from the board, relative to the establishment of a plan, were approved by the shareholders.

* (1345)

Mr. Sale: Madam Speaker, the minister continues to refuse to answer the question.

The question is, very simply: what position did he take as a person, or representing the government of Manitoba holding the golden share, the special share? He had to be present at the meeting in person or in proxy. What position did he take on that issue?

Mr. Stefanson: Madam Speaker, no, I was not present at the meeting. I have indicated very clearly to this House what the process is, that the golden share provides us with the opportunity to appoint four individuals to the board of directors. I have indicated very clearly to this House what the conditions are around the golden share, as outlined in the bill that was passed by this House.

As has been clearly outlined, the shareholders of MTS ratified the stock option plan at the May meeting, May of 1997. The details of that plan have become public in the last few weeks and have also been information that has been made available to the public. All of those issues will be addressed by the shareholders at their next annual general meeting in April of this year.

Annual Meeting—Minister's Proxy

Mr. Tim Sale (Crescentwood): Madam Speaker, will the minister tell the House who represented him by proxy at the annual meeting in 1997 and who will represent him this year at the annual meeting by proxy in 1998, in light of the fact that a quorum of the meeting must consist of at least two shareholders present in person and holding or representing by proxy the special share of the corporation? There can be no annual meeting unless you are present either by proxy or in person.

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have already outlined very clearly for the member and members opposite the process that has taken place at the annual general meeting. We were aware that there was a stock option plan being put in place by MTS, something that is very common with all telephone companies I believe, virtually all telephone companies right across—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Stefanson: Thank you very much. As I have indicated before, stock option plans are something not unique to MTS. They exist with the majority of telephone companies right across Canada. Madam Speaker, the concept of the plan was ratified in May; the details of the plan have been provided just recently.

Manitoba Telecom Services Annual Meeting—Minister's Proxy

Mr. Steve Ashton (Thompson): It is clear the minister is continuing not only not to answer questions but cover up the details in the way in which this stock option program was approved at last year's meeting.

Since in the Manitoba Telecom Services circular that was issued last year, page 3, and also in the newly released notice of annual meeting, 1998, it makes it very clear that the meeting cannot even take place unless the special share is represented, and in this case, if either the minister or whomever he appoints by proxy is not present there can be no meeting, can the minister answer a very straightforward question: if he was not there, who was there on his behalf at that meeting?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have already outlined to this House the process, the entitlements that come with the appointment of—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Finance, to complete his response.

Mr. Stefanson: Madam Speaker, I have outlined the process that has gone through in terms of the establishment of a stock option plan ratified in May 1997 by the shareholders of MTS, the details provided within the last several weeks of the stock option plan and nothing unique exists. Virtually all telephone companies—exists in many aspects of the private sector, and it is certainly information that is readily available to shareholders and to the public.

Mr. Ashton: I would like to table the Manitoba Telecom Services Inc. notice of annual meeting which outlines very clearly the role of this minister and the fact that there has to be a representative of this minister and this government present. I would like to ask the minister responsible for MTS to answer a very simple question: who was there at the meeting last year on his behalf? Who represented the Province of Manitoba at the shareholders' meeting?

Mr. Stefanson: I encourage the member for Thompson to read from the document that I believe he has just tabled, to read the bottom of page 3, to read the top of page 4 that indicates very clearly that the act provides that the Minister of Finance on behalf of the Province of Manitoba will have the exclusive right to nominate and elect four directors of the corporation. They are outlined in the document, Madam Speaker, the four directors—as I have put on record before, the

four directors appointed by the Province of Manitoba, Mr. Robert Chipman, Ashleigh Everett, Donald Penny, Sam Schellenberg. As it goes on to say, the Minister of Finance has the exclusive right as owner of the special share to nominate and elect four directors of the corporation. That has been done, and those are the four individuals so directed.

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

* (1350)

Mr. Ashton: A final supplementary. Why will the minister not answer the question? Who was there on his behalf representing the people of Manitoba through the proxy that he would have had to issue? Who was there at the annual general meeting? Why will he not answer the question?

Mr. Stefanson: Madam Speaker, as I have indicated to the member for Thompson and others in this House, on an ongoing basis, so long as there is a debt back to the Province of Manitoba, there are four directors out of the 11 that are appointed by the Province of Manitoba. I just recently read the names for the member for Thompson. Those four individuals are appointed by the province and serve as part of the board of directors of MTS.

Scurfield Report Timetable

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is for the Minister of Education. I have received numerous phone calls from parents and teachers with respect to the Scurfield report and the possible negative impact that this report will have, not only on teachers' salaries but more importantly on the profession itself. My question is for the minister. Can the minister indicate to this House what she has established as a timetable in dealing with the Scurfield report?

Hon. Linda McIntosh (Minister of Education and Training): I thank the member for the question. The Scurfield report has been released to the stakeholder groups, to anybody who really would like to see it, but particularly to the stakeholder groups with the request

that they respond to us with their studied opinion on how they see that impact for them. The trustees have met and are formulating a response that we will receive shortly.

The Manitoba Teachers' Society has been consulting with its members. They will be having their annual general meeting in May at which time they will have a further opportunity to deliberate, and I would expect to hear back from them at some point after that meeting. I am not exactly certain when, because they have to formulate their feedback. But they are not delaying on the issue; they are making a measured attempt to get the answers to us in as reasonable a time frame as possible. As soon as we have heard from them, we will then deliberate and come to our own decisions on the matter.

Education System Classroom Size

Mr. Neil Gaudry (St. Boniface): To the same minister: how does the minister intend to address the serious issue of classroom size that is at the point of becoming a burden for the teachers, more specifically, for the students?

Hon. Linda McIntosh (Minister of Education and Training): I come back to the statistics which are there. Again, Manitoba has the third-best ratio in terms of students to teachers in our schools. The two figures that are commonly used are the pupil-teacher ratio and the educator-teacher ratio, one being the number of students per classroom teacher and the other being the number of students per educator in the school, some of whom may not register a class.

Those numbers, Madam Speaker, indicate an average class size of 18.9 to one or 19 to one, to round it up. Having said that, that being the average, I wish to stress that does not mean that every class has 19 students. Some will have more; some will have less. But that is the average; it is the third-best ratio in the nation.

Scurfield Report Minister's Opinion

Mr. Neil Gaudry (St. Boniface): To the same minister: can the minister indicate to this House how, in her opinion, does the Scurfield report compare with

the Crocker report that was recently presented in Newfoundland and rejected?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I have not made an exact report-to-report comparison. Although the reports may deal with the same issue, no two reports are ever exactly alike. The Scurfield report was designed specifically to make recommendations for Manitoba. Mr. Scurfield in his compilation of the report talked to Manitobans. While he did look at things in other parts of the nation, he dealt primarily with our situation, our needs and the concerns expressed by our teachers and trustees and others.

So his report was designed for Manitoba, and the response given will be based upon Manitoba's needs. Individual comparisons are always interesting and always useful, but in the final analysis we need to do what is right for our province, our students and staff.

* (1355)

Manitoba Telecom Services Annual Meeting—Minister's Proxy

Mr. Steve Ashton (Thompson): Madam Speaker, I have some further questions for the Minister of Finance, and I hope he will take this opportunity to put on the record exactly who represented the government of Manitoba, the special share held by the government of Manitoba on behalf of the people of Manitoba, at the annual meeting in the last year of MTS.

I would like to ask the Minister of Finance: if it was not the minister, was it a senior official in his department? Was it a government official? Was it anybody associated with the management group? Will he finally answer the question: who represented the people of Manitoba at the meeting?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I encourage the member for Thompson—and I know he took some interest at one point in time in the legislation—to read Section 13(5) of the act that was passed by this Legislature. It goes on to say: At meetings of the corporation called for the purpose of electing directors, the minister on behalf of the Crown as owner of the special share shall have the exclusive

right, voting as a class, to nominate and elect four directors of the corporation, and the registered holders of the common shares other than the Crown shall be entitled to nominate and elect the remaining directors of the corporation.

We have done just that, and I have indicated very clearly to him who the four directors are that we have appointed. The other seven directors were elected by the shareholders of MTS.

Mr. Ashton: Madam Speaker, on a supplementary: why will the minister not indicate a very simple answer to a very straightforward but very important question? Who was at that meeting representing the government of Manitoba, the special share, without which the meeting could not take place? Who was representing the government by proxy at that meeting?

Mr. Stefanson: Madam Speaker, I have outlined very clearly for the member for Thompson and members of this Legislature what the process is. I encourage them to take the time to go back to the legislation, starting with Section 10, and read through Section 10 right through to Section 14, and he will see very clearly the process, the process that was followed, and the process that was followed by us in terms of the appointment of directors to MTS.

Manitoba Telecom Services Annual Meeting—Minister's Proxy

Mr. Tim Sale (Crescentwood): Madam Speaker, Article 2 of By-law No. 3 of the Manitoba Telecom Services establishes a quorum for the annual meeting, or for any meeting for that matter of the corporation, and the purposes—and I will quote: For all purposes, a quorum for any meeting shall be persons present being not less than two in number and holding or representing by proxy the special share of the corporation.

Who represented the minister responsible for Manitoba Telecom Services at the annual meeting last year, and who will represent them this year? Without that representation, Madam Speaker, there can be no meeting.

Mr. Eric Stefanson (Minister of Finance): Madam Speaker, without being repetitive, I have indicated to

this House what the process is in terms of the appointment of directors. That process has in fact been followed. It is outlined very clearly in the legislation. It is also outlined very clearly in the notice of the annual meeting that I believe is the document that the member for Thompson (Mr. Ashton) has just tabled. It indicates what the responsibilities are of the Minister of Finance, indicates who the individuals are that have been appointed, and all of those conditions. All of those issues have been met and have been addressed.

Mr. Sale: Madam Speaker, the question is incredibly simple. Whom did the minister appoint to exercise the proxy for the special share, which is in the by-laws of the corporation, which is required for a quorum, or is the minister trying to maintain to this House that there was no annual meeting because the proxy was not present? Which horse is he riding?

Mr. Stefanson: Madam Speaker, I hope the member for Crescentwood realizes by now that there was an annual meeting. I think there has been documentation that has been tabled, documentation that I believe he has had access to, and he has seen, that there is documentation showing minutes very clearly from a shareholders' annual meeting held on May 30, 1997. It was at that meeting where a stock option plan was approved in concept by the shareholders of MTS, the 70,000 shareholders, a majority of them at that time Manitobans from right across this province.

The details of that plan have been outlined in an information circular, which again I believe the member for Crescentwood has had an opportunity to review, setting out the framework for a stock option plan, so that certainly is information that is readily available, has been made available, and I believe even the member for Crescentwood is aware that that meeting did take place, and the shareholders did ratify a stock option plan.

* (1400)

**Manitoba Telecom Services
Annual Meeting—Minister's Proxy**

Mr. Steve Ashton (Thompson): If the minister wishes, I am sure we would be more than happy to look over the minutes of the annual general meeting, but we

are asking a very straightforward question. I do not know what it takes, Madam Speaker, and if it takes all Question Period today, we are going to keep asking that question. We want to know—

Madam Speaker: Is there a question?

Mr. Ashton: Madam Speaker, we want to know who represented the government. Was it, for example, Bill Fraser, the CEO of MTS? Do we have to do it by elimination? Was it Bill Fraser that represented the government at the meeting?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have outlined for the member for Thompson and the member for Crescentwood (Mr. Sale) what the requirements are under the act that was passed by this Legislature. I have outlined what ability we have in terms of the appointment of four directors to the board of directors of MTS out of the 11 directors, and again, I do not think I need to read into the record for him what is outlined in the notice of annual meeting and who the four directors are. I am sure he can read that information for himself if he were to look at that document or go back and look at the bill that was passed by this Legislature back in 1996.

Mr. Ashton: Madam Speaker, if the minister will not answer that question, can he indicate if it was not Bill Fraser, was it Tom Stefanson, his brother, the chairperson of the board?

Mr. Stefanson: Madam Speaker, I would be repeating myself to give the member the same answer that I just gave him. I encourage him to look at some of the documentation that I believe he has in his possession, to look at the bill, to look at the notice of the annual meeting and to take the time to read that documentation.

Mr. Ashton: If the minister will not answer that question, was it Bill Baines, the president and chief operating officer of MTS Net?

Mr. Stefanson: Madam Speaker, I offer the same answer to that question as I do to the previous question and previous questions asked here this afternoon.

**Manitoba Telecom Services
Annual Meeting—Minister's Proxy**

Mr. Tim Sale (Crescentwood): A new question, Madam Speaker: will the minister at least acknowledge that on page 12 of the convening circular for the meeting of last year that the quorum was even changed so it very expressly included him or his nominee? Would he at least acknowledge that the quorum for a meeting of this corporation requires him to be present or at least requires his nominee to be present? Will he go that far with the truth?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I have with me the notice of the annual meeting for 1998. I do not have with me today the notice of the annual meeting for 1997. If that is the document that the member is referring to, I encourage him to table that document.

Mr. Sale: Madam Speaker, I have but one copy. I would be quite happy to table it after I quote from it. For all other purposes, a quorum for any meeting—

Madam Speaker: Order, please. The honourable member was recognized for a second or supplementary question to which no preamble is required. Would the honourable member please pose his question now?

Mr. Sale: Will the minister simply tell the House: who, pursuant to Article 2 of By-law 3, represented him at the annual meeting at which time the quorum was amended to even more explicitly include a requirement that he or his nominee be present? It was already clear in the original quorum requirement. It is even clearer now. Who was your—

Madam Speaker: Order, please.

Mr. Stefanson: Madam Speaker, I have indicated to this House the process that this has gone through, the legislation that is in place, all of the conditions outlined in the legislation that are in fact being met as a result of the sale of MTS, the process for the ratification of a stock option plan back in May of 1997 by the shareholders of MTS, the 70,000 shareholders, a majority of which were Manitobans. So, again, without being repetitive, that is the process that has been followed and it is one—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Finance, to complete his response.

Mr. Stefanson: Just to briefly complete my comments, it is a process that was gone through publicly with the annual meeting being held on May 30, '97, whereby the opportunity for some 70,000 shareholders to participate in decisions related to MTS. One of those decisions was the ratification of a stock option plan by the shareholders of MTS.

Mr. Sale: Madam Speaker, will the minister, given that it is very clear from his evasion of answering this question over a period of days now, will he at least confirm that somebody exercised his proxy at this meeting? Somebody did or else there was no meeting. Someone must have done it. Will he at least go that far? This is embarrassing.

Mr. Stefanson: Madam Speaker, I do not think there has been any shortage of information being provided or response to questions being asked by this House. We certainly did it extensively last week. It has also been the basis of some coverage through the media, so there certainly has been a significant amount of information provided. I think even the member for Crescentwood will finally understand the process that has gone through and the accountability to the 70,000 shareholders at the annual general meeting, of which the vast majority were individual Manitobans.

**Manitoba Telecom Services
Annual Meeting—Minister's Proxy**

Mr. Steve Ashton (Thompson): Madam Speaker, the minister continues to cover up the very simple answer as to who was there on his behalf. I want to ask: would it by any chance be Jules Benson, the past treasurer of the PC Party and the secretary of Treasury Board, who reports, by the way, directly to the minister in his capacity as Minister of Finance as well?

Hon. Eric Stefanson (Minister of Finance): The member for Thompson is going through a process of reading different names into the record. I offer him the same answer that I replied to previous questions here today.

Mr. Ashton: Madam Speaker, I continue. Was it Donald H. Carr, president and chief operating officer of MTS? Did Donald Carr represent the minister at that meeting?

Mr. Stefanson: Madam Speaker, again I offer the member the same answer, and I indicate to him that this is a process where shareholders have an opportunity at the annual meeting to review a stock option plan on a recommendation from the board of directors. That was done back in May of 1997. They have now gone through a process where a subcommittee and the board have ratified details of that plan. That is information that has been provided, and the board of directors will be held accountable by the shareholders of MTS at the next annual meeting of MTS held, I believe, this month.

Minister Responsible for MTS Resignation Request

Mr. Steve Ashton (Thompson): Madam Speaker, on a new question. I will ask this time to the Premier since we have had a repeated series of cover-ups from the minister responsible for MTS.

We have the spectacle today of the minister responsible for MTS refusing to answer the very basic question as to who represents the people of Manitoba and the government of Manitoba, who represented them at the last meeting?

Since this minister has refused to answer that very important question, I want to ask the Premier directly: will he either indicate who represented the province at that meeting last time, and in addition to that, will he perhaps do the right thing and call for the immediate removal of this minister as minister responsible for MTS?

* (1410)

Hon. Gary Filmon (Premier): Madam Speaker, the actions and the conduct of the members opposite of course do them absolutely no credit. They continue to fight old battles. [interjection] Well, the member for Crescentwood (Mr. Sale) is very cocky and he shouts from his seat regularly, thinks he is the smartest man in this House, but of course we have had lots of examples of his work when he was a member appointed by the New Democrats to a senior civil service job. We saw

his incompetence daily when he was a member of this government, so he can be as cocky as he wants, but we know exactly how much he is worth.

Point of Order

Mr. Ashton: On a point of order, Madam Speaker, Beauchesne is very clear that answers to questions should relate to the matter raised. I asked a very serious question. I asked the Premier to indicate either who was in attendance at that meeting, and if he will not, to remove this minister, this minister responsible for MTS, who throughout Question Period has absolutely refused to answer one single question. That was the question. We want an answer.

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

Mr. Filmon: I was attempting to answer the question when I was rudely interrupted by the member for Crescentwood (Mr. Sale), Madam Speaker, and if the member for Thompson thinks it is an important question, then he should keep his member for Crescentwood under control and tell him to keep quiet while I am answering the question.

Madam Speaker: On the point of order raised by the honourable member for Thompson, I can appreciate the honourable First Minister's frustration when there are continual interjections. However, the honourable member for Thompson did indeed have a point of order. The honourable minister should reply to the question asked.

* * *

Mr. Filmon: Madam Speaker, we know what this is all about. This is just simply a grudge. The New Democrats are trying to revisit old battles. The member for Crescentwood said so on television on Thursday night. He said this was a grudge. This does not deserve the time of this House.

Manitoba Telecom Services Annual Meeting—Minister's Proxy

Mr. Steve Ashton (Thompson): Madam Speaker, why will this First Minister not, or the minister responsible

for MTS, answer questions related to the government's conduct, related to debt that is outstanding held by the province of Manitoba for MTS, that is in the quarter-billion dollar range? We asked a very simple question throughout Question Period, and we have received no answer.

Who represented the government at the meeting?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, we have discussed at length the whole issue of the debt owing back to the taxpayers of Manitoba, and that is one of the reasons that a special share has in fact been issued and is held by the Province of Manitoba to ensure that that debt of approximately \$430 million is in fact repaid.

As I have outlined very clearly to this House, to date close to \$200 million of that debt has been repaid to the government of Manitoba against that debt. That payment schedule, if anything, is ahead of schedule. That is certainly one of the issues that has to be met and is one of the reasons that we do have the golden share, along with many other issues that are outlined very clearly in the legislation that I provided and read into the record late last week for the benefit of members like the member for Thompson.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Madam Speaker: I have a ruling for the House.

During members' statements on March 19, 1998, the Leader of the official opposition (Mr. Doer) on a point of order asked that the Speaker take under advisement a previous ruling concerning use of the terms "racist" and "racist policies." He indicated that the official opposition would like the ruling in question expunged from the record.

I would like to draw to the attention of the House Citation 119 of *Beauchesne*, Fifth Edition, which states that Speakers' rulings, once given, belong to the House. The Speaker is not vested with the power to alter them of his or her own accord. If they have been given under misrepresentation, the House itself, and not the

Speaker, should take the initial steps to avoid the consequences of implications.

The record of meetings of the Standing Committee on Rules of the House indicates that on February 7, 1983, Speaker Walding stated: "We have two procedures that the House can adopt with regard to Speakers' Rulings: one is the appeal . . . and the other is a substantive motion having to do with a Speaker's Ruling." Speaker Walding went on to say: "That is all the House can do. It is specifically forbidden for the House to reflect on a Speaker's Ruling, unless it is by means of one of those two things."

The honourable Leader of the official opposition did not have a point of order. I believe it is clear what options are available to the House based on the two references I have cited.

* (1420)

MEMBERS' STATEMENTS

Golden Gate Middle School Band

Mr. Gerry McAlpine (Sturgeon Creek): I am very pleased to take this opportunity to congratulate the Golden Gate Middle School Band for their fantastic showing at the Winnipeg Optimist Festival. In a very successful week of performances, all four Golden Gate Grades 7 and 8 concert and jazz bands received gold medal awards for their outstanding performances.

The placement of these bands goes a long way toward demonstrating that interest and enthusiasm about the arts is thriving in our public school system. At Golden Gate alone nearly 300 of 550 students are part of the school's band program. This is a testament to the excellent music programs our schools are able to offer students. Such programs would not be available were it not for the support of the commitment of the school staff, especially the music and band teachers.

I would like to wish all members of the band well as they go on to participate in the heritage band festival in Minneapolis. I am sure that they will represent their school and all Manitoba with pride. Notably, this is the seventh consecutive year that Golden Gate has received the gold trophy at the Winnipeg Optimist Band Festival. I would once again like to extend my congratulations to all members of the band and their tireless director. On

behalf of all honourable members, good luck in Minneapolis. Thank you.

Post-Secondary Education—Tuition Fees

Ms. Jean Friesen (Wolseley): Madam Speaker, today we are looking at the prospect of fees being increased at Red River Community College by 10 percent a year for the next four years. These are large increases for the average Manitoba families, and they come on top of previous increases of 10 percent and 15 percent. Yet still we have a government which is incapable of providing a fee policy for Manitobans.

At universities, fee increases have risen by 169 percent in the 10 years of this government's office, a full 35 percent higher than the national average. University fees will increase 4 percent in arts and science at one university. They will be higher in professional faculties this year. Other universities are looking at increases of between 5 and 10 percent, and yet still we have a government which is incapable of producing a fee policy which it promised.

One consequence is that students have no predictability. They cannot estimate what their fees will be at the end of their course of study, and they are reluctant to enroll. Like students across the country, our students are graduating with excessive debt, and yet, shockingly, until this budget, this was the only province which had no debt relief program. Now, as the government gets close to an election, they have begun to reinstate the programs for students that Manitobans could count on 10 years ago: bursaries and debt relief.

So, Madam Speaker, at the end of the 20th Century in Manitoba, enrollments are falling in universities, enrollments in community colleges of high school students has not increased, and at the end of the 20th Century, while European societies are expanding the number of students in post-secondary education to 50 percent or even 60 percent and 70 percent, Manitoba under this government is going backwards into the millennium.

Winkler Flyers

Mr. Peter Dyck (Pembina): It is my pleasure to rise in the House this afternoon and note the sporting

achievement of the Winkler Flyers players and coaching staff. Through a combination of speed and physical play, the Winkler Flyers defeated the St. James Canadians and took their first Manitoba Junior Hockey League Turnball Cup since 1992. Despite losing the first game to the St. James Canadians, the team proceeded to dominate the four remaining games of the series and are now headed to Saskatchewan, playing the coveted Anavet Cup. They will return to Winkler to host Saskatchewan beginning April 21 to April 23.

With over 1,000 fans attending the games, many driving into Winnipeg from my area, the emotions and energy were very high. Fan support has been crucial to the Flyers' efforts, and the team president, Len Janzen, even noted that the games in Winnipeg felt like home games. I believe that Mr. Chris Pollack of the Winkler Flyers summed up his team's thoughts on the value of their fan support when he said after the victory, and I quote, we have the best fans in the league.

Madam Speaker, the players and coaches deserve a great deal of credit for their successful efforts. I am sure that behind every one of these boys' smiling faces is a smiling parent. On behalf of all honourable members, I would like to congratulate the Flyers for their victory and the St. James Canadians for their spirited playing. Although they did not win the Turnball Cup this year, they can be proud of themselves.

Thank you very much.

Employment Statistics

Mr. Leonard Evans (Brandon East): Madam Speaker, I rise to say a few words about the employment and unemployment situation in this province which the government likes to brag about. The fact is that if the Minister of Industry would take a hard look at the figures, he would find that one reason for the lower unemployment rate is because the labour force has shrunk in this province. Between March of 1997 and March of 1998 there was a significant drop in both seasonally adjusted figures and actual figures, and if he compares that with what has happened in Canada, he will see that the labour force in Canada as a whole is expanding but in Manitoba it has been shrinking, and of course that has been corroborated with evidence of

increasing outward migration from this province. Also, these figures do not take into account the fact that we have a large native population that is unemployed. Manitoba has a high percentage of its population who are aboriginal, and there is a very, very high rate of unemployment among them. These people are not included in the figures and if they were, the true figures would be much higher than is represented in the last labour force survey.

The other point I would make, Madam Speaker, is employment growth. The employment growth in this province is not keeping pace with the Canadian rate of growth. In fact, we are just about at the bottom of the totem pole in regard to job creation. When we compare ourselves with our sister province of Saskatchewan, we find that Saskatchewan is almost three and a half to four times greater than Manitoba. In this period of time, the first three months of 1998 compared to '97, Saskatchewan increased the jobs by 3.6 percent compared to 0.9 percent for Manitoba.

My question to the minister then is: why is this? If we have such a great job market here, such a strong employment growth in this province, why are we doing so poorly compared to Canada and compared to the province of Saskatchewan?

Dance Pavilion Documentary

Mr. Edward Helwer (Gimli): Madam Speaker, I rise today to congratulate the Winnipeg film makers Fred Maza and Joe Myles who are working on a film featuring the glory days of the Winnipeg Beach Dance Palace and also the Grand Beach Dance Pavilion. Many a Manitoban has fond memories of these popular dance halls which flourished during the 1920s and '30s on both sides of Lake Winnipeg and operated also into the 1950s.

The first dance hall was built in 1901 in Winnipeg Beach, and the Canadian Pacific Railway began offering passenger service to it. Soon thousands were taking the Moonlight Special nightly to kick up their heels at the dance hall. The Winnipeg Beach Dance Palace proved so popular that a larger version was built in 1924. Similarly, there was a market for the Grand Beach Dance Pavilion built by the Canadian Northern Railway in 1924. There were more than enough eager

dance patrons to keep this new hall busy as well. Whether dancing or watching the big bands play or seeing the vaudeville performers put on their skits, there was plenty to keep everyone entertained.

I am also delighted to see that Mr. Maza and Mr. Myles have chosen to chronicle this wonderful period in Manitoba history in their documentary. They have been aided in their work by a research grant from the provincial Department of Culture, Heritage and Recreation, and their efforts are being sponsored by the Western Canada Pictorial Index. To date, Maza and Myles have interviewed more than 100 people, including dance hall patrons, entertainers, employees and railway workers. They hope to create a 90-minute to two-hour documentary which will feature historic footage, interviews, still photos and music of the day.

Once again, Madam Speaker, I want to congratulate Fred Maza and Joe Myles for their dedication to documenting Manitoba's past. I know that countless people will enjoy the fruits of their labour. Thank you.

* (1430)

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, I would like to announce, before moving a motion respecting Supply, some changes in the order of Estimates as agreed to between the opposition House leader and myself. This is after consultation, but I suppose this is something that requires leave in order to make this change.

In the House, Madam Speaker, after review of the Estimates of the Department of Rural Development, we would then proceed to the Department of Education and Training followed by the Department of Northern Affairs. In other words, Education and Training and Northern Affairs simply change places.

In Room 254, Madam Speaker, following the review of the Estimates of the Department of Labour, the committee would move next to the Department of Energy and Mines, followed by the review of the Estimates of the Civil Service Commission. After Civil

Service Commission, the vote called Employee Benefits and Other Payments, which is presently listed for consideration in Room 255, would then move to Room 254, following review of the Estimates of the Civil Service Commission, and after that the Department of Family Services and on as set out in the order that has been filed. We will cause a new document to be prepared and made available.

Madam Speaker: Is there leave to change the order of Estimates as follows: to follow Rural Development in the Chamber, Education and Training, to then be followed by Northern Affairs? [agreed]

Is there leave to change the rotation in Room 254 as I will now list? Energy and Mines to be followed by Civil Service Commission to be followed by Employee Benefits and Payments and then Family Services? [agreed]

Mr. McCrae: Madam Speaker, I move, seconded by the honourable Minister of Rural Development (Mr. Derkach), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

LABOUR

Mr. Chairperson (Gerry McAlpine): Good afternoon. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Labour.

When the committee last sat, unanimous consent had been granted to revert back to line 11.2.(f) Workplace Safety and Health (1) Salaries and Employee Benefits. The member for Transcona, to continue his questions.

* (1440)

Mr. Daryl Reid (Transcona): Mr. Chairperson, when we had ended on Thursday last, I had been asking

questions with respect to farm safety and whether or not the department was in the process of getting further involved in farm safety programs in the sense of doing audits.

I know that Workplace Safety has an extensive workload now, and I do not know what plans the minister has, if any, with respect to doing audits in situations where we may have farming operations that would employ more than just family farm members; also, whether or not the minister is considering taking any steps to ensure that where you have larger farming operations in the sense where there are a number of employees of the particular farming operation that may be working perhaps on a year-round basis, that these would fall under the umbrella of the Department of Workplace Safety and Health and perhaps the Workers Compensation Board, as well, for the educational campaigns that I know they undertake.

Hon. Harold Gillehammer (Minister of Labour): Mr. Chairman, last day I had indicated that we would generate again the information that was asked for last year, and I would like to pass that on to my honourable friend for Transcona; also that we talked at some length about farm safety and the fact that there is a farm safety conference coming here in June of this year, June 21 to 25, called Sharing Knowledge for a Secure Tomorrow, and I have some pamphlets on that that I know he will be interested in.

I think that further to the question asked, we do have a good working relationship with the Department of Agriculture and are quite prepared to share our expertise when we are asked and are prepared to assist them when they present issues where they want a common approach and a partnership to direct our attention to.

Also, I believe I said last day that in addition to the Department of Agriculture I think it is very important in Manitoba to work with the major farm organizations and the major producer groups, and my honourable friend will know that the Department of Agriculture is not underrepresented in terms of organizations out there, starting with the department itself and the field officers that they have I think in 40 locations throughout Manitoba, and I know particularly over the winter months they hold many, many seminars on a

wide variety of topics, often topics that are generated from the local community, and I know from first-hand experience that these are well attended; also that the department is not reticent to bring forth staff from other departments to address issues that may be of interest to them.

Similarly, the major farm organization, the Keystone Agricultural Producers, with the funding they have in place and the staff they have in place, similarly work in conjunction with the Department of Agriculture to work on issues that are of interest to farmers, including farm safety. Also, most of the producer groups, whether it is the Canola Council, Manitoba Pork, the cattlemen's association are well represented on many, many committees out there, and I would say that they, along with the Department of Agriculture, take the lead in this area, and if we can be of assistance to them, we would be happy to do so.

Mr. Reid: I thank the minister for the information which he has shared with us here with respect to the conference that is coming forward, and I would appreciate receiving a copy of the pamphlet if he would not mind. I just raise these issues with the minister knowing that 118 people have died in farming accidents, and by far the largest portion of them are in the 15 to 59 age bracket which is obviously people that are working in and about their farming operations, not to mention the children themselves living on farms that themselves are killed in accidents on the farms.

I just draw that information to the minister's attention, that there is a large number which seems to be growing with respect to fatalities in farming operations, and I know there are a relatively large number of farming organizations that do try to provide some guidance to government in matters such as this, but if there is something that we can do to eliminate or at least, at minimum, to significantly reduce the number of farming accidents, I think it would be money well spent to assist and obviously to save the lives.

So I leave that with the minister. I do not know if he has other comments that he wishes to share with us, but I will leave that to the minister.

Mr. Gilleshammer: Yes, I guess a caution that is good for all of us is in our use of statistics and, without

referencing a period of time, it can sometimes be misleading. I am looking at a chart that shows traumatic fatalities over a 10-year period, and I think the member said 118 fatalities. I am not just sure what period of time he was referencing there, but the information that I have is that over a 10-year period there have been 76 farm-related traumatic fatalities, giving you seven or eight a year.

I will certainly agree with the member that that is too many. Too many of them are in the age category that he references and too many of them come at times when there is a considerable amount of pressure within the farm community, either for planting or for harvesting. Where weather is a factor, certainly we must encourage farmers to be more careful to recognize the hazards that are there but, again, we will commit to working with our sister department, the Department of Agriculture, in any way we can to assist in that area.

Mr. Reid: Well, if the minister references assisting the Department of Agriculture in this area, which would be the primary department involved, do we have any dedicated resources in either Agriculture or under Workplace Safety and Health to assist in that prevention process?

Mr. Gilleshammer: We have dedicated staff who are able to work with the Department of Agriculture. All of our rural offices in the south where agriculture is practised have people who have some training in that area and, again, the Department of Agriculture I cannot answer for. I know that the 40 offices they have do a multitude of things. I guess I would have to refer him to the Estimates for the Department of Agriculture, but for sure there is more work that can be done in this area and, if we can be of assistance to that department, I believe it is incumbent on us to offer them assistance.

Mr. Reid: The minister references 40 offices for the Department of Agriculture throughout various parts of the province. Have any of those people that are staffing those offices and going out and no doubt visiting farming operations and have some involvement with the farming community received any training from Workplace Safety and Health, or is this particular process left strictly up to agricultural people themselves to obtain whatever methods they would devise by way of preventing accidents?

Has the Department of Labour been involved in providing any instruction to prevent these accidents, to provide the training to the people?

* (1450)

Mr. Gilleshammer: The answer is yes. We have provided some training for those individuals in the farming area, and we have also assisted in building up a library of information, both hard copy and information that can be retrieved electronically on safety issues.

Mr. Reid: Will the Department of Agriculture people then have access to the data bank information that is held by Workplace Safety and Health dealing with involvement with chemicals, for example, or other hazardous materials that would be on a farming operation? Would that be something that would be held by Workplace Safety and access through your computer links from these various remote sites or the satellite offices from the Agriculture department?

Mr. Gilleshammer: The short answer is yes. I would also suggest that another very good source of information besides the Department of Labour is the chemical companies that have been under, I think, pressure over the years to be sure that the chemicals that they produce and handle and store and market do come with a certain amount of training. I know from individuals that I know in farming, and particularly in handling chemical, that that has become such a big part of farming. When you hear farmers talk about laying another layer of chemical on a crop because of whatever conditions, and how much money that costs per acre, it is a big part of their production costs. I know that from talking to professionals in the chemical business that have offices and plants across the province, my sense is that they have become more and more aware of their responsibility in terms of disseminating information. I know that they too put on one- or two-day seminars, particularly in the off-season when grain farmers in particular have the time and opportunity to attend those. So there is, I think, a co-ordinated attempt within government to work between our department and the Department of Agriculture and, through them, their field reps, but there are also producer groups, and there are also chemical companies, that have a role to play.

Mr. Reid: I am thinking specifically in the hazardous materials, involving with chemicals, pesticides, fertilizers, et cetera. In my own personal experience, when the Workplace Hazardous Materials Information System came out, there was a process whereby a certain amount of instruction had to take place for the people that were working with the particular products. Now, when you are not in a workplace where you have a management structure, and farm operations quite often—the family farm situation, in particular, does not have that, although if you are more into the larger farming operations, then there may be structure in there. What type of a process do you have, then, or do you leave it strictly up to the chemical companies and their distributors to pass on the WHMIS information to the workplace, to the farming operations to make sure that the people are aware of the precautions and any effects of becoming directly involved or in contact with those hazardous materials?

Mr. Gilleshammer: We do not have a direct relationship in terms of the information that is passed on to producers. That, by and large, is handled through the producer organizations, through the Department of Agriculture, but I believe we do have a degree of knowledge within the department of the chemicals. Also, it is my understanding that the Department of Environment also has people involved in this area.

Mr. Reid: I am sure we could go on at great length, Mr. Chairperson, with respect to farm safety issues, and I know the minister is aware, through his department, of a number of fatalities, and the numbers that I was referencing went for a period of time, slightly longer than what the minister had referenced, so the numbers seem to be fairly close in relationship to the ones that I am aware of. But, if there is something that we can do to assist the Department of Agriculture, the various farming organizations in the province, to do preventative programs, educational programs with the farming community, I think it would be money that would be well spent with respect to personal safety for people living and working on farming operations. The minister, I think, is going to add a comment.

Mr. Gilleshammer: I guess the only point that I make, these numbers catch my eye from time to time, and we are probably better off to talk about yearly actuals and averages rather than global numbers. I know that I

have some others that I may mention later on in our discussions. Sometimes they sort of jump off the page at you, and people get alarmed with the number that is being thrown around when it is not put in the proper context. I just feel that we have to do that, so that we are operating with really accurate and correct information.

Mr. Reid: I want to go on with another line of questioning now with respect to Workplace Safety and Health Branch. The annual report that we have is somewhat dated now, and the new annual report is no doubt due out sometime soon. I will be asking some questions with respect to the number of audits, for example, that have taken place and to give staff a chance to perhaps gather that information, but first I want to ask, I think the minister has an advisory committee that would meet on workplace safety and health issues. Can you tell me when the last time that particular committee met?

Mr. Gilleshammer: I am told they met this morning.

Mr. Reid: That is pretty timely.

Mr. Gilleshammer: I knew you were going to ask.

Mr. Reid: Okay. Thank you.

Mr. Gilleshammer: Just kidding.

Mr. Reid: Thank you for being prepared. Were there any issues arising out of that particular committee meeting that would need to be referred to the minister with respect to, perhaps, changing of regulations or revising of statute?

Mr. Gilleshammer: I have not seen the minutes of this morning's meeting, but I am sure that they will come forward on a timely basis.

Mr. Reid: Are these minutes only for the internal consumption of the department, or will critics have the opportunity to see that information as well?

Mr. Gilleshammer: I am told that once the minutes have been approved at a subsequent meeting, that they are forwarded to the leader of the official opposition, amongst others.

Mr. Reid: With respect to audits that are taking place, I have read the annual report for Workplace Safety and Health from last year's information. Can you tell me the number of audits that were performed by the department for this past fiscal year, the one that ended on March 31, 1998?

Mr. Gilleshammer: I am told that in terms of complete audits, there would be in the neighbourhood of 25. If we are talking about inspections, then it is a greater number.

Mr. Reid: Can the minister tell me how many inspections would have been involved?

Mr. Gilleshammer: The year-end statistics have not been finalized yet, as the member can appreciate, but it would be in the range of 1,500 to 2,000.

Mr. Reid: That seems to be down over last year's numbers where there were 1,800 inspections that took place and you had just under 1,700 improvement orders. Is there a reason why there seems to be a lower number here? You are giving me a ballpark, I understand, between 1,500 and 2,000, but that is quite a wide range. If you take the low end of that scale, of course, there would be a significant drop in the number of inspections.

Mr. Gilleshammer: We would be pleased to give the member a more complete answer once the statistics are compiled, but I do believe the number from the previous year is within the range that I quoted to the member. If you are saying the range is too wide, that is, I suppose, an estimate at this time. As soon as the year-end numbers are in, so that we have the exact number, it will probably be between 1,500 and 2,000. It may actually be very similar to last year, but we do not know until the numbers are crunched.

* (1500)

Mr. Reid: Could you tell me the process that the department goes through with respect to inspections? I am going to ask the same question with respect to audits. How is it that you initiate these? Do your field officers, your hygienists, do they go in to a workplace unannounced on a random inspection? What type of a process do you have set up to make sure that the

businesses—and I referenced the fact that the department, I believe, was undergoing an analysis of the high-risk occupations and looking to do some orderly inspections in those areas, but obviously that would leave out a significant number of other worksites in the province. How do you undertake to ensure that those other worksites that may, perhaps, not fall into the high-risk categories have inspections undertaken with respect to their operations to make sure that things are performing properly in those locations?

Mr. Gilleshammer: Yes, I think the direction the branch has moved is to look at the sectors where the higher risks exist. This, to some degree, is based on Workers Compensation Board statistics so that those audits and those inspections are more prevalent in that area. There are also random inspections across the system and an attempt by various means, publication, electronic means, conferences, to also bring forward that information that would help in workplace safety.

I know that I have attended three workshop/conferences since the beginning of the new year where, I guess, one of the things that impressed me was the degree of partnership that has developed between individuals in the workplace with management and companies and government, and the relationships tended to be very positive whether I talked to people who were on the management side or people who were union members and union leaders. Those workshops were very, very productive, and the mood around there was very good.

At those, there were publications that were available to participants. There was a lot of information being disseminated. So, I guess, the question is always, where do we best put our resources? Through a variety of means, the branch is able to work with the various industries to provide safety training and safety advice, and we will use our inspection function probably where we see the risks are the greatest.

Mr. Reid: Well, I know you need to have some tool of measurement to look at the high-risk industries, and, I guess, the Workers Compensation Board statistics would probably be as strong as any. I am also concerned here that there are a significant number of firms in the province that do not fall into that particular classification. It does not seem to me from what you

are saying that there seems to be any orderly way that the department would be able to go into any of these operations, perhaps, in a career.

I do not know if you make random inspections on any of these operations. Judging by the number of workplaces in the province, I think there are, what, 40,000 workplaces in the province. Based on the number of inspectors you have and if you are concentrating most of your resources into the high risk, that would have to exclude a fairly large number of operations in the province which may never see a random inspection take place.

Now, I guess, if accidents are not reported or accidents are not occurring, perhaps the department is not concerned about that. I would hope that they would want to do random inspections from time to time on every operation in the province to make sure that things are done in a safe and appropriate fashion. But there does not seem to be, outside of the high-risk industries or operations of the province, some plan to undertake, even in two to three years or four years of operation, to pay a visit and look at the operations and how they are controlled in their day-to-day activities with respect to safety and health.

Is there no plan that you can develop within the department to say that certain business operations fall without the parameters of the high-risk operations and set up some type of a timetable to provide some guidance to these operations, so that they can at least see the inspector come around to show the employees that are working there that there is some concern and some interest in their safety and health within that particular occupation?

Mr. Gilleshammer: Well, I did say there were random inspections, so that does take place from time to time. There are also inspections that are complaint driven, and the member knows that there are committees in many workplaces that are mandatory with a certain number of employees—I guess, 20—that they do have access to people who can demand or ask for either an audit or a random inspection.

I know that I, you know, back in the '80s in my particular workplace, which was a school setting with upwards of 30 people employed there that we never

ever saw an inspector come into that workplace, but we did have an active safety and health committee that found a way of dealing with these things with the support of the local maintenance people and the school board. Now, I know that there were boiler inspectors that came in the summer to do that part of the inspection but, in terms of the workplace, I do not think in the '80s we were inspected once by a safety inspector, but we had another way to address those issues, and it was very effective. People could either anonymously bring them forward or through either an employee or employer rep on that particular group, and little things were done to remedy those.

There are also complaint-driven inspections as well as the random ones. The complete audits can be reasonably time consuming where you go into a workplace for up to two weeks and you can occupy two people for those two weeks doing a very, very thorough audit of a worksite. I think the member offers some advice, and we can take a look at that. If he feels that we can be more effective, I think it is incumbent on us to listen and, if there are good ideas, to put them into practice.

I have not had a lot of concerns brought to me. In fact, I am not sure if I have had any in the meetings that I have had with Workplace Safety and Health people that were not being addressed or people felt that they were not empowered to address them but, if you are suggesting that we take a look at doing more random inspections and perhaps fewer audits, it is something I think we should review probably on a yearly basis to make the best use of our resources and our people.

* (1510)

Mr. Reid: Well, at no time have I ever suggested nor will ever suggest that there would be a reduction of any type of an inspection, which would include audits. I am just looking for a process here that would allow for the, as based on what the department is terming high-risk versus non high-risk sectors, where we can ensure that there are activities of inspections that take place in those areas. Now, when the minister references times when they had their committee meetings, but you also had in your process the Manitoba Teachers' Society that could get involved should there be outstanding concerns, and you could address them that way. But

you must admit that there are many places in the province that do not have the availability of that particular type of representation.

I guess an individual could go to Workplace Safety and Health and could file a complaint but at risk of losing their employment. I have seen situations like this happen before. When we get into Employment Standards I will reference what happened with some of the employees that filed complaints that I drew to the minister's attention last year. These people who work in nonunion or nonrepresented areas are at risk of losing their employment should they raise these issues and the employer become aware of it.

I have asked the department of Workplace Safety and Health to provide for me information relating to a particular industry here in the city dealing with committees to see how the committee structure is working and to see what the issues are with respect to the woodworking industry. I just chose at random one particular industry, and the department denied me the information, the minutes of the particular meetings. I did not ask for any third-party confidential information. That could have been stricken from the records if it was in there. I doubt it would be in there, but it could have been stricken, and yet I have been forced now, as the critic responsible for Workplace Safety and Health, to go to the Ombudsman's office and ask for some assistance in looking at minutes of Workplace Safety and Health committee meetings.

I am not asking or in any way going to jeopardize some process that the company may have, and I doubt that information would even be contained in the minutes of a Workplace Safety and Health meeting, so I do not know why the department is denied that information. This is one of the ways of third parties, in the sense of a person being involved in the process—myself in this case—kind of keeping in touch with what is happening.

Yes, you can go into workplaces, but it is pretty hard to go into 40,000 workplaces in the province as the critic responsible for Labour. It is a physical impossibility. Yes, I would never be in this building probably for the rest of my working life.

So I draw to the minister's attention that I have asked for the information; your department will not release it.

Now, I have had to turn it over to the hands of the Ombudsman to find out why, because I do not see anything in The Workplace Safety and Health Act of this province that prohibits critics such as myself from gaining access to this particular information to make sure that the committees are first functioning and that regular meetings are being held. I have to accept at face value from the minister that these meetings are being held. I cannot see if there are issues that are being raised that are of a very serious nature. I cannot see if there are issues that are being raised over and over again that are not being resolved, because I do not have access to the minutes of these meetings.

So there are many pieces of information that are missing from the puzzle here that I just drew one particular industry and asked about it because it is a fairly large employer in the province.

I could have picked another firm in Steinbach, for example, not one here in Winnipeg, that does a similar type of operation and asked for the information, the Workplace Safety and Health minutes from that particular firm. I could have picked a furniture company that does woodworking or works with wood products and chosen that one. It was a random selection here that I asked for some information to find out about the process. There seems to be a growing business with respect to the manufacture of windows, and there is a fairly large number of people who are involved. In fact, I believe, if I am not mistaken, there may be a large turnover of people involved in that particular business.

Now, is the turnover in staff related to the Workplace Safety and Health issues? I do not know because I have not been given access to the particular operation's Workplace Safety and Health minutes.

Now, I do not know what reasons you have for denying access to that, but I say to you, very openly, that if there is something, third-party confidentiality, about their particular manufacturing process that needs to be stricken from those records, I do not have a problem with that. I am not here to jeopardize any business operation in the province or to jeopardize the jobs that are attached to it or the investment that the owners have made. All I wanted to do was find out about the process of the committees and the issues that

they are dealing with, and yet you have denied me access to that as the critic, and I do not understand. Perhaps you have a reason that you can share with me here why you have denied that access because I cannot find it in the act anywhere where it says you cannot give it to me.

Mr. Gilleshammer: I would like to go back to the initial comments. Yes, we were all members of a very powerful union, the Manitoba Teachers' Society, but I tell you, in the years that I worked in the school system, we never ever had to bring in the hired guns from Harcourt and Portage Avenue to resolve workplace safety issues, that where there was good will between a school board and a local association and the school administration, the division administration, these things were worked out very well. As a result, we did not have to bring the heavy hand of the MTS into the equation, and I was just making the point that it worked reasonably well.

We have to, of course, make decisions every year on a workplan for this branch of the department but still leave the opportunity to deviate from that if there are complaints or if there are changes indicated by the statistics from the Workers Compensation Board, and we will have the ability to continue to do that, so that our inspections will always be in the best interests of the safety of workers and the safety of Manitobans. I do recognize that the member would have great difficulty in visiting 40,000 workplaces. I am sure he would be welcome at most of them, but it is a task that is pretty daunting, and he would not be able to perform his other duties here or in his constituency.

In relation to the release of Workplace Safety and Health division minutes, these documents are internal to that company, and I think that the best avenue for him to follow would be to approach the company to see if they were available. I do not think that we as a government and as an outside party want to pass on internal documents to just anybody, and if he wants to pursue that with the company, he should do so. But he has already indicated that—I think you indicated that you had approached the Ombudsman on this, and I think everyone in the province respects the Office of the Ombudsman over the years and the work that they have done, and I am sure that we should just let that process take place and we will see what happens.

The member did reference some of the industries that are growing in the province and I think referenced one in Steinbach. In fact, I heard staff from that company on the radio the other day, where all employees were asked to see if they could find additional employees because the company is growing so rapidly, with sales worldwide, that an employee could get a bonus of \$250 if they brought someone to work who stayed for two weeks. People were taking advantage of the fact that they could bring friends and relatives and others who needed employment and could secure a job with an outstanding Manitoba company.

Mr. Reid: Can the minister tell me, where does it say in The Workplace Safety and Health Act that the company has ownership of the Workplace Safety and Health minutes?

Mr. Gilleshammer: I do not have the act, and I am not sure it is the practice that we have followed within the department not to release documents that are internal to the company. I do not know. I suggested the member approach the company to see if they would make those minutes available. I do not know whether he has done that or not.

* (1520)

Mr. Reid: I repeat my question, Mr. Chairman. Where in The Workplace Safety and Health Act does it say that the company, any company in the province of Manitoba out of the 40,000 companies operating here, has ownership of the Workplace Safety and Health committee minutes? Where does it say anywhere in the act that the company has ownership?

Mr. Gilleshammer: I am told that there is no requirement for those committees to file their minutes with the department, and many of them do not, and a feeling within the department is as soon as we release them we will not have any of them filed with the department.

Mr. Reid: So you are telling me in your operations—and I believe there is a requirement in the act that says that companies must make the Workplace Safety and Health division aware of the functioning of those committees and any issues that they are dealing with and are perhaps outstanding, and you tell me that

you are not aware through the minutes that should be provided to the Workplace Safety and Health inspectors?

Mr. Gilleshammer: Well, I guess to be blunt, I am told that there is no such requirement in the act. The requirement is to have a committee and to keep minutes of those activities.

Mr. Reid: Then if you only inspect high-risk businesses in this province, and you do not have a process in place to investigate or to do random inspections of the other businesses in this province and there is no obligation to submit minutes to the Workplace Safety and Health Branch, how do you know that these committees are ever functioning? You never go in there and you never receive minutes. How do you know what is happening in these operations?

Mr. Gilleshammer: Well, just a minute, we do go into many operations across the province. My honourable friend is right. There is not time in any given year to go into all of the businesses. There are 2,000 workplaces in Manitoba with 20 or more employees where it is necessary to have a workplace safety and health committee. If the member is aware of any of those companies that do not have a committee, he could certainly pass that information on to us, and we would take that as information and do the appropriate thing. The member in his question, however, said—or at least intimated, if not said—that we only go into high-risk operations. That is not correct. Not too many minutes ago I indicated that there are random inspections—

An Honourable Member: Some of them.

Mr. Gilleshammer: Well, there are some audits; there are some inspections; there are some companies. Yes, we go into some. Also, I have indicated that some of the inspections are complaint driven, and I guess it is incumbent on the leadership in the department to deploy the workforce within the department in the most appropriate way.

If my honourable friend is saying that they are not being deployed appropriately, we would listen to his suggestions.

Mr. Reid: Well, I am not happy with what I see taking place with respect to the inspections. I have made no

secret about this over a number of years. I have drawn this to the minister's attention. He says there are 2,000 businesses of over 20 employees, some more. In those I guess I need to ask you: of those 2,000 businesses, how many have you inspected this past year?

Mr. Gilleshammer: Well, I have indicated that there were somewhere between 1,500 and 2,000 inspections last year, and we will finalize that number for him. But now I think my honourable friend is saying that we should concentrate our inspections only on those businesses with 20 people or more. If we did that, I am sure next year he would be saying, well, you should have some balance to the inspections and also do inspections of companies of 20 or fewer. So I rely on the leadership within the branch to make the most appropriate use of those staff members that are there. On top of that we do have one staff member devoted to being sure that there are health and safety committees functional in those companies.

Mr. Reid: You referenced that you do, I think you said 25 audits in a year. Can you tell me which sectors you did audits on?

Mr. Gilleshammer: Of the audits that we did, the majority or many of them would be in the manufacturing sector; some were in the metal working; and some were in the sector of those that manufacture windows.

Mr. Reid: What were the results of your audits?

Mr. Gilleshammer: The 25 audits that were held last year had a variety of results depending on the nature of the company and the way that they operated, but the bottom line is that there was a significant reduction in accidents and reported accidents and actual accidents taking place within that company. That is the purpose of the audit; it is to go in and assist the management, the safety and health committee, the staff of that particular company to make their work environment safer. The results have been, to say the least, very gratifying that the changes are made and the workplace is safer from then on.

Mr. Reid: You referenced audits performed in manufacturing, metal industries and window manufacturing industries. Those were the three areas—

Mr. Gilleshammer: Amongst others.

Mr. Reid: Amongst others. So this is not an exhaustive list, then, of the areas that you audited. Did most of your activities, then—would they have taken place in the high-risk areas or high-risk sectors?

Mr. Gilleshammer: Well, that was where we started, that we used the WCB statistics to give us some idea where there are more days lost, where there are more accidents reported, where there is more room for improvement. I know that I had an opportunity to look at a particular western Manitoba company, and I think that the numbers jumped out at you that there was room for improvement. Through use of the audit system, the intention is to improve safety in that workplace. My staff have informed me that it does work very well and that we do see a marked improvement. Now, you know, you might even think that maybe they would work themselves out of a job after they did a whole bunch of audits and inspections, but probably there is still room for improvement and we will continue with the process.

Mr. Reid: Since this is a wood manufacturing area, can you tell me, was Winnipeg Forest Products one of the areas that you audited?

Mr. Gilleshammer: We do not have that information here, but we can have staff check.

Mr. Reid: Perhaps then if I might make a suggestion based on some information that has come to my attention, and I do not want to single out this one company as the only one of the 40,000 companies that perhaps needs an audit, but this is one that has been drawn to my attention. It is involved in wood products. Wood dust is carcinogenic in larger quantities or doses. There is enough research that has been done in those areas, so I will leave that particular company.

* (1530)

Mr. Gilleshammer: It is called Winnipeg Forest Products?

Mr. Reid: Winnipeg Forest Products. It is on Plessis Road, which is the edge of my constituency, and perhaps you can bring back some information, if you

will, and let me know if you have done an audit in that area and if you have done any inspections as well with respect to this particular operation.

I want to ask a question. This deals with another area involving a court case that I was quite distressed from what I heard. I am distressed from the point of view of the employees of Workplace Safety and Health Branch and, if the information that is coming to me is accurate, the department, and I am not necessarily saying that the Workplace Safety and Health Branch itself left the individual hanging out to dry. Perhaps it was the Justice department, which is part of Manitoba government, that was at fault here. But in the court case that happened involving the fatality of a mine worker who was an employee at HBM&S, it is my understanding that the company called so-called expert witnesses to testify at that particular hearing.

A Workplace Safety and Health Branch employee was also called as the expert witness on behalf of the government in testifying to the matters of this case involving the inspections and any other actions that may or may not have occurred. It is my understanding that the employee of the branch was made to look not in the best light—let me put it in that fashion—and I am wondering why or if the Workplace Safety and Health Branch, when these matters go before the courts, if there is some avenue that you can take to ensure that where there are people brought in with respect to defence matters that also the government takes the appropriate steps to ensure that the Workplace Safety and Health people, who may not have had all of the training necessary to perform the full function or duties, do not be left hanging out to dry when it comes to testifying before the courts, because that is what I sense happened in this particular situation.

I do not know if the minister has been briefed by his staff on that, and perhaps I should ask that question. Has this matter been drawn to your attention so that staff within the department are given every opportunity to present not only the facts of the case but are not made out to be the fall parties in situations like this?

Mr. Gilleshammer: Well, our role is to gather the appropriate information and to turn it over to the Department of Justice. After we have done that, then, as the member full well knows, it becomes part of the

justice process where nobody is allowed to meddle in it. If we have had inspectors inspect and gather information, I mean, they simply have to present what they know in an honest and truthful fashion and allow the justice system to take its course. I do not know what the member is asking that we might do in cases like that. I suppose whatever witnesses are called will be up to the Crown and the defence attorneys, and our role would be simply to be sure that our staff are able and willing to give testimony to the evidence that they are a party to.

Mr. Reid: Well, I am not going to take anything away from the qualifications or the training that the individuals within the department have—and we can get in some further line of questioning on that in a few minutes—but my concern here is that there are so-called experts in the world with respect to mining operations and procedures, and if our people in Workplace Safety and Health Branch are not in the same category as the so-called experts when they get called to testify, they end up—put it this way. The credibility of the individuals from Workplace Safety and Health can be called into question, and I think that process undermines the activities of the Workplace Safety and Health Branch in general, not to mention the problems that it can create for the individual inspector in mines safety.

So I leave that with the minister. I mean, we can go into a long conversation about the type of training that these people have, but my concern here was that the individual was called to testify and was not in the same so-called category as the expert, and therefore the credibility of the individual carried less weight before the courts. The word of the individual seemed to carry less weight before the courts than the expert who was called by the company to testify in these matters, which puts the Workplace Safety and Health inspector, the mines inspector, at a significant disadvantage.

There should be some dialogue that takes place between the Justice department and the Labour department in how you deal with these matters to make sure that we have the appropriate people going before the courts to testify, because from what I know of the circumstances, from what I have been told of the circumstances of the case and the matters involving the accident, there should have been some communication

that took place between the company and its workers, because there was more than one location that was involved, and I think there were improvement orders that were issued, and yet that information was not carried forward from one location to another by the company, and I believe the inspector was trying his best to make sure that that situation was corrected. Then when it went before the courts, of course, the expert managed to have their word taken at greater value than what the Workplace Safety and Health inspector had.

So I leave that with the minister as something that needs to be dealt with internal to the departmental operations in how you communicate with Justice when you come to matters like this. Now, we have had discussions in past years about the Justice department people, the Crown attorneys handling these cases. There does not seem to be a free flow of communication back and forth once the matter is turned over to Justice, but perhaps Justice, when they come across situations like this, need to do some further consultation with the department to make sure that you have the best advice available to you, which may not be internal to your operations.

Mr. Gilleshammer: Well, in the justice system—and I happen to think we have one of the finest justice systems in the world—cases get taken to court for adjudication. Sometimes you win and sometimes you lose, based on the evidence. Our staff are mines inspectors and mines engineers, and I think it is incumbent upon us to be sure that they are appropriately qualified and appropriately trained, and I do believe that this training can be an ongoing thing. If the member is saying that our staff are not appropriately trained, I would like him to be specific on that, but they are hired and qualified as mines engineers and mines inspectors.

Our role is to do the investigation and present the information to the Crown. The Crown then goes ahead and makes a decision, and we do not influence it one way or the other. We have presented the evidence and the information that we have, and then it is their responsibility to carry the case from there and make the appropriate decisions.

* (1740)

The member talks about expert witnesses. We cannot manufacture expert witnesses. Our role is to give the evidence that has been gathered by the people who are charged with making that inspection, and I happen to think—I have met a number of them, had an opportunity to travel in the North last year to The Pas and Flin Flon and Thompson and had a feeling that we have an excellent staff who perform this function. I sense the member is being somewhat critical of them, and I am not sure why. I believe that they do a good job for us, and they have to present the evidence as they have it. They do not have the opportunity to change that to make a point one way or the other.

Again, it is the responsibility of the Justice department to make the decision on whether charges are applied and whether it goes to court or not, but I do believe that we attempt to keep our employees current. I have seen comments from across the nation. In fact, some of our regulations, some of our information is being accepted in other provinces in Canada as a model to follow.

So I just say we do the best job we can, and if the member is feeling that we need better and more training, I will pass that on to the appropriate staff, and if that is the case, we will ensure that happens.

Mr. Reid: Never once in my comments did I ever say I was critical of the staff, so I do not know where the minister got that. He is in some other space, and I am not sure where it is because I have never said that in my comments.

What I did reference was that our staff, from information that has been drawn to my attention, were left hung out to dry on that one, were made to look quite bad as a result of the court activities, wherein the company was allowed to bring in—not allowed, because they are allowed to do this, but the company was able to bring in so-called people of higher credibility or knowledge dealing with these matters. Yet your department, maybe not directly but in a way that is attached to the Justice activities, left your inspector hanging out to dry in this matter because their word was not taken with the same stature or level as the so-called expert that was brought in by the defendant in the case.

So I leave that with you, that if you have situations like that, perhaps there needs to be some dialogue that takes place between Workplace Safety in Labour and the Justice department to make sure that where you have situations like that that you seek out, if you do not have that expertise—that we not be afraid to seek out the appropriate people wherever they may be to make sure that the case is presented based on the facts and also that the case itself has some credibility attached to it on the part of the Crown. I do not want to see situations like this happen where we can significantly undermine the activities and the work of our field inspectors trying to do the best job that they know possible. That is why I raise this for the minister's attention.

I want to switch here now and go to another matter that has been bothering me with respect—and I do not know what state of progress you are at with respect to your inspections, but there was a worker that was killed last year when there was a military shell that exploded at the Logan ironworks. This is not the first time that this has happened in this province. I know this happened in the Transcona CN reclamation yard a number of years ago and that this has now happened again, and perhaps there was another example, as well, that may have happened. I am not sure if there were three, but there are two that I know of for sure.

What steps have now been taken as a result? Are we going to rely on the Department of National Defence to do checks on these so-called shell casings that come in for reclamation, or is there some type of a process that has been established to ensure that the people that are working on these particular reclaim products are not subject to explosion and fatality?

Mr. Gilleshammer: Yes, I am told that there was an incident in 1980, and then this most recent one. What we have done is certainly made our point with the military, that they need to have an internal system within the military to be sure that this does not ever happen again, that they have to do their inspection before they move excess materials such as this off the military base.

The scrapyards have been made aware of the risks of receiving material and that they have to scrutinize what material is brought on to their site. There will be, I am told, an inquest into this fatality, and that will be an

avenue that people will be making testimony and representation to. Certainly we will look forward to seeing in more detail the results of that inquest. In this specific case, the information on this incident—this file was sent to the Department of Justice, and I believe that they have concluded that they will not be going forward with it in terms of pressing charges.

Mr. Reid: Can the minister indicate, has Justice said anything of any reasons why they are not going to proceed in the laying of charges?

Mr. Gilleshammer: Other than the obvious that they feel that there are not grounds to proceed with a charge, we have no other detail on their thinking on the case.

Mr. Reid: Does it not strike you as odd that an individual lost his life performing their normal duties because someone somewhere within this province did not check hazardous material or hazardous products and yet the Justice department does not feel that there are sufficient grounds to proceed with a prosecution under The Workplace Safety and Health Act at a minimum?

Mr. Gilleshammer: Yes, I am told that we do not have the file from the military. That is lodged with them and presented to Justice, so I think it would be—well, the case is certainly tragic; there is no question. An individual should not in any way anticipate or expect that going to work one day is going to end with a tragic accident like that, but the information that the military would have on the circumstances of the shell and the procedures is lodged with the military. It has been forwarded to Justice.

Why Justice made that decision, I do not know, and probably would be more appropriately asked in Justice Estimates, if you like. The inquest will be an opportunity for all of this information to come together, and we will have to await that and await the outcome of the inquest.

* (1550)

Mr. Reid: Well, Terry Genai [phonetic] was, what, 27 years of age. He had just come off welfare to a \$6-an-hour job, and he goes to work performing his normal duties, attempting to cut open the shell casing, or work

with the shell casing, and is killed in the process. He was a person that was trying to better himself, to be involved in the active workforce, and he goes to work and he gets killed. Nobody wants to get killed on the job.

Does Workplace Safety and Health—do you leave the investigation of these matters strictly up to the DND to determine the facts of the case from their end, or do you get involved and do you go out to the military operations, perhaps at Shilo or other areas of the province, to determine the process that they use? Are you going to rely just strictly on what DND tells you on these matters, or are you going to do an investigation internal to their operations?

Mr. Gilleshammer: Well, I agree with much of what the member has said. It is truly a tragedy, as is any accident, particularly with loss of life. It is very, very unfortunate. It is an accident. Our role was to investigate the circumstances of the accident at the scrapyard. We did and we passed that on to Justice. We have no authority or ability to go on to the military base and do an investigation there. That is done by the military, the military police, the federal government, and they pass that information on to Justice and we pass our information on to Justice. The decision is made in the Justice Department.

Mr. Reid: Did you make a request to go on to the military bases to find out the procedures that they use?

Mr. Gilleshammer: I am told that our staff met with the staff from the military and the military police operations to share information. Just as they are not allowed to go to the scrapyard and do an investigation there, we are not allowed to enter the military base and investigate their processes, procedures, and the matter that they operate. While there was communication, a sharing of information, we did not have staff from Workplace Safety and Health who were permitted to go onto the grounds and do any sort of investigation.

Now, the inquest will be an opportunity for everyone to present their information. The Justice department received our information. They received the information from the military police and the military base. If they had additional questions, they were

resolved, and for whatever reasons, they did not proceed to file charges.

Mr. Reid: So then I take it you did not ask for permission to go onto the base, you just accepted at face value that you were going to be denied?

Mr. Gilleshammer: We did not ask. It is just an accepted way of doing business. There are clear lines of jurisdiction involved, and my honourable friend will know that there are certain industries that are the priority of the federal government. Military bases operate in a very closed fashion in many ways. On the base that I am familiar with at Shilo, they have their own military police who do everything from enforcing traffic to investigating assaults. They have their own system, and we did not ask to take their place in doing the investigation. It is a matter of protocol that they handle through the military system, the military police, their own investigations. We have no, absolutely no jurisdiction to go there.

Mr. Reid: I am well aware of the federal jurisdiction with respect to DND. I have dealt with DND and the federal minister responsible on a sexual assault case involving two employees of the military about two years ago, and I know how the military can stonewall in situations like this and just push this off. It has nothing to do with you, would be the attitude, so I am well aware of how this process can function. I am not happy with it and I guess I need to ask the question here: after the inquiry is finished, whose role is it, whose function will it be should the evidence point to further actions being warranted by the courts? Whose function will it be to proceed with these matters? Will it be Workplace Safety and Health, or will it be the Justice department? Will it be the military or will it be a combination, or none of them?

Mr. Gilleshammer: I am told by my senior staff that it will not be our responsibility. If there is information at the end of the inquest that further investigation and charges should be laid, it will either be done by Justice or it will be done in the federal system through the military system.

Mr. Reid: So like the law let the buyer beware, let the worker beware if they go and work in a facility that has any interaction with a federal agency or operations that,

should they be injured or killed on the job, the province can be absolved of any responsibility or any dealings with matters like this. This seems to be the information I am getting here, that it is up to the individual to be aware of who they are working for and what materials they are working with, and if it involves the federal government then their argument is with the federal government and the province's Workplace Safety and Health does not play a role in the process here, other than investigating the accident and forwarding the information.

Mr. Gilleshammer: I would like to correct the member. It was the Manitoba justice system that received the information from both our department and from the military, and Manitoba Justice made that decision. We are going to have an inquest and I do not think any of us can prejudge what is going to happen at that inquest, but your question was: what happens next if the inquest makes a decision that further action is required? I said that further action may be on the part of Manitoba Justice or it may be on behalf of the federal government in the federal justice system.

* (1600)

But we, I think, did everything that we could do within the Department of Labour and exercised the authority that we have to investigate and present that information. Then it is out of our hands. Why the Justice department made that decision, I do not know. They are independent and every day part of their job is to look at cases, to look at evidence and make judgments about whether they proceed or whether they do not proceed, and certainly there is, I suppose, rarely unanimity in these cases. There are always people—if you listen to the Peter Warren show or if you listen to the news, you listen to some of the CBC programs—asking questions. Until you have all the information in front of you and have a learned person to interpret it, sure there can be questions around that, but I respect the fact that they have the right to gather all of the information that they feel is pertinent from whatever sources and then make a decision.

It does not make the tragedy any easier to accept. Certainly I told you, I agreed completely with what you said, that a person should feel relatively comfortable going to the workplace in the morning that it is going to

be another day at work. There are high-risk jobs, and we look at our own statistics or Workers Comp statistics and can indicate where the risks are. This job obviously has risks but this was totally unexpected, an accident, and I look forward to seeing what the inquest brings forward in terms of recommendations.

Mr. Reid: Based on what the minister is indicating here, then after the inquiry is finished should the evidence warrant further actions, under what act should the military be found to be negligent as a result of the findings of the inquiry? I know this is a hypothetical situation, but we need to know here under what act would the military then be prosecuted. If it is not The Workplace Safety and Health Act, would it be the Criminal Code of Canada that would be involved in a situation like this, or would it be the Labour Code of Canada?

Mr. Gilleshammer: I do not know whether I have all the right terminology, but on a base there is a military system of justice under which charges can be laid for a variety of reasons. It would be under federal military law. I mean, we could attempt to find out more about military law. We do not have that information here, but there are codes of conduct, and there is law governing behaviour. It is housed in the Government of Canada.

Mr. Reid: I take it then the minister had no further information to share with respect to jurisdiction here.

Mr. Gilleshammer: It would be redundant.

Mr. Reid: So then we do not know whether or not justice will prevail to prevent future accidents of this type from happening again. There is a history here now. We have two; one in 1980 you say and one again last year. So does that mean in 17 years from 1997 we can expect that there will be another shell casing exploding and another worker is killed? What steps are going to be taken to make sure that this does not happen? I know there are no ironclad guarantees, but there has to be some type of a process in here, first, of accountability for what has taken place, and a process put in place, some plan put in place, to make sure that all of the safety precautions are taken.

I mean, this is a person 27 years old, came off of welfare, father of three children, no longer there for his

children now, not providing for them and is no longer with us as a result of an accident that was unexpected and was killed in the workplace. That should not have happened. There are ways to make these types of accidents preventable. Somebody did not do their job to make sure that this accident did not happen. There has to be some process put in place, some accountability. I am not saying extract a pound of flesh here, but you have to have a plan in place here to prevent these from happening. If you are saying that you do not have jurisdiction over it and the provincial justice system does not have jurisdiction over it and it is military justice that is going to prevail, how do I, you, or any other working person in the province of Manitoba know that they can be safe going to work tomorrow, working on something that may have come from the military? How do we know that, if there is no interaction taking place between Workplace Safety and the military to make sure that this process or some plan is developed here to make sure that these shells are not coming into scrapyards in the future with dangerous product inside?

Mr. Gilleshammer: Well, I will go back to I believe your first question and my first answer. We did four things. We have talked to scrapyards and indicated the circumstances of this case and made them more aware I suppose of the risks that may present themselves. There are dangers in working in a scrapyard, and we provided as much information as we could to owner-operators to be aware of some of the things that might happen and to make their staff aware of that.

We did pass all the information we had and recommendations on to the military. I can tell you that I would believe that the military would never, ever, ever want this to happen again either. The recommendation that we would have for them is to take whatever steps they need within their internal safety system to ensure that this does not happen again.

We also presented all of that information to Justice, and fourthly, there will be an inquest and, undoubtedly, there will be recommendations coming out of that inquest to us as a department, probably or possibly to scrapyards, to industry, and certainly to the military. We will review very carefully what those recommendations are, and if they are within our jurisdictions, we will act on them.

I would like to think that there would never, ever be an accident like this happen again. It has happened twice. The military is very much aware of it. We are aware of it, and we have passed that on to proprietors, owner-managers of scrapyards, if that is the right word. The military will be instructing their people, but, you know, what we have is a human error, and errors happen. I guess we have to be sure that there are enough checks and balances to do everything we can to see that it does not happen again. We will do whatever we have to do within the department, and I am sure other organizations will as well.

Mr. Reid: I just hope with this process that is followed that something positive will result after the hearings, after the inquiry takes place, the inquest takes place. I do not want to see this situation happen again at any time, particularly where this is a preventable accident. Someone failed in the security steps along the way, and if there is something that can be done to correct that, it would be appropriate.

* (1610)

Mr. Gilleshammer: I agree.

Mr. Reid: I want to raise another matter here that had gone before the courts not that long ago dealing with Poulin's, and they were fined \$5,500 total, I believe it was, on three counts. I will be attempting to go to the Justice department Estimates to find out more information on this. I appreciate the department sending me over the package of information with respect to the accident investigation dealing with these matters. I have read through it a couple of times trying to digest the extent of your investigations and the difficulties your department encountered in the performance of your work.

I am distressed to see that your officers were denied access to the operations of Poulin's Exterminators, especially when we have hazardous materials that are stored on-site in the heart of our city, hazardous products that could have and nearly did take the lives of the two workers who were involved with the methyl bromide that was being utilized as, I believe, a fumigant.

Mr. Edward Helwer, Acting Chairperson, in the Chair

I look at the counts that were brought before the courts on guilty pleas, and I guess I am going to be asking—and this is not going to be a secret; I have done this before—there were three counts that were listed. Count 3, count 7 and count 13 were the charges that were brought before the courts for which the company entered a guilty plea. I guess the question is: does it go beyond 13 in counts, and what happened to the other ones that do not appear on the final court documents? I am going to be asking the Minister of Justice (Mr. Toews) to explain that, because I want to know what type of plea bargaining is taking place with respect to serious matters like this, considering the extensive investigation or what appears to be extensive investigation undertaken by Workplace Safety and Health.

I do not raise this matter just because Mr. Janzen [phonetic] is a resident of the community of Transcona. I raise this because of the seriousness of the case and what appears to be the inexcusable actions on the part of the company. What I find even more reprehensible—and I use that term in the strongest possible sense—is that particular company had the nerve to call me shortly after that accident occurred and wanted me to intercede on their behalf to defend their interests. I did not know the circumstances of the case at the time, but after reading the report that came out of your department, I am appalled at the actions of the company, appalled.

The minister talked when we had some dealings with the amendments to The Workplace Safety and Health Act sanction, the sections dealing with penalties last year—

An Honourable Member: Increased them 10 times.

Mr. Reid: I understand that, and that may or may not be a good thing and time will tell, but at that time the minister talked about looking at the B.C. experience dealing with ticketing. I am wondering whether or not ticketing would have given the officers of Workplace Safety and Health Branch the opportunity to go in to that site, and if they are denied access or there is not some means of co-operation between the company owners or the company representatives and Workplace Safety, whether or not ticketing could not have been used on the spot immediately as a means of gaining

access to the property to do and undertake proper and thorough investigations.

Perhaps the minister would want to comment on his investigation of ticketing as a means to provide greater powers or authority to the Workplace Safety and Health officers who obviously were at a disadvantage when attempting to investigate Poulin's Exterminators here in the city.

Mr. Gilleshammer: Mr. Chairman, this is a difficult case, and the member did reference last year we brought in legislation to increase the fine levels. This was a recommendation brought to us by the advisory council on Workplace Safety and Health and were pleased to take it forward, whereby the fine levels were increased by tenfold.

This case, of course, was dealt with on the old legislation because it took place while the old legislation was in place. From time to time there are difficult cases that our staff work on where access to sites can be difficult, but I can assure the member that the investigation did take place. As a result of that charges were laid, and again those decisions on the charges are made completely within the Department of Justice. We provide the information, and Justice department staff and the Crown attorneys' offices weigh that information and make those decisions based on the evidence as it is presented to them. I cannot give the member any more information on that. He, I believe, acknowledges the fact that he will have to go to the Justice department Estimates to get further information and make his points there.

I do recall that the member brought up the issue of ticketing last year. I say that there has been some discussion internally on this issue of ticketing, but there does not seem to be any unanimity in the thinking not only within the department but within the broader community. I am told that discussions have been held with the Manitoba Federation of Labour and that they are opposed to the procedure of ticketing. So I do not think that we have exhausted our deliberations on that point, and personally I would want to get a better understanding of the benefits and the downside to it. At the present time, there has been no desire or no decision made to proceed with it, but it is not an issue that has disappeared.

* (1620)

Mr. Reid: It took me a little while and I am not maybe the swiftest person at times with respect to the process that has to be followed, and I understand the Justice department has to be involved in situations like this in making some decisions here.

I go back to my statements of last year and reiterate those again. There is a problem in the Justice department when they can go before the courts in a situation as serious as this where an individual nearly lost his life, father I think of two children, a resident of my own community, and another individual was poisoned. The Workplace Safety and Health people do their jobs under great stress, and the Justice department goes before the courts and does not ask for the maximum fines and perhaps plea bargains away other counts. That bothers me. I will not change on that.

In this situation here—and I have read through this document that you have provided to me—did you investigate whether or not the canisters, the 408 one-pound methyl gas canisters, that were used, were they legal products in Canada or were they imported with a licence that would permit them to be used here, making them a legal product within Canada and this province?

Mr. Gilleshammer: I cannot provide my honourable friend with a definitive answer. We do not have that documentation with us, but senior staff will go back and revisit that, and we can answer your question then. It was not an issue that came up at the time.

Mr. Reid: In reading through their report, it talks about several failures in the system to protect the workers—did not have the proper respiratory protection equipment. The equipment that they were using was wrong; in fact, it was damaged. There was a procedural failure here with respect to information to the employees who had not done this type of operation with these types of canisters before. Now there is a charge here with respect to training.

I have looked at several and been involved in several Workplace Safety and Health cases that your department has been involved with, but of any of the cases I have dealt with, only two stand out in my mind as having some grounds for criminal negligence charges

applying to them. I am not saying there are not others, but this is one of them that I think should have had criminal negligence charges considered, because the information that is coming to my attention is that these canisters were not legal in this country, that they were imported and that these canisters had been sitting around for some time and were in a rusted condition, some of them, which caused them to be suspect even before they were utilized. These products, I am told, are stored here in the city. What does that say for the surrounding neighbourhood community, a stone's throw from this building, across the river over here, where those products are stored? How would those people feel if they knew that there was rusted methyl bromide containers being stored on site there, and if your officers are not allowed to go in and do inspections in there, as a result of a workplace accident, that they are being denied access, and had to fight to get into those sites? You can go in but you were denied at the time access to those sites, according to the report that you filed, your department people have filed. I would be very nervous living over there knowing that these products are stored in that area.

I am going to be raising this with the Minister of Justice (Mr. Toews) with respect to criminal negligence charges, because if we find out that these products were illegal, what I want to know from your department—that is the question I am asking now is: did you pass on to the Department of Environment, because there were not permits that were issued, nor requested by the company to deal with this product, did your department pass on to the Department of Environment this report so that they could look at it and see whether or not these products were legal in Manitoba, for which I believe they have regulatory responsibility?

Mr. Gilleshammer: We do not have the information that the member is asking about, whether these canisters were legal or not, but I have already committed to have staff go back to that report and go back to the individuals involved to get you that information. I can tell you that the staff from Workplace Safety and Health did communicate with staff from the Department of Environment and shared information with them, but the member is saying, not that he has evidence that they were not legal in this country but that people have suggested to him that they were not of a legal nature. At least that is what I am

hearing, that he does not have any hard evidence but people are suggesting that. We will go back and look at our reports, talk to our people and see if that is an issue.

Mr. Reid: Will you then also undertake to provide me with the information with respect to your findings on the legality of these canisters, the methyl bromide canisters that were used, the 408 one-litre canisters, I believe, and the procedures with respect to permits and licensing, if you have that information available as well?

Mr. Gilleshammer: Whatever information is lodged in our department that I am able to share with you, I will.

Mr. Reid: I get frustrated, as the critic, dealing with situations like this where you have—and I am going to be harsh here—unscrupulous companies taking advantage of their workers for which the Justice department does not take a serious look at the sanctions that they ask to be applied before the courts, when people are killed, or nearly killed on the job, in their workplace, when they expect to go work in the normal performance of their duties, and then come home to their families and pass out in their homes and have to be rushed to hospital, and then find out that they suffered serious neurological damage when the system, protection for these employees failed them.

I am not talking here government, although the inspections can and should take place. We have respiratory protection equipment that was inadequate, where you have canisters that were being utilized for which the employees had no training, and the procedures that were used for that particular operation were not familiar to the employees, and then for the Workplace Safety and Health inspectors to be denied in some cases during the course of this investigation, access to the properties to investigate, as is identified in your own report, it can lead me to no other conclusion than we have an unscrupulous company here. I say that in the harshest possible sense based on what I have read here. I do not like to be taken advantage of by somebody that calls me in situations like this and asks me to defend them, as has happened in this case.

So I look forward to the information that will come from your department that might shed some further light with respect to the canisters and the procedures that you have. I need to ask you, are you doing follow-up inspections of this particular site, when was the last time you did an inspection, and how many inspections have you done on this site since the accident has occurred?

Mr. Gilleshammer: I am told that follow-up inspections have indeed taken place. We do not have the dates and the times and the number with us, but we can provide that information for you. I am told that they were also subject to one of the audits that we spoke of about an hour ago.

Mr. Reid: I want to change my questions here in the line of going back to the actual document itself, Supplementary Estimates document. In the document here, you are showing an allotment for overtime hours, page 35. You are referencing a certain amount of dollar resources to that. Can you give me an indication of the type of overtime that you would have? Would this be your inspectors going out on the on-call function, and would they be paid for this in overtime?

Mr. Gilleshammer: Yes, there is a very modest allotment there for overtime. There is considerable on-call time expended, and most of it is in comp time for the employees. I am told this is a budget line that pays people for being available and on call for circumstances that arise where they would be needed. So it is comp time that they get.

Mr. Reid: So this is a fund that is set up so that if you have got your field officers or your hygienists that need to go out to an accident site for example and it is other than their normal operational hours that this fund would be set up and available to compensate for these people that would go to situations like that? Am I understanding this correctly?

* (1630)

Mr. Gilleshammer: Yes, every weekend somebody is designated to be on call and have the vehicle be available. This is additional remuneration for people to simply be on call in case they are needed.

Mr. Reid: So these funds are paid to the individuals for the on-call basis whether or not they are called to a particular accident investigation?

Mr. Gilleshammer: That is correct.

Mr. Reid: Can you tell me, your staff that you have that would investigate accidents, can you give me an indication of how often they would be called out in the off hours, if we can term it that?

Mr. Gilleshammer: I am told in the neighbourhood of 70 times a year.

Mr. Reid: Dealing with director's orders, there are obviously a number of director's orders that would be issued in a year. Do you have the information here available for the current year?

Mr. Gilleshammer: Numbers, you mean?

Mr. Reid: Yes.

Mr. Gilleshammer: Yes, for the previous full year, we had 1,700 improvement orders and 51 stop-work orders. It is anticipated it will be in the same ballpark for the 1997-98 year. The director's orders, which was the question you asked, are in Employment Standards, so we are talking about improvement orders and stop-work orders.

Mr. Reid: I am sorry, I mixed apples and oranges here. I used the wrong term for different departments.

Has the minister ever been asked to overrule a stop-work order?

Mr. Gilleshammer: No.

Mr. Chairperson in the Chair

Mr. Reid: So the current minister has not been asked that. Is there any information pertaining to previous ministers that would have been in the department?

Mr. Gilleshammer: I have no knowledge of any.

Mr. Reid: Can you tell me the number of workplace accident fatalities in the province? For which you

would have jurisdiction, I would imagine, would be the numbers you would have.

Mr. Gilleshammer: Well, I thank the member for asking the question. In 1997, the total number of fatalities is 18. Ten of them were in agriculture, five in industrial, zero in construction, and three occurred in mines. Those are the ones that have come to the attention of the department.

I would maybe like to also give you the 1996 statistics, where there were 11 investigated fatalities: four in agriculture; two, industrial; two, construction; and, three in mines. In 1998, to the present time, there have been three.

It is important that these statistics are put in the appropriate context, because sometimes people use some figures that come from the Workers Compensation Board, and I think the member is aware of that.

The Workers Compensation Board number of fatalities is an all-inclusive number that includes people who were once clients of the compensation board who may be contacted or may have had a claim going back to the 1960s or '70s and they pass away in 1997, so they are listed there as a fatality. I know that people throw these numbers around sometimes without a complete and total explanation of that and, as a result, maybe use higher numbers than—they are not completely and totally accurate or forthright about those numbers, depending on their purposes, I suppose, but those are the numbers for 1996, a total of 11; for 1997, 18; and in the current year, three. I will leave it at that.

Mr. Reid: Again a high number in agriculture, or agriculture-related industries, which goes back to our earlier discussion with respect to the number of accidents that are occurring, number of fatalities. Can you tell me, the five that occurred in industry, what industries would those have been?

* (1640)

Mr. Gilleshammer: I can give the member some background on it. There was one where a vehicle collapsed onto a person when the jack shifted, and this would be industrial. There was another one where

someone was working with 45-gallon drums that were being converted to parts bins, and there was still a flammable material and, as a result, there was an explosion. A third one is the one we talked about earlier where there was a munitions shell that exploded. A fourth was a burn injury that was in the logging industry. Was there a fifth? There is one additional one that I do not have the information on here. It probably came from the Chief Medical Examiner's office, but we can find that fifth case for you.

Mr. Reid: I would appreciate that information when it comes forward to you.

The formula that is used to fund Workplace Safety and Health, I think we have said in the past that Workplace Safety and Health operations are funded, what, 95 percent by transfer of funds from Workers Compensation Board. I take it that this is under The Workers Compensation Act that sets the formula. If I am wrong there, perhaps you can correct me. But I need to understand how that formula functions and how the funds are derived at. Are those funds currently frozen for Workplace Safety and Health support? How do you propose in the future, should your operation's costs continue to rise, as would be expected through normal inflationary pressures, are you going to continue this through the government's general revenues, or do you anticipate amending the formula under The Workers Compensation Act?

Mr. Gilleshammer: Yes, I am told that the cap is contained within the workers compensation board act, and we do receive about 95 percent of our funds from the Workers Compensation Board. We are working within that cap at the present time, and there seems to be adequate funding to provide for the staff and operating costs that we have in this area.

Mr. Reid: There is a normal inflationary process that takes place, and most departments or subdepartments will be affected by that. As a minister, are you going to continue to go back to cabinet to ask for revenues, further allocations, to support the operations of Workplace Safety and Health, or do you anticipate, as minister also responsible for The Workers Compensation Act, that you would be amending that particular formula under The Workers Comp Act?

Mr. Gilleshammer: I have indicated that we are working within the existing cap and anticipate that we can continue to do so in our discussions with the Workers Comp Board. I guess the member's question is a little bit hypothetical. I think that what he is saying is: what do you do when you hit the cap? Well, we will have to try and live within that cap; but, if we need more money, then the other 5 percent comes from general revenue at the present time. We will have to either find a way to get that funding from Workers Comp—again, the cap is related to their activities as well—or go back to general revenue. We have not reached that point, but we may three or four years from now, and that will have to be dealt with.

Mr. Reid: That is what I am worried about is, yes, you appear to be working or functioning within that cap now, but somewhere down the road those inflationary pressures could catch up to you. It could be very quickly, just in the matter of one year, for example, if the federal government does not alter the interest rates to keep inflationary pressures down. Can you provide for me, or do you have information related, on how that formula functions? I do not have a clear understanding on how it is structured, and I would like to educate myself on how it functions. If you do not have the information here available today, perhaps you can forward it to me with the other information that you have indicated you would send along.

Mr. Gilleshammer: Sure. The information is in the legislation, and we can provide you with a copy of the legislation. The cap is not a static number. It is part of the activity that Workers Compensation is involved in. You know, I guess it is always wise to anticipate there may be a problem down the road. I have not been alerted by the department that there is an impending problem there, but we will provide you with a copy of the act, and you can see exactly what the legislation says.

Mr. Reid: I understand the act is available. Yes, we have access to it, and, yes, I have a copy of it, so it is not a question of sending an act along. I am trying to figure out in the dollars-and-cents terms how you do your calculations, how that formula functions, and the criteria that it is based on and the impact.

How do you know when you sit down to do the Estimates process and put this document together what numbers you are going to have to work with? Is it based on the prior years' experiences? How do you arrive at the dollar numbers to arrive at the 95 percent funding that is transferred to Workplace Safety and Health? That is what I am trying to get a handle on here and on how that is arrived at. I have got access to the legislation itself, and I can read that. That is not a problem in itself. The other information is what I am looking for.

Mr. Gilleshammer: There is a formula that exists, and we will pass that on to you.

Mr. Reid: Can you tell me—I think you have provided this in past years with respect to the number of recommendations that go to the Justice department from Workplace Safety. Do you have that statistical information available here, and can you tell me, because I believe you also keep this information with respect to prosecutions?

Mr. Gilleshammer: We have the information that there were 18 prosecutions that proceeded last year. We do not have the number where we did send information on to the Department of Justice, but we could have staff go back and count that and provide it to you, but there were—of that information that we passed on to Justice—18 cases that they proceeded with.

Mr. Reid: I would appreciate that information because I think last year you listed off the charges and the company names and disposition of the cases as well. I think that was information that you had sent along—it was the year before last, I believe—it came from the department. I take it that the information from last year may be contained in this package that you have provided to me here. I guess I should ask the question, because I had asked this last year with respect to providing a list with the names of the Workplace Safety and Health field inspectors. I think I had asked that question last year. I do not know, and perhaps you can indicate: Is that contained in this package here because I have not had a chance to go through it since I just received it?

Mr. Gilleshammer: Frankly, I have not read it since July when I sent it to you, but I am told that is it perhaps there.

Mr. Reid: Okay, I will look through that then. If it is in there, I will catch that; and, if you have the other information, I would appreciate receiving that.

Can you tell me the number of vacancies that are within your department, this Workplace Safety and Health Branch?

Mr. Gilleshammer: I am told there is one vacancy that has been bulletined and applications close today. The interviewing will subsequently take place and decisions will be made.

Mr. Reid: How many people have been seconded out of this department, if any?

Mr. Gilleshammer: There is one secondment that is external to the department and this person, I understand, left today that we will be backfilling. This person has gone over to the Labour Board, I believe—[interjection] Pardon me, to the Workers Compensation Board.

Mr. Reid: So out of the department, that is the only person that has been seconded for functions other than the normal duties within the department, and you have no staff from this department working on either the Better Methods or on the new desktop computer system?

Mr. Gilleshammer: I am told there are three that are working on Better Systems and that we will be backfilling for them.

Mr. Reid: How long have these people been seconded and which function did they come from?

Mr. Gilleshammer: Their secondment commenced in December or January. One was the head of Hygiene, the other two were inspectors, and they have gone over to Better Systems.

Mr. Reid: How long do you expect that these people will remain with these other functions? Will you be backfilling their positions and, if so, when?

Mr. Gilleshammer: It is anticipated that they will be there about a year; and, yes, we will be backfilling, and time period will be soon.

Mr. Reid: Well, they have been gone three months, three and a half months nearly; for some of them four months. You say these people have come from Inspection, some of them, one from Hygiene, and they will be gone for a year. Yet, you say soon you will be backfilling. Have you asked the Civil Service Commission for replacements for these positions to canvass for replacements?

Mr. Gilleshammer: The Hygiene position has been partially offset by another employee who is doing that work. We have purchased some service for the other two, but we will be backfilling soon. We will be using the abilities we have to find people to backfill those.

Mr. Reid: So, I take it, then, that you are waiting for things to kind of—someone shakes the tree and see how many employees are cast loose from other departments and for the redeployment list, before you make your decisions on when you are going to backfill for these positions? I am trying to get an idea here, because these are obviously very important functions. Not that the others are not, but these are your field officers, from my understanding of what you have said, and if they are not available to go out and do the inspections in the workplace, then you are shortchanging the inspection side, potentially—and I say this guardedly but—putting at risk the safety of working people in the various workplaces.

Mr. Gilleshammer: Well, we backfilled by purchasing some service to assist with that. Plans are underway to have a more permanent resolution to the issue, and that will be happening very soon.

Mr. Reid: Whom have you purchased service from?

Mr. Gilleshammer: We have some staff within the department that do some training. They have been used to do some of the inspections work, and we have hired some other people on a contract basis to do some of the training. If the question is whom did we hire to do the training, the answer is there are people in the private sector that we have accessed. We do not have the information here, but I will have staff find that for you and indicate who has been doing that training.

Mr. Reid: You backfill from people you have had in your training component, you say. Now are those equal numbers? I think you said you have got four people that are removed from your process of inspections here, so have you backfilled four inspectors into those positions and then hired in contract to do the training part of it? Are we talking about an equal number of people here doing the inspections?

Mr. Gilleshammer: The answer, I am told, is that we have not completely balanced that off. We are probably short one full-time equivalent, but we will be bringing somebody in to bring the staffing component up to what it should be.

Mr. Reid: Well, I have made no secret in the past about the number of inspectors that you have doing field inspections. I know we have disagreements on our numbers, considering that the minister has written me a letter and scolded me this year about my use of numbers, and that is his prerogative to do that if he chooses. But you have people that are here that are being seconded out to other services. If there is no plan that is in place to keep these positions filled in a timely fashion and they are allowed to drag on—you have some, you said, since December, some since January. We are into the middle of April now, and we still do not have people into all of these positions, so what we are doing is we are shortchanging the inspection side in at least some parts of the province.

There has to be a better way of doing this. I mean, you have to have some process in place that will make sure that there is an orderly plan. If you have people that are seconded to Better Methods, you are taking a certain amount of expertise out of your department, obviously, people that are trained in those areas. I am not sure, and maybe you would want to indicate the people that you are bringing in under contract, do they have the expertise necessary? Can you indicate what type of expertise they have to provide the training you say you are now doing with contract services? Who is doing that service? Is there a company name that is attached to that?

Mr. Chairperson: The honourable minister, with a very quick response.

Mr. Gilleshammer: Well, the civil service obviously offers lots of opportunities, and when there are

opportunities for secondments and further training and further experience, this is an advantage to government; it is an advantage to the employee. I am assured that we have not been short staffed. We have not been short staffed.

These things take some time to manage our way through, and I have lots of confidence in the managers that they make the appropriate decisions to see that we have inspectors out there, that we do training; and, sometimes if we have to outsource that, we do.

* (1700)

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

Committee rise.

HEALTH

Mr. Chairperson (Ben Sveinson): 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 Health.

When the committee last sat, it had been considering item 21.1.(b)(1) on page 71 of the Estimates book. Shall the item pass?

Hon. Darren Praznik (Minister of Health): Mr. Chair, just by way of logistics, I would like to table for the committee a list of our medical officers of Health which was requested by the member for Kildonan (Mr. Chomiak).

I would also like to table a sample of our central bed registry, which I believe currently is in use on a paper system, and I would ask the member, when we return to Ms. Hicks and regional health authority and the WHA—that would probably be an appropriate time to ask specific questions about it. I have a couple of others; I just want to have a quick perusal before I provide them to the member.

As well, by way of logistics, I think the member wanted to discuss today the Urban Shared Services, and if I may introduce, with his—[interjection] Good.

Mr. Dave Chomiak (Kildonan): Mr. Chairperson, just planning ahead for purposes of the minister. Yes, I appreciate the minister working on this, that we are going to deal with the Urban Shared Services today. Presumably, if we get done Thursday, we can do the capital. Is that still on for capital?

Mr. Praznik: Yes.

Mr. Chomiak: The minister is in the affirmative. Then I was contemplating for next week, we could start the regional health authorities segment next week, and that would include Ms. Hicks' portions, because she is gone after Friday, if I understand correctly.

Mr. Praznik: Mr. Chair, with respect to capital, we had discussed some issues around the community contribution policy, and I can tell the member that I have some information that will likely be going out tomorrow afternoon. So I flag this with my staff; we will provide it to him in advance of Thursday if that is practical.

Mr. Chomiak: Mr. Chairperson, I guess then we should proceed and try to get through as much as we can today. Hopefully, we can cover it today, but there is no guarantee. So I will leave it to the—

Mr. Praznik: Mr. Chair, before introducing the individuals who are joining us, I would just like to put on the record by way of structure that Urban Shared Services is, as anyone who examines will realize—and I know the member does—a corporation that is owned by the nine Winnipeg hospitals. It was created by them. They, of course, do co-operate and co-ordinate and discuss matters with the Minister of Health—I do not deny that—but it is owned by the nine hospitals.

There is not always agreement, of course, between those hospitals and the province with respect to issues. I do flag that; that happens from time to time. So I have asked if Urban Shared Services would make available their chief executive officer to deal with a number of technical issues that the member may in fact want to discuss or a conveyance of some of the policy of Urban Shared Services as appropriate.

I have also asked Gloria O'Rourke—I have asked the Winnipeg Hospital Authority to join us as well,

represented by Ms. Gloria O'Rourke, who is the director of the labour relations secretariat, because a number of the issues around Urban Shared Services involve the placement of labour relations issues.

So I have asked both to join us, should that become a matter of issue. But I did want to put that qualifier on that both of these people do not work for the Ministry of Health, nor are they directly answerable to me, so I am not their employer. They are here on behalf of their organizations, but both of their organizations obviously work very closely with the ministry. I am sure the member does appreciate that particular point.

Mr. Chairperson: Might I have the agreement of the committee that indeed these people may answer questions during committee? [interjection] They do not work directly for government, so that is why I am asking.

Mr. Chomiak: Mr. Chairperson, I do not have a problem with that.

Mr. Chairperson: Is it agreed then? [agreed]

Mr. Chomiak: Can the minister indicate specifically what the legal relationship is between the provincial Department of Health and the Urban Shared Services Corporation in the legal sense?

Mr. Praznik: Mr. Chair, Urban Shared Services, as I understand it—and Mr. Sheil may correct me if I am wrong here, but I understand it that Urban Shared Services is a corporation that is incorporated under the laws of the Province of Manitoba. Its shareholders are the nine existing Winnipeg hospitals.

It was created, and Mr. Sheil may want to elaborate, but my recollection is it was created for the purposes of finding areas in which those hospitals could co-operate in developing shared services between them. Needless to say, I think when this was in fact created, it was done—I was not minister at the time—but with the concurrence of the minister of the day.

* (1440)

Legally, Manitoba Health now, after April 1, provides its funding and policy direction to the

Winnipeg Hospital Authority. That hospital authority is in the process of negotiating its operating agreements with each of the nine hospitals. They in turn are the shareholders of Urban Shared Services.

In some of the planning for the Winnipeg Hospital Authority—and at some point in time, my understanding is that we will have Mr. Fast and Mr. Webster here to discuss some of their issues as they may arise with this committee. But, in my understanding, there is some contemplation at some point in time—Urban Shared Services—and this would not be fair for Mr. Sheil to answer; it is not in his purview—but there is some contemplation that Urban Shared Services may, if their shareholders are in agreement, become, in fact, an operating part of the Winnipeg Hospital Authority.

Certainly in the discussions I have had with the WHA, that is a possibility at some time in the future but one which the WHA quite frankly has not had time to address.

Mr. Chomiak: Can the minister confirm whether or not the associate deputy minister is a member of the board of directors of the Urban Shared Services Corporation?

Mr. Praznik: Mr. Chair, no, the associate deputy minister, Mr. Potter, is not a member of the board of directors, but the board of directors has allowed him to observe at their meetings, and obviously the WHA, the relationship there is one that is developing as we restructure the organization of health care. Certainly, the option of having Urban Shared Services move into the WHA as an operating arm of the WHA is a possibility and something we certainly want to ensure is properly canvassed.

Mr. Chomiak: I am looking at a publication of Urban Shared Services dated, I believe, June '97, which indicates the board of directors of the Urban Shared Services Corporation consists of Mr. Ted Bartman and Mr. Bill Patmore, Don Potter, Norm Kasian and Marion Suski, Ken Tremblay, Tom Woodward, Jan Currie, Pat Matthews, John Bulman, Deborah Johansen Young [phonetic], Major John McFarlane, Rod Thorfinnson, Robert Vandewater, Derek Johannson.

Can the minister indicate if that is an accurate list, and if it is not, can I get an updated list of who consists of the board of directors?

Mr. Praznik: That is correct. Yes, Mr. Chair, we will provide you with an updated list, but Mr. Potter is not a member of that board of directors. He may want to indicate when in fact he left the corporation as a member of the board of directors.

Mr. Don Potter (Associate Deputy Minister, Internal Programs and Operations): Yes, I am no longer on the board of directors for the corporation.

Mr. Praznik: I understand that Mr. Gordon Webster is also a regular invited guest or observer at board of directors' meetings, and I think that makes absolutely good sense, given that we are in a period of transition.

Mr. Chomiak: The minister said in his opening comments that the shareholders—perhaps I will not quote the minister. I will ask the minister to precisely outline for me how Urban Shared Services Corporation is funded, and whether any direct provincial funding goes to the Urban Shared Corporation, one form or another.

Mr. Praznik: Yes, Mr. Chair, I understand that Urban Shared Services is today funded by the hospitals on an allocation of resources to Urban Shared Services, but this does come into the realm of policy direction as to how we are moving in our funding models for facilities within the system.

Part of the whole regionalization process, and again Winnipeg is somewhat different from rural, in that currently the existing boards remain, although I understand some of the facilities have had discussions about evolving into the WHA directly, so this may in fact change over the next number of months.

But certainly, as we develop new models, what is key with regionalization is going to program deliveries with one program head, and the funding for that program, even though it may be delivered in multisites, being within one envelope. Consequently, over the next number of years, there will be very significant changes in the way that provincial taxpayers' money is allocated for the delivery of service within the hospital system.

So, over the next few years, as this develops and is fine-tuned, the tradition of Manitoba Health, now the Winnipeg Hospital Authority, simply providing a block of funds to a particular institution to deliver all of the services within their purview, will be evolving into something very different where the specific programs run by the WHA will be funded by the WHA, and the hospitals will be funded for the particular things that they in fact do. That is why over the next while, it is quite possible, although that certainly that policy decision is yet to be made, but it is quite possible that the funding for Urban Shared Services, for many of the things they do, if not all of them, would be directly from the Winnipeg Hospital Authority.

That is why when some of your colleagues continually talk about privatization of the service, if anything, we are taking it out of those hands and really are centralizing it, if this in fact happens, with its financing over a period, directly under a government-appointed agency.

Mr. Chomiak: What check does the government have on the funding allocations at present that go to Urban Shared Services Corporation, and the ultimate disposition of that money in whatever kind of contractual form or whatever kind of arrangement?

Mr. Praznik: Under the old system in which we delivered health care, quite frankly, none because we block-funded each of the facilities to deliver services, and this has been one of my continual debates, or one of the continual points that I try to make in the need for regionalization and reform, is that we are taking—in fact, in virtually all of our hospitals, even the faith-based, some 99 percent-plus of their operating budget is public money paid for by the taxpayers of this province. Yet the levels of accountability for program choices—and I am not for one minute implying that people are stealing money, not at all, but what I am saying is that the choices that are made and how dollars are spent within that system become the choices, to some degree, of that board of directors, and they may not always be the choices of the public or the public's trustees would make. Consequently, having a greater degree of accountability for how dollars are spent and for the choices that are made is absolutely an essential part of where we are heading.

So, under the old system, there is not accountability. It is very indirect. Urban Shared Services dollars come from the budgets of the nine facilities. We traditionally have block-funded those nine facilities. The level of accountability in terms of information flow and knowing what we are getting often is one that I would indicate is somewhat lacking. As we develop our new budget systems, the degree of accountability is expected to be far greater, when we will be able to know what we are buying, what we are paying for, what choices that we can make in the delivery of service that is far more accountable to the public of Manitoba.

Mr. Chomiak: Mr. Chairperson, the minister implies that the new structure will provide for more direct ascertaining of where funds may go, but the accountability function of government is no different under the new structure as under the former structure to the extent that money is simply flowing to trustees in one form of trustees to another form, albeit nonelected at that, and they are simply allocated the funds on that basis, so in that sense, in terms of the overall accountability and the ability of government, it does not change one iota.

* (1450)

Mr. Praznik: Well, Mr. Chair, I beg to differ. The member's comment would only be correct if, in fact, we block-funded and did not appoint the boards. A big difference is we today, other than I believe Deer Lodge which is a provincially appointed board, do not appoint those boards. By and large, they are appointed by their own mechanisms, so the accountability for their decisions does not rest with a public agency.

That is one, whereas the Winnipeg Hospital Authority is appointed by the Minister of Health, and I recognize—the member shakes his head somewhat—that that in itself may not ensure accountability. What becomes very important is the funding mechanism, the model that one uses to fund and that we are in the process of building, and that is part of Mr. Potter's job with the Winnipeg Hospital Authority. We are not there yet and it is going to take a number of years to do, but we want to have a much more accountable funding mechanism, where we, as the Ministry of Health, know what we are buying and paying for and what choices are made within those dollars, and we continually have

seen example after example within the existing system where there is limited accountability at best, where choices often get made that are not necessarily the choices of the Ministry of Health or we as public trustees, as a Legislature.

Every time those choices are made and things do not necessarily get done, the argument is always made that there was not enough money in the system, but what the existing facilities do not tell you is where they spent that existing money, and in some cases it is not in places that I am sure the member for Kildonan would put on his priority list, nor would I.

So the accountability has to be there in the mechanism for funding. It has to be a much more direct model, one in which we know what services we are buying with taxpayers' money that are being delivered by a regional health authority, whether it be rural or in Winnipeg. Is it going to happen overnight? Not at all. But is it going to happen over a number of years? I believe it has to if we are going to be able to make good decisions and have good planning in the delivery of our health care system.

So if we just relied on the appointment of the board, and I know the member was shaking his head, I would agree with him. That is it not going to assure accountability. It is a little bit more accountable than not appointing the board, and if you left the old system of block-funding in place, I would agree with him wholly, you are still not going to get the accountability. You have replaced one system with another.

But if you change the method of funding and if you have much more accountability on the lines for what we are paying, to know what we are paying for and what choices are made between various lines, then you will have that public accountability, and, ultimately, those lines will have to come to this table for scrutiny, as well, in the Estimate process.

Mr. Chomiak: Could the minister indicate what the budget for Urban Shared Services Corporation is this year and where that money is being allocated from?

Mr. Praznik: Mr. Chair, again, one of the dilemmas of the current system. I do not have that information. It is with their board. It is only in the purview of their

board to release it publicly, and I understand they have not yet done so. So, again, given this relationship, I am not in a position to provide that to the member. All that I would have in my lines traditionally is what each hospital would receive in its funding.

In this case, the Winnipeg Hospital Authority which would be purchasing those services were providing for those hospitals. So, again, the member's question which should have some answer is one because of the nature of the system that does not. I am not happy with that particular fact and that is one of the reasons why we are changing things.

Mr. Chomiak: The minister has made my point very clearly. The minister counters that he thought I made his. It is very clear to me that as an elected representative of the people who is supposed to purview expenditures, I have no access to the information of significant sums of taxpayers' money that is being spent on a project or projects for which I do not have the opportunity to question or to query. Consequently, the level of accountability is diminished, if anything, and that is one of the reasons why there is so much controversy regarding this scheme and this program that was put in place.

Now I do not want to go down this road and get into a huge debate because it will eat up all the time, but I was there at the initial founding of the USSC, when grandiose schemes were laid out and when plans and promises were made that have not come to fruition. We are now several years into this and we are now into major capital expenditures, major construction, major job loss, major controversy, and it is very difficult, even impossible, to deal with the numbers and the figures concerning this project.

Mr. Praznik: Mr. Chair, the member has made my point, I would argue very strongly. I would remind him that in debate in the Legislature just the other day, his Leader talked about the greatness of these volunteer boards we have administering hospitals, and they are volunteer boards and they are so important to our system. Well, that structure of the boards keeps independent health care institutions in operation that do not have that public accountability, and I am as equally offended by that fact as he is, because I as minister am responsible for the delivery of service.

In the case of a hospital like St. Boniface, for example, over 99 percent of its budget is paid for by the taxpayers of this province, yet we provide the dollars and they make their decisions and, yes, we put some guidelines around it, but is there that accountability? Does the St. Boniface Hospital Board come to this committee of the Legislature to justify their expenditures as every other government department has to do? Not at all.

So here we are fundamentally changing that delivery set system. One of the places we still have a difficulty in that change, which I have discussed in the House, is the relationship under the faith-based agreement and some of the things we believe we need to have to be able to have accountability, to be able to have the flexibility we knew to improve programming. When we discuss this in the House, I hear his Leader defend the whole independence of volunteer boards. Well, with that package comes exactly the type of lack of accountability that the member talks about. I do not for one minute think that the member and I are on the wrong track. I believe fundamentally in listening to the member for Kildonan. Having worked with him and knowing where he is coming from, he is absolutely right. He makes the point that this is public money and it should be accountable, and those decisions and choices that are made within it should be answerable to us as the legislators of this province, entrusted by the public, who vote some nearly \$2 billion a year for the expenditure on health care services.

One of the frustrations that I have seen with Health minister after Health minister is we go to Treasury Board asking for those dollars realizing that we are not responsible, or we do not have power, over how actually they are used in the delivery of services, and that is not the way in my view to run a modern health care system in an industrial country. I am a very strong believer in our public health care system. I believe it gives us the most efficient system around, but there has to be accountability in it. There has to be choices that we make in how we expend dollars.

As long as we are using independent bodies with their volunteer boards—and I know this was not the member's statement, but it was his leader's statement. I would like to think it was one without a great deal of thought that was uttered across the Chamber.

But, if one takes that position where all we do is turn over dollars to independent bodies with their own volunteer boards, at the end of the day how do we become accountable? How are we accountable to the public for the choices that are made in the expenditure of those dollars?

I am not happy with that at all. Obviously, part of regionalization, and it does not all happen overnight, but in the discussions that we have had with the WHA, if one looks at their planning and their structure, they obviously are moving to the opinion that Urban Shared Services, because it is a major part of the operation of facilities in terms of the structure, ultimately have to end up as an operating part of the Winnipeg Hospital Authority, which makes it a public agency, part of a public agency and publicly accountable. And does this minister support that? Absolutely. Are we there yet today? No, we are not. If the member's advice to me is we should move there posthaste to be able to have that accountability, you bet; I am with that.

Mr. Chomiak: Can the minister indicate whether there is still the existing nine shareholders of the Urban Shared Services Corporation?

Mr. Praznik: Yes, I understand that is correct.

Mr. Chomiak: In addition to the nine shareholders, can the minister indicate who the 14 facilities are that the Shared Services Corporation serves?

Mr. Praznik: I am going to ask Mr. Sheil to answer.

Mr. Joe Sheil (Chief Executive Officer, Urban Shared Services Corporation): The 14 facilities that we service are the nine Winnipeg hospitals and five nursing homes.

Mr. Chomiak: Can I have the name of the nursing homes, please?

Mr. Sheil: To the best of my knowledge—and I may be incorrect and will gladly give better information—they are Tache, Foyer Valade, St. Joseph's, St. Amant and Holy Family.

Mr. Chomiak: Is there any intention to expand the operations to include other facilities?

Mr. Praznik: Mr. Chair, that obviously is a question that the current board has to answer. If the WHA is to eventually take over Urban Shared Services, that would certainly fall in its purview. I know the member appreciates we are in a transition period. I cannot answer that question because I am not responsible for the corporation today. Mr. Sheil is not in a policy position to answer that.

I will tell him this: that I would expect that the public of Manitoba should see this operation operate on a common-sense basis. Where it makes common sense to provide services, it should; where it does not, it should not. I do not think one could ask for anything more or anything less. I would hope and expect that that is in fact what is happening today, and I certainly have some power over it, Urban Shared Services, if and when they become part of the WHA.

Mr. Chomiak: So if I take the minister's response, there is presently the nine urban facilities, plus the five nursing homes—Tache, Foyer Valade, St. Joseph's, Holy Family and St. Amant that are operated by Urban Shared Services, but the minister cannot tell me whether or not other facilities will be taken within the purview of Urban Shared facilities either this year or in the future.

Mr. Chairperson: The honourable member for Kildonan, could you please repeat.

Mr. Chomiak: The minister is indicating that the sole authority or range of services of Urban Shared Services at present are the nine shareholder facilities, plus the five nursing homes as mentioned by Mr. Sheil, which include Tache, Foyer Valade, St. Joseph's, Holy Family and St. Amant, and that the minister does not know whether other facilities, either this fiscal year or next, will be brought under the auspices of the Urban Shared Services Corporation.

* (1500)

Mr. Praznik: I want to be very careful with this question because there are a variety of services that Urban Shared Services offer, some of which in sharing

make good sense, others that do not. By giving a *carte blanche* answer in an area that I am quite frankly not up on all the detail—and I really should be—because it is an administrative matter of those facilities today, I would not want to leave an impression that is going to be boomeranged back to hit me to say that we have committed to take over the kitchens and all personal care homes or anything of that nature. So I want to be very cautious with my answer. Obviously, when Urban Shared Services, if and when the WHA's role expands to deal with them, they will have to look on what services they were offering and common sense has to be, I think, the rule that applies.

I know that there has been some concern with respect to food services in personal care homes. I know that an argument has been made with me, I think a very strong one by many of those facilities, about the need to maintain kitchens in those places just for issues of aroma and other in the home that it is part of someone's home. It is where they live; they are there for a long period of time. That does cause some difficulty with centralization of food services and that is certainly worthy of consideration. It is certainly a point that I think is valid and needs to be looked at.

So there is a lot of work to be done by the WHA and the WCA, and I am certainly not going to make a comment here today at this committee that is going to lead to an interpretation that is certainly not there.

Mr. Chomiak: Can the government indicate what the policy is with respect to the construction or renovation of new or existing nursing homes with respect to kitchen facilities?

Mr. Praznik: Mr. Chair, it is a matter of reviewing each case. We have not made a policy on it. I do know that in rural Manitoba where we can have services in one community delivered out of one kitchen, they have made sense. In fact, if you look at our capital plan, I think we have put the dollars into Minnedosa this year to move the kitchen. Currently, the kitchen at the hospital supplies the personal care home and the hospital. There was a whole bunch of reasons why that should be reversed. So in our capital program this year in Minnedosa, for example, we are putting the kitchen facility—I look to my staff just to confirm if that is accurate—into the personal care home, as opposed to the

kitchen; and, there is a much better delivery system, the nature of the facilities.

I know that part of the discussions around the Beausejour Hospital in my area, whether we renovate or add on, build a new facility as part of the personal care home, there are issues around a kitchen supply there that have to be dealt with ultimately. I know that when the personal care home was renovated a few years ago—the kitchen and laundry services—it was anticipated that if we built the hospital onto the Beausejour Hospital that those two services would be provided out of those kitchens. But, I think there is some technical issue that has happened in the meantime that has to be sorted out.

So if you are looking for a *carte blanche* policy that government is saying we want all kitchens everywhere to be serviced centrally, that is not the case. We have not made that policy.

Mr. Chomiak: Can the minister undertake to table, when we get to the capital portion of the Estimates, the specific allocation for each personal care home and/or hospital construction or renovation and the government plans with respect to kitchen facilities and/or laundry facilities and material handling facilities for those particular sites?

Mr. Praznik: Mr. Chair, those will not all be finalized, but we will endeavour to deal with each one that has been. They vary, I imagine, across the province—that has been my experience—as people look and regions look at ways to best deliver services within their community, but I do not think there are many people out there in the public who would object to, again, common sense applying.

The member is trying to get some policy. I know there are many who would try to make that suggestion that we are going to want everything centralized in one big laundry, in one big kitchen for large parts of the province: (a) it just is not practical, and (b) there are other considerations. As I mentioned, part of personal care home facilities—and the point has been made with me—in many cases is where you have people living in a facility where—the average length of stay now is some 20 months, particularly with dementia, Alzheimer's, and

other things—having a kitchen facility also has other good purposes in terms of the care.

So it is something that has to be looked at, examined, and discussed as we move forward, but certainly no *carte blanche* policy has been made authorizing Urban Shared Services or anyone else to take over every kitchen and laundry in the province of Manitoba, although some might argue that.

Mr. Chomiak: Can the minister indicate specifically what the estimated savings were with respect to the food portion of the business plan for Urban Shared Services as it relates to the food services?

Mr. Sheil: We have stated historically, and continue to state, that we will provide about \$5.9 million in savings to the province, \$3.3 million in patient food services, 2.6 in nonpatient food services. In addition to that, we have identified a between \$30-million and \$35-million capital expenditure that can be avoided as a result of our project.

Mr. Chomiak: Can we have that data tabled as to the capital expenditures? Obviously, this information is available for the proposed renovations, this \$30 million to \$35 million, because it has been used many times by the minister. Can we have that information tabled as to what those proposed changes are that would entail expenditure of \$30 million to \$35 million?

Mr. Praznik: Mr. Chair, when Ms. Bakken is here, I believe, on Thursday, who manages our capital program—because, again, those numbers are coming out of our capital area in terms of expectations and project requests from facilities—I am sure she would be glad to provide that.

Mr. Chomiak: I think the minister misunderstood the question. Mr. Sheil has indicated that the Urban Shared Services Corporation—and I can be corrected if I am wrong—would prevent expenditures of \$30 million to \$35 million in capital expenditures as a result of their project. I am asking for those tabled figures so that we could see specifically where that saved \$30 million to \$35 million is.

Mr. Praznik: We will certainly provide that. I understand Urban Shared Services does have that

detail, but because the existing capital, any capital investments in rebuilding kitchen facilities in existing hospitals, is normally funded through Manitoba Health's capital program. We would also have it available there, so we will endeavour to provide it to the member.

Mr. Chomiak: So, from the minister's response, we will get those figures for next time when we discuss the capital. I am getting an affirmative response. I thank the minister for that response.

Can I get some assertion as to the \$5.9-million figure that was used by Mr. Sheil, and the \$30 million to \$35 million? What facilities do those specific figures cover? Does it cover the nine, the nine plus five, or some other scope? What specifically do those figures cover?

Mr. Sheil: The saving estimates that we have put forward cover savings that would be delivered on behalf of our nine hospitals. They are a result of our efforts in patient and nonpatient food services. They cover no additional institutions.

Mr. Chomiak: So the proposed savings of \$5.9 million in food services are related exclusively to the nine urban facilities and do not include the five additional personal care homes that were mentioned earlier?

Mr. Sheil: Yes, that is so.

* (1510)

Mr. Chomiak: In one of the publications of Urban Shared Services Corporation, they indicate in April 1997 that a savings of \$6 million had—and I can be corrected if I am wrong—already been achieved by Urban Shared Services Corporation. Can I have some detail as to where the savings had been achieved?

Mr. Sheil: Those savings are a result of our contracting efforts; the contracting business unit, which is an operational division of Urban Shared Services, has been working since 1994 to consolidate contracting on behalf of the nine hospitals. The savings estimates are a result of their success.

Mr. Chomiak: Would it be possible to get more details as to what the breakdown of that \$6 million is across the system?

Mr. Sheil: That is not public information.

Mr. Chomiak: Can the minister indicate why that information is not public, the success from 1994 of Urban Shared Services, why we as legislators, who are responsible for ultimately the long-range plans of this corporation and many of its claims, cannot get the information as to the already realized savings? I do not understand what the policy reason would be as to why we could not get information with respect to the \$6 million in savings. I cannot see any competitive or other reasons as to why this information should not be public, and in fact, if I were the Urban Shared Services Corporation, I would want this information out in order to justify the continuing operation of the corporation.

Mr. Praznik: Mr. Chair, I could not agree with the member for Kildonan more, and he makes my point again. One of the difficulties in this period of transition is that here we have our nine—or our independent hospital boards at work where there is not a degree of public accountability. That is what we are in the process of providing.

I do not have the legal authority today to have Mr. Sheil answer that question. He works for Urban Shared Services Corporation which is owned by nine currently independent hospitals. They each appoint a director. He advises me that that was a decision that his board of directors has taken. Again, it raises the question: where is the public accountability for the expenditure of public money? It is not there, in my opinion, and that is part of what we are changing.

I would hope that those who believe in public accountability would be encouraging those independent boards to ensure that the steps are taken to become fully part of the regional system that will ensure that that public accountability exists, including his Leader, including the member for Kildonan's (Mr. Chomiak) Leader, who from time to time makes those comments in the House that would suggest he does not support these particular moves that this government has been taking.

Mr. Chomiak: Urban Shared Services Corporation is estimating savings of \$3.3 million on food services in the nine urban hospitals. Is it not correct that \$2.5 million of those savings are in fact the paydown of the capital agreement entered into with Newcourt Capital? Is that not correct?

Mr. Sheil: We will use the savings, we will use a substantial portion of the savings, \$2.8 million to be exact, to pay down our debt annually to Newcourt Capital—standard business practice.

An Honourable Member: Who is holding the mortgage?

Mr. Sheil: They are holding the mortgage, yes.

Mr. Chomiak: So I want to get this clear. The \$2.8 million in savings is going—there are savings of \$3.3 million. Is Mr. Sheil saying that in addition to the \$3.3 million, there is also an additional \$2.8 million in savings for a total of \$6.1 million, and of the \$6.1 million, 2.8 is going to be used to pay down the debt, or is Mr. Sheil saying that \$3.3 million in savings, of those savings, 2.8 are going to be expended on the paydown of the mortgage?

Mr. Sheil: Yes, again, we will produce \$3.3 million in patient-related savings. We will use 2.8 of that to pay down our debt.

Mr. Praznik: Mr. Chair, what should also be added onto this ledger, and perhaps Mr. Potter would like to comment, is if dollars have to be expended on the Manitoba Health side of the ledger in terms of capital, that money would have to be borrowed and financed over a period of years which would also add a cost, a capital cost to the system. So I think when people are using the comparisons in terms of costs, that particular number also has to be worked into an equation if one is interested in doing an apple-to-apple comparison.

Mr. Chomiak: Yes, I will get to that question, and the minister will have an occasion to compare the apples to apples as he sees it.

But I want to pursue this question of the paydown of the mortgage and the savings because it has not been clear in the publications, and I am not quite certain yet

in terms of the business case that has been put forward in order to justify USSC with respect to these particular expenditures. Is Mr. Sheil saying that in terms of actual saving cost, last year's expenditures versus this year's expenditures, that USSC will save \$3.3 million in decreased costs as a result of this agreement?

Mr. Sheil: Our business case is based on the difference of operating two systems. Our new system will cost \$3.3 million less annually to operate than the current system, and, again, we will from that \$3.3 million take 2.8 to pay down the debt of having constructed the system.

Mr. Chomiak: Can you outline for me what the figure is on the current system for total expenditures of the current system on which you are building your case?

Mr. Praznik: Mr. Sheil has advised me that he will get you that exact number. It is a matter of public record.

Mr. Chomiak: Can the minister indicate what the projected cost of the USSC service is?

Mr. Praznik: Mr. Chair, is the member asking us for Urban Shared Services, the food expenditure? I do not know how hospitals do their budgets currently. We do not have in place the direct accountability that I have spoken of. Again, that is part of the reason for change here in accountability.

Currently, the WHA receives a budget line from us with which they are negotiating their operating agreements with each facility. We have a number of years of transition, but, ultimately, at some point in the not-too-distant future, I would expect that these issues will be able to come to this committee for thorough debate because they are not hidden behind the veils of independent health corporations with their volunteer boards, as is now the case.

I am not happy that complete information cannot be provided, but it is the nature of a system we have taken 30 years to develop that needs a major overhaul and is now getting one and I would hope with the support of members opposite.

Mr. Chomiak: Is it not correct in your business case that the total current costs annually estimated by Urban Shared Services Corporation is \$20,271,391?

Mr. Sheil: Once again, I did not bring that information with me today. If the member is relying on information that he sees before him, I would imagine that the information is information that we have published in the past.

* (1520)

Mr. Chomiak: Yes, I am looking at a memo that was provided from Mr. Sheil to the chief executive officers of the Urban Facilities, and under it it says current cost of patient food services is \$20,271,391. Would Mr. Sheil like me to provide him with a copy of that? Or the minister, I should say, would he like me to provide him with a copy of that?

While that copy is being prepared, I want to return to a question. Can the minister indicate whether or not at any time there has been any proposal or discussion of a proposal of extending the range of Urban Shared Services beyond the Perimeter Highway?

Mr. Praznik: Mr. Chair, if I recall, I have heard the member mention it, I have heard other people mention it, I have had some people go out and tell everybody it was going to happen. I can tell you that as the Minister of Health, it is not my intention to see things happen that do not make sense, and common sense should be the rules that apply. I know as a rural member, there are other issues surrounding the delivery of services. I mentioned with personal care homes that even if one could deliver the service, it may outweigh some of the benefits of delivering service.

At this stage of the game, I cannot predict what others will do after me, but certainly at this stage of the game, I do not see that as a possibility. I would just hope that over the next while, Urban Shared Services can get up and running smoothly and perfect their system and deliver what they have indicated they can deliver within the Winnipeg hospital system.

As I mentioned to the member my tour of many personal care homes in the city of Winnipeg, there were other issues around the delivery of food services that become very important, I think, in terms of the quality of care and the homelike atmosphere that facilities have in fact that have to weigh into the decision making.

Mr. Chomiak: Mr. Chairperson, I guess, I am now looking again at this sheet that was provided to the CEOs of the various facilities which indicates total current costs of patient food is \$20 million. Proposed costs, including debt services, 19; net improvement of \$563,000; value improvement plus debt, \$3.3 million; and then the nonpatient food services for a total of \$5.9. Mr. Sheil had earlier referred to the \$5.9 total figure and the \$3.3 and the \$2.6, so I guess this confirms basically the information being provided now is simply in more detail.

The proposed costs include debt service. Is Mr. Sheil saying therefore that the actual costs, if one excluded a debt service, would only be somewhere in the neighbourhood of \$16.3 million?

Mr. Sheil: Yes, I believe that would be correct.

Mr. Chomiak: Can Mr. Sheil indicate whether or not the \$20.271 million also includes the debt service cost or any of the amortizations or related accounting figures for the current cost of those figures?

Mr. Sheil: I am not sure I understand the question.

Mr. Chomiak: What I am asking is what does the \$20,271,391 figure include?

Mr. Sheil: Mr. Chair, the \$20-million figure referred to is the operating budget for patient food services for the nine Winnipeg Hospitals projected for the fiscal year 1996-1997.

Mr. Chomiak: So these figures are based on '96-97 expenditures. Do those include actual operating costs only? Do they include any capital?

Mr. Sheil: These are operating costs.

Mr. Chomiak: So very clearly then, I want to get on the record that according to the figures, as put forward by the Urban Shared Services Corporation, the net cost of providing the services, exclusive of debt service, would only be somewhere in the neighbourhood of \$16.4 million?

Mr. Sheil: Mr. Chair, yes, that would be correct.

Mr. Chomiak: But the \$3.3 million in debt servicing costs to Newcourt Capital, can Mr. Sheil indicate whether or not that is actually a saving, or how does he ascertain that the total improvement will be \$5.9, when in fact \$3.3 million is going to effectively pay down the mortgage?

Mr. Sheil: We have used the standard business practice of reinvesting in the corporation.

Mr. Chomiak: Mr. Chairperson, my accounting experience is limited to the course that I am sure the minister took in the Bar Ad, but to that extent is value improvement in debt a generally accepted accounting figure that is utilized?

Mr. Sheil: I am not an accountant either. I can only say that these are the figures that were accepted and approved by the board of directors as value, as savings, the net savings. The net value is \$3.3 million.

Mr. Praznik: Mr. Chair, it is important to note that the board of directors is appointed by the current hospital board of directors of the nine facilities, and I just think it is worthy to note that point.

Mr. Chomiak: Is it correct to say that on this figure the net improvement, the actual food savings costs alone are approximate, are the \$563,000 as noted in this sheet that was provided?

Mr. Praznik: Before Mr. Sheil answers I want to say that what is missing from this, because this of course is the Urban Shared food services on the budget that they have developed based on their expenditure, but what we are missing from this is the servicing cost of Manitoba Health's debt, if in fact we had a major capital expenditure. Again, it is the diffuse nature in which these things are funded and accounted the need to bring accountability and these numbers together.

That is in fact what we are in the process of changing. So whatever savings this would generate, the capital here is financed out of savings on the operational system. What is missing, of course, because it was not in the purview of Urban Shared Services, would be our capital financial costs for having to make any upgrades in existing food services throughout the system.

Mr. Chomiak: Of course, what also may be missing is the cost of capital that went into the actual annual calculation of the capital of \$20.271 million. So in that sense it does not compare apples and apples either.

Mr. Sheil: We have strictly spoken to operating costs. We have not considered capital costs in our calculations.

Mr. Chomiak: The figures were also given for nonpatient food services. Can Mr. Sheil indicate how many of the nine shareholder facilities nonpatient food services will be operated by Urban Shared Services Corporation?

Mr. Sheil: Yes, I can. The answer is two.

Mr. Chomiak: And what is happening to the other seven facilities?

Mr. Sheil: The other seven facilities are remaining self-operated.

Mr. Chomiak: What two facilities are buying in, if I can use that word, into the USSC operation?

Mr. Sheil: The two facilities are Misericordia General Hospital and Seven Oaks General Hospital.

Mr. Chomiak: Has the Urban Shared Services Corporation done a revised business case based on the fact that of the nine facilities, two of the smaller facilities only are participating in the nonpatient food service delivery?

Mr. Sheil: No, we have not.

Mr. Chomiak: Has a revised business case or any new business case gone to the boards of directors with respect to their case summary based on the fact that there has been a significant change in the business case as it relates to Urban Shared Services Corporation?

Mr. Praznik: Mr. Chair, just to put this in context, because there is a larger policy issue here, during this process it was identified, I think it was some \$2.5 million, was lost by the independent boards running our nine independent facilities, in the subsidization of their cafeterias that there was a net operating loss on their

public food, not their patient food but public food system. I can tell you that we have in our budget for this year taken that \$2.5 million out of the WHA's funding, and that \$2.5 million the WHA will be passing on to their respective facilities. That, I think most Manitobans would agree, subsidizing public food services in hospital facilities, is not a good use of dollars. The \$2.5 million ultimately will work its way back into direct purchase of patient care through the variety of areas where the WHA is putting in additional dollars.

* (1530)

So I just want to make very clear, because it is an important issue, that public dollars should not be used to subsidize public food services in those facilities, and there is no expectation it will. If facilities want to do that, they will have to find the resources from other areas, maybe from their own funds or their sponsors' funds but certainly not with public money. Our intention is to make sure that those dollars are not lost to the health care system but are prioritized into direct patient care where the dollars are needed in fact, rather than subsidizing meals in public eateries in our hospital system. So what we are talking about, when we talked about revising business plans, was taking over areas that generally had a net loss to the system.

Mr. Chomiak: The minister often uses those figures and has used them on many occasions to justify the creation of the USSC. It is a significant point that money has gone into the non-patient food services, but in fact USSC is, with the exception of two smaller facilities—is it not fact?—operating those facilities. So I think the minister's case has been somewhat weakened by virtue of that particular point.

Mr. Praznik: Mr. Chair, the point that I make with the example, under the current structure of administering health care in a public system where you have facilities with independent boards making decisions within their block budget, is that they set the priorities within those budgets, rather than the trustees of the public, rather than this Legislature and the government of the day, and that it would not be a matter of policy of this minister or this government to include a budget line to subsidize public cafeterias in any hospital. I do not think there is one member of our Legislature who

would stand up and vote for that kind of expenditure. If they do, they certainly have not come forward.

The point I illustrate is that as long as you continue to maintain the delivery of health care through a diffuse system of independent institutions with their volunteer boards that the Leader of the Opposition (Mr. Doer) tends to support, you will have that kind of decision making take place. Really the essence is that it was the wrong set of priorities for public money. If any of the sponsors of a hospital, whether they be a religious organization or otherwise, want to raise resources in their own constituency and community to provide for nonmedical services in their facility, including subsidized cafeterias for the public, they are welcome to do it, but they are not welcome to do it with public money.

So I use this example, and I have used it on many occasions, to illustrate the need for regionalization, for public accountability for the expenditure of public money and a great deficiency in our current system for the delivery of public health care. That is the context in which I have used that particular story on many, many occasions as an example of the wrong way to run a health care system.

Mr. Chomiak: Mr. Chairperson, I am looking at a copy also provided to the CEOs of the urban hospitals, which was provided by Mr. Sheil, which outlined the expenditures for the construction developmental costs for the project. I wonder if I could go through some of those costs with Mr. Sheil. Now I can provide him with a copy.

Mr. Praznik: Mr. Sheil has advised me—and I think members appreciate the position he is in—in answering to this board representing the volunteer boards of our independent hospitals, that he does not have the authority to discuss the business case. I regret that very much. It is part of the process that I want to change and am changing, and I think it illustrates very much the problems with our current governance system in health care which this administration has decided to change.

Regrettably, if there are issues surrounding the business case and the detail, Mr. Sheil does not have the authority to answer those questions to my regret and the regret of the members of the committee. If there are

questions that are within his authority, he would be pleased, of course, to answer them.

Mr. Chomiak: Is the minister saying that the cost breakdown, construction and other developmental costs, of 21.463990 of the USSC that is currently being expended, that neither the minister nor Mr. Sheil is in a position to comment on those?

Mr. Praznik: Mr. Chair, I am advised by Mr. Sheil that his board of directors—and, again, not a board of directors appointed by this minister or this government but one that represents the current model or the model we are phasing out of governance, and I think it illustrates the point—has declared this to be proprietary in nature and has not authorized Mr. Sheil to speak about it publicly, and I am not in a position to speak about it, and I regret that very much because the member, I believe, has a right to access this information. That is why, in fact, we are in the process of changing significantly, and I would hope he would continue, in fact, to more actively support our efforts with respect to some of the positions taken by current volunteer boards at independent facilities.

Mr. Chomiak: That only begs the question of how I can support or not support a plan of which it has already been admitted the business case is substantially altered and of which the specific expenditures of \$21 million cannot be discussed here, so I have no opportunity, one way or the other, to comment or deal with this, Mr. Chairperson, and, consequently, how is it that the Ministry of Health is supportive of this venture?

When, in fact, the minister has no knowledge of these figures and is not prepared to comment on them, how can the minister be surprised when I dare say there is a fair amount of skepticism amongst the public with respect to this proposal?

Mr. Praznik: Mr. Chair, within the ministry, I am not in a position to be able to answer his questions specifically, but Urban Shared Services has apprised us of those details. But the point he makes is an excellent one and one I am fully in support of, and I think arising out of this meeting today, I am going to endeavour to speak to the board of directors of Urban Shared Services, and I believe that they have an obligation to

come and answer for the expenditure of public money. I am going to indicate that that request is being made of them. They have a responsibility, as do the boards, the volunteer boards, in my opinion, in each of these independent facilities. That is why we are changing the system, because this is inappropriate.

It is inappropriate when you spend hundreds of millions of dollars of public money and are told by whatever hospital board that this is not a matter—that they are not going to speak about issues publicly. They have an obligation. It is public money. It illustrates the point, and the member's point is an excellent one. I am supportive of it. I think he has a right to ask these questions. As the minister, I am privy to some of this information, but, again, there is a proprietary—it is not information that I am in a position to release publicly, but should be, and I am going to endeavour to make that request of the board of directors of Urban Shared Services, and I will do that relatively quickly.

* (1540)

Mr. Chomiak: How are we to be assured that in fact the business case or the proposal that a facility that is actually being structured or literally hundreds of peoples' lives that are being affected by this proposal is in fact what is best for health in Manitoba? How can we have any assurances, when in fact we have no way of confirming whether or not the information provided in the business case is in fact justified? I do not see how we can proceed legitimately on a process like this, unless we can have that information before us.

Mr. Praznik: I just say to the member, I believe very much in accountability, and that is why I am in the process of changing the system, but when his Leader in the House talks about the importance of the volunteer boards, he supports that system. I guess the only comfort today that I can give to him is that those volunteer boards that the Leader of the Opposition, the member for Concordia (Mr. Doer) has defended in the House have approved this model. So, obviously, when his Leader defends that structure, he must accept what comes with it. I can tell the member that much of this information has been shared with the Ministry of Health, but it does beg the question. It is the expenditure of public money and should be debated

publicly, not within the confines of independent boards just because they are volunteers.

When I hear the member's Leader, the member for Concordia, Mr. Doer, in the House yell across, they are volunteer boards, we have to keep our volunteer boards—this is what the member for Concordia is proposing we keep, with all of its frustrations, with all of the inability of the public to direct the expenditure of public money, with all of the lack of accountability that we see here. I would hope that members of the New Democratic Party, and I know the member for Concordia understands these issues far better than anyone else in his caucus—I would really hope that his caucus would become far more supportive of the effort of regionalization, particularly when we face some difficult issues around employing authority, where we have a variety of boards like St. Boniface indicating no, no, they must continue to make all their decisions and keep their independence because it is so much more in the public interest.

Well, St. Boniface is one of the directors of Urban Shared Services. They are one of the people who elect a director and their director, I am assuming, has voted to keep this information proprietary, not in the public realm. Well, I would hope that the Leader of the Opposition would be writing to Mr. Liba at St. Boniface or whoever and indicating that that is unacceptable as well. I would hope he would join me in what is a very significant change in the administration of health care. I know the member for Kildonan appreciates these issues far more than his Leader and members, his colleagues, but these are very legitimate frustrations and issues.

Arising out of this meeting today, I am going to write to Urban Shared Services and share with them this Hansard and the member's request and the member asks a legitimate question. Why should he take this on faith instead of figures? Well, I agree with him wholeheartedly, and it is incumbent upon me to change the structure in the system so that accountability is there, and I will. I am not going to defend the structure that I did not create, nor do I support.

Mr. Chomiak: Is the minister saying that he does not support the Urban Shared Services Corporation?

Mr. Praznik: Mr. Chair, I do not support a structure of governance in administration in a public health care system in which the government and Legislature of this province's only role is to vote a level of expenditure to facilities that are independent, run by volunteer boards that the member's Leader supports, that expend that public money, that accounts for some 99 percent of the expenditure of those facilities, and those expenditures and that service is not open to public debate and public review, and the choices that are made within it are not open to public debate and public review and that members of the Legislative Assembly that vote that money each year are not in a position to question the administration of those dollars, of those public dollars on expenditure.

Urban Shared Services in principle was created to find better ways between our facilities in delivery of service. In fact, the whole urban planning process which was initiated years ago, not only to deal with food services, support services, and pharmacy and other things, but how we can develop programs that were one program for a city of Winnipeg or a province delivered on multisite with one team leader. In fact, today one of the frustrations of the Winnipeg Health Authority in dealing and getting their operating agreements in place or reporting relationships, even though under a faith-based agreement the faith hospitals agreed to one program, one leader, multisite, there are still issues around reporting.

It illustrates all that is sick with the Canadian health care system. You cannot have a publicly funded system delivering public services with the expenditure of public money when you are dealing with independent facilities with their independent volunteer boards making their own decisions and wanting to have the control of how the money is spent without the accountability for the decision making or, I would argue, the centralized decision making that gets the best use of service, and that is what regionalization is all about.

If Urban Shared Services in this committee process today—and in fairness to Mr. Sheil, he is here as my guest as minister to answer as many questions as he is authorized to do. Am I happy with the restrictive? Not at all, but this makes the point about what is wrong with our current delivery system and what we are attempting

to change. I am not asking the member to take the leap of faith, because I would not in his shoes, because the only leap of faith he can take is that the volunteer boards that his Leader continues to support have made the right decision, and that is not good enough for any of us as legislators. It is not, because we have seen time and time again where sometimes the right decisions are not made or priorities that the public would want are not made.

So am I happy with this today? Absolutely not. Do I support the system, the structure that has this kind of situation? Absolutely not. Am I doing something about it as Minister of Health? Absolutely. What I am asking? I am asking this of the member for Kildonan, I am asking this of his party, I am asking this of the labour unions that are involved in health care, I am asking their support to fundamentally change the structure of governance in administration in health care so that we can have a public health care system that has the kind of accountability to the Legislatures of this country, and ultimately to this province in Manitoba, that we need.

I am going to take this Hansard, and I am going to write to the chair of Urban Shared Services this week, and I am going to say this is what it is about. It is the expenditure of public money. There are questions that need to be answered, and Mr. Chomiak has issues that he would like to discuss which he has a right to do, and that Urban Shared Services, are they going to accept that responsibility or not, and I am interested to see the answer.

But I can tell the member this, if you ask this minister what his opinion is as to where Urban Shared Services should be housed within the structure, I think it is very clear that they should be part of an operating arm of the Winnipeg Hospital Authority. That has to be worked out in the months ahead, and ultimately they have a public accountability through that arm to this Legislature for the \$670 million or \$700 million a year that is spent or will be spent by that authority.

Mr. Chomiak: Mr. Chairperson, the associate deputy minister indicated he is no longer a member of the board of directors of Urban Shared Services. Can the minister indicate for how long he was, from what

period to what period he was a director of the Urban Shared Services Corporation?

Mr. Praznik: Mr. Chair, if I could indulge the member. If we could have a 10-minute break or so, Mr. Potter just wants to check on that time frame. He has been a member of many different boards, and he will get that for the member exactly, and then we could proceed. It is about time for the break now.

Mr. Chairperson: Is it the will of the committee to take a 10-minute break? [agreed]

The committee recessed at 3:50 p.m.

After Recess

The committee resumed at 4:01 p.m.

Mr. Chairperson: We will continue now with the Estimates of the Department of Health.

Mr. Chomiak: Can the minister indicate what the cost of the Versa contract is with respect to the Urban Shared Services Corporation?

Mr. Sheil: The Versa fee is \$600,000 annually.

Mr. Chomiak: What is the term of the contract?

Mr. Sheil: The term of the contract is five years.

Mr. Chomiak: To the minister: would it be possible to have a copy of the Versa contract tabled?

Mr. Praznik: It is not mine to table and those who are, the volunteer board members of our independent hospitals, are not prepared to table that, so perhaps we could ask them to.

Mr. Chomiak: Mr. Chairperson, has the provincial government approved the USSC plan and the USSC operation?

Mr. Praznik: Please repeat it; I did not hear.

Mr. Chomiak: Has the provincial government approved the USSC plan?

Mr. Praznik: Mr. Chair, I was not minister at the time that this whole thing started with Urban Shared Services. I gather the mandate that the—I guess you go back some time when all of us were looking for better ways of managing a system and realizing that there were benefits to be shared in working co-operatively among facilities, when the nine Winnipeg hospitals decided to create Urban Shared Services. Yes, it had the general support of the Province of Manitoba, I do not deny that. When they looked at ways of reducing costs and providing better services and being able to update the kinds of support services that hospitals require in a system-wide basis, yes, in principle, the province approved. But let us remember that, yes, we have had a relationship to see what they are doing because ultimately the dollars flow through, but they are the ones who are accountable within their budgets.

I will indicate to the member that last spring, as a new minister coming this last spring, when CUPE, which represents, I understand, five of the nine locals currently involved, raised this issue—in fact, the member for Kildonan helped sponsor an event here at the Legislature with CUPE to which I was invited and I attended, and this issue came up. Because there were very legitimate issues around how staff were going to be treated and what the transition would be, I did at that time make inquiries on Urban Shared Services. I asked them actually to delay their project until the staffing issues had been dealt with in a satisfactory way, that it has never been my intention to be putting people out on to the street, that the system, surely to goodness, if it was going to result in some staff reductions in one area, could absorb those people, offer a decent VSIP program for those who want to leave, the kinds of things that I think most people deem as a reasonable way of managing change—that that was put into place.

I did have occasion to be briefed on their plans after they were more fully developed. Also, my knowledge comes from briefings with our people financially on their numbers that they as a group developed in their business plan, some of which is public, some of which is not. There is no reason in my mind in a public system where this kind of information, other than that that may be proprietary in nature to those who are

providing services, et cetera, to the group, should not be public, but the nature of our current structure creates this kind of difficulty.

The member for Kildonan asks a very legitimate question. If you want the public to be able to accept the choices that are made in systems, those should be justified publicly. We should not just have to rely on the decision-making abilities of volunteer boards, as the Leader of the Opposition (Mr. Doer) would have us do, or on necessarily the minister or his staff being comfortable with a decision that is being made because we have been brought in and made privy to otherwise confidential information.

It should be a matter of public debate and the sharing of public resources or information, and I can concur with that, and that is why we are changing the structure of the system. We hope we will have the support of the New Democrats in our endeavours, particularly when you have those current volunteer boards and their independent facilities wanting to retain the kind of control over the expenditure of public money that today frustrates both the member for Kildonan and myself.

Mr. Chomiak: Mr. Chairperson, did the Ministry of Health approve or agree with the shared service food services-patient food services agreement between USSC, Winnipeg Hospital Authority and Newcourt Capital entered into on the 27th of June, 1997?

Mr. Praznik: Mr. Chair, as part of that, as I indicated, I think the Ministry of Health has had information shared with it on the structure and how things were to be developed, and yes, our concurrence of the ministry did go into those particular plans, again within the restrictions of information that—I wish again that all of this could be public. I am not in a position to do that because of the nature of the system, but I will not deny that the ministry has given concurrence to the financial numbers and plans that were provided as information to us.

Mr. Chomiak: Did the ministry also concur and approve of the business plan as submitted by the USSC?

Mr. Praznik: Mr. Chair, in developing and making—and I want to just clarify because there is the

idea of approval versus nonapproval. Urban Shared Services has to make a decision. Did they do it with the concurrence of the ministry? Yes, I do not deny that. I am not sloughing off that responsibility. Is it done with the approval in the sense that we have the decision-making power over that corporation? No, because it is not our corporation.

So it did not require our formal approval or approval of the ministry to say yes, you can or cannot do it and if we had said no, they would have legally been prevented from doing so. That is not the case of the relationship. I regret otherwise for other reasons, because I think there has to be that accountability for public expenditure, but that is not the case. However, was it done with the concurrence of the ministry, where numbers shared with the ministry? Yes, they were.

Mr. Chomiak: In light of some of the information that has come out this afternoon, is the minister prepared to take another look at the numbers that were shared with the Department of Health as a result?

Mr. Praznik: Mr. Chair, I think the key point out of numbers that have been shared this afternoon is really—there are a number of points to be made. Number 1, the nine Winnipeg hospitals, through Urban Shared Services, in an attempt to deliver a better product and service in a number of areas and a more cost-effective manner, developed this plan, yes, with the concurrence of the ministry on detail. We have no reason to doubt the numbers that have been provided to us. Our concurrence is based on the numbers that were provided by those facilities, and you have to appreciate that the numbers on which this is based come from numbers within the existing facilities which are quite frankly the property of those facilities, not the property of the Ministry of Health.

So if any of the premises are wrong, I cannot accept responsibility for that, but based on the numbers that were there, we did concur with this particular plan. It was done to provide better service at a more economical price and move our food system into, I think, the new technology that is developing across North America.

* (1610)

It also, from a ministerial or ministry point of view, meant that we did not have to engage in some significant capital construction in our current facilities, which we would have to fund over a number of years to replace or upgrade the current kitchens. So here we could have some savings and the capital needs of the system managed through this process and save the taxpayer the financing costs of some very significant upgrades in our existing kitchen facilities. So that is the reason why I think concurrence was granted to this plan. It gave us, we believe, at the end of the day, from what has happened in other jurisdictions, a better food system, one that can manage its capital needs and produce savings, not huge but savings, and prevent, at the end of the day, some additional major capital expenditure in our kitchens.

Now the caveats that I have added to this as minister, coming out of CUPE's intervention or issue that they raised last spring in this Legislative Building, was to ensure that a proper human resource management plan was put in place. Ultimately I hope that we can accommodate virtually all those employees in one way or another. That had to be done and that was put in place and is being worked through. So that has in fact been done, and there is no reason to revisit this particular decision. It is well underway. In fact, the capital building is under construction as we speak. Mr. Chair, with the operation of the Winnipeg Hospital Authority, who now ultimately has responsibility for these dollars and is accountable to myself as minister, ultimately that is another check on this system, from my point of view, that is now in place. That is not diffuse. So I see no reason to change this.

Some of the policy issues that you, the member for Kildonan, have highlighted with respect to personal care homes, expanding USSC out of the city, if there was any planning by Urban Shared Services in the days gone by that this would have to happen, it was done by—let us put it in perspective—the boards of nine Winnipeg hospitals. There are other issues surrounding both those expansions that, quite frankly, have to be weighed on the scale of those expansions. Now that the Winnipeg Hospital Authority has a much firmer role in developing this, I do not think one would find the same concurrence.

Let us get this operating. We have no reason to doubt that it will work effectively. I think as I have

mentioned before, some of the issues around delivery of services and food services in personal care homes and outside the Perimeter have to be weighed on a balanced scale. I cannot bind future governments or future ministers, but I can tell you today it is not on my agenda as minister to see that expansion.

Mr. Chomiak: Can the minister explain why the Deputy Minister of Health would have written to the various institutions recently, and as a precondition for their payment of their accumulated debt, that they participate fully in the USSC arrangement?

Mr. Praznik: Yes, Mr. Chair, that reference was with respect to the developing, the planning within the Winnipeg Hospital Authority to actually move USSC into the WHA administration as an operating arm. That was the intention in discussion that has been going on. Obviously, if it makes more sense—and I am coming to the conclusion it does—to have Urban Shared Services, rather than as an independent or as a corporation owned by nine facilities out there through this very difficult structure of governance and reporting relationships, where it makes eminently more sense, and I believe it does, to have Urban Shared Services as really an operating arm of the Winnipeg Hospital Authority, that it should ultimately move into that role. Its funding ultimately is the taxpayers' money. It is not the property of any religious order. It is not the property of a hospital per se. It is public money. So it makes eminently good sense that the reporting relationships, the decision making be much more direct.

So in the discussions we have had with the Winnipeg Hospital Authority, I believe they see that as where we want to be with Urban Shared Services. Over the next while I would suspect there will be discussions, but for that to happen we need the current shareholders to agree to that kind of transfer to make it a smooth one. That is the co-operation that is being asked for and is expected.

If I may just add, as well, there is an expectation that facilities will use them for appropriate system-wide services, and it makes only common sense that if they are able to deliver services at a more effective rate to the system, we expect the system to be using them, because ultimately what it does is—if it saves dollars in the delivery of logistics, those dollars

are going to be available for health care. I want them in health care. I mean, I have to continually go back to Treasury Board for additional dollars here and there.

We needed another million last year for the oncology program to recruit oncologists. We needed a million and a half in the diagnostics program, et cetera. That is \$2.5 million. That is the equivalent of what was lost in the public cafeterias in the system last year. That is not the health choice of Manitobans in the health care budget, and so, yes, ultimately we expect the facilities that remain with an independent structure, that they will be expected to get the best value on the purchase of services.

By the way, we have done that rurally. We have expected that if RHAs are able to incur savings by purchasing services on a regional basis, and I give you examples of things like accounting services, legal services, payroll services, et cetera—because a facility, and there are a few in Manitoba that remain as independent entities—but if they remain as independent entities, they should not expect to have within their administrative dollars budgets for accounting, or legal, or payroll, or any of those services that are above what it costs us to buy the same services within the regional health authority and their appropriate proportionment, because all that is going to do is take dollars away from health care delivery, from patient care, to fund the luxury of an independence in an institution.

By the way, I have had this discussion with some of the faith-based facilities in a number of communities. I know the member for Dauphin (Mr. Struthers) has this issue with respect to one facility in his community, and then when we get into some discussion, there is an expectation on the part of some that within our budget we should be funding for additional or higher-cost payroll, or legal, or accounting, or auditing services, because we are independent. Well, I am sorry, those dollars come from health care. If you want to do it on your own, if you want to be independent outside of the public system, then you should be doing it at the same cost as what we can purchase the service for within the system.

That is going to be a bit of an ongoing debate, et cetera, but I think it means if we get the best price on purchasing system-wide, then of course the public

expects us to do that because that frees up dollars for health care, and that is really what it is about is patient care.

Mr. Chomiak: I do not know if I asked this, I may be repeating myself, but can we have the Versa contract and the shared logistics contracts tabled, please?

Mr. Praznik: Mr. Chair, I think the member is repeating himself. I have indicated that those are the property of Urban Shared Services, and their authority would have to be garnered to release that. I am prepared to forward the member's request to their board.

Mr. Chomiak: I guess I am happy to hear the minister say that he is looking for ultimate savings. There were two studies prepared, two analyses prepared by Wintemute Randle and Kilimnik on behalf of CUPE with respect to the shared food services and with respect to the shared logistics services, and I am aware that the shared food services proposal indicated an actual savings of—as contrasted with the business plan of USSC—additional savings of somewhere in the neighbourhood of \$4 million. I wonder why, if that is the case, the government did not choose to go with the more cost-effective program as submitted in that documentation.

* (1620)

Mr. Praznik: Mr. Chair, I am going to have Mr. Sheil respond. He is aware of those; he has done the analysis on them; he should have the chance to comment.

But, again, I hear it in the member's voice about why does the government not go with—you know, I honestly wish, as Minister of Health, I had the kind of power to be able to manage the system that would meet the expectation of the public to manage it. One of the great difficulties that I have had as Minister of Health, and my predecessors have had before me, is that you talk to health care professionals, you talk to providers, you talk to people in health care unions, and you say that we should do this, and you say that it makes absolutely good sense, and then you get into the logistics of making it happen. Let me tell you, and I look to some of my senior people here, when you are dealing with independent organizations who use public money, and

you have the turf battles that are in place between them, and their own expectations of their roles in the system, and you have to get into dealing with all the logistics to make a simple change happen, it saps the energy out of everybody who is involved with that change.

Maybe the member did not intend it, but I always notice that people say, why do you not just do this in government? And you sit down and you say, okay, let us do it, and then you start figuring out all the players, and then you have members of volunteer boards of directors that the Leader of the Opposition (Mr. Doer) supports so strongly, and they come forth: Oh, no, you cannot touch my turf; I need this turf. You cannot touch this, and you cannot touch that, and look at the great contribution we make here, and you cannot touch this because we need to do this.

The next thing you know, what should be a simple matter has become so complex and so bogged down that you end up maintaining all the inefficiencies and all the stupidities and all the outdated delivery models just because you cannot make change.

I have watched Health ministers across the country and I have talked to them across the country, and you see it over and over again. If there is one thing that is needed to happen in this process, it is to change the way we deliver the system. That regionalization has been part of that; and, as the regional health authorities have a greater and greater role, and their ability to operate develops because it is going to take some years, I think ultimately when the member says, why does the government not do this, it will have a lot more effective meaning than it has had over the past number of decades.

I apologize for philosophizing here, but it is an ongoing frustration of ministers of Health. I am going to ask Mr. Sheil specifically the question from the member for Kildonan.

Mr. Sheil: In response to the question, there was a report prepared by KPMG to the Wintemute Randle studies. That report was presented to USSC's board of directors and accepted by the board. I do not have the report with me today, but I will forward it to the minister's office. It essentially dismisses the two studies.

Mr. Chomiak: Will the minister table that report with us?

Mr. Praznik: Mr. Chair, if those who have commissioned it so give me authority, I do not have a problem doing that.

Mr. Chomiak: I do not know if I quite understand that response. Can the minister clarify whether or not he would table that report?

Mr. Praznik: Mr. Chair, it is very interesting about this, and I share this frustration with the member for Kildonan. This is not a criticism of him in any way. How many times I have sat here in two years as a minister, and I have had questions asked of me, and I turn to my staff, as is the custom, and I say, well, what is the story? I get the story, and then I get told, but you cannot say that because that belongs to St. Boniface Hospital or it belongs to this hospital and they have not released it publicly. It is one of those great frustrations, and it does carry on.

I believe it is Urban Shared Services—that is their report. They issued it—or they commissioned it, they have received it. If they are prepared to provide it and make it public, I have no problem—I would encourage them to do so; but, if it is, as their property, they refuse to do so, I do not today have the legal power to compel them to do so. So that is the comment I make.

I think the member for Kildonan has the right to ask for that report, and I am certainly going to endeavour to urge Urban Shared Services to make it available.

Mr. Chomiak: Recently in debate in the Legislature, the minister indicated that something like—and I stand to be corrected—60 percent of the food presently utilized in our hospital system is already frozen. Can the minister elaborate on that, please?

Mr. Praznik: I think it was in the 40 to 50 percent range, not 60, but I am going to ask Mr. Sheil who has done this analysis on what is frozen. I can tell him this, I do not suspect any of the peas consumed in our hospitals in January are flown in from California and shelled by workers in our hospitals and delivered. I suspect the Jolly Green Giant has had something to do

with them, but I am going to ask Mr. Sheil to answer that question.

Mr. Sheil: Yes, the minister is correct. Approximately 40 to 50 percent of the food that is prepared and served in hospitals is frozen, chilled or otherwise outsourced.

Mr. Chomiak: I am quite interested in those figures. Can we obtain an analysis? Can we be tabled with an analysis of that information?

Mr. Sheil: Yes, Mr. Chair, I will do my best to make it happen.

Mr. Mervin Tweed (Turtle Mountain): Just for clarification, and I apologize for not paying full attention, was the question how much would be supplied or how much is currently being supplied frozen? [interjection] Currently? Through the new system or the old system? [interjection] Okay, all right.

Mr. Chomiak: When reference is made by Mr. Sheil to "outsourced" and the figure 45 percent, is that the nine urban facilities that we are dealing with and can he perhaps elaborate a little bit on what he means by the outsourcing?

Mr. Sheil: Mr. Chair, the USSC is speaking about the nine urban facilities, the hospitals. The products that we are referring to, outsourced products, include food that is prepared and cooked and either frozen or chilled. It includes foods like portioned sugars and jellies and jams, containers of milk, containers of juice, slices of cheese, slices of bread, frozen lasagna, and a variety of prepared foods that have been traditionally served in hospitals for a long, long time.

Mr. Chomiak: The information that is going to be tabled with us will specify any more detail of what types of food and the range of meals, for example, that are being served. What kind of information will you be tabling? That is what I am getting at.

Mr. Sheil: I believe I can provide a list of the types of products that are currently purchased by the hospitals that are purchased in a prepared fashion.

Mr. Chomiak: And when you say "prepared fashion," does that mean things like frozen vegetables, for example, that come in a packet? Is it that type of food?

Mr. Sheil: More likely I would be speaking to things like convenience foods such as frozen perogies, frozen cabbage rolls, lasagnas, containers of milk, containers of juice, portioned sugars, jams, jellies. [interjection] Yes, and in addition to that there would be regular frozen vegetables, frozen peas; again, the vegetables that are served in the hospitals today are largely frozen vegetables.

Mr. Chomiak: Can it be indicated what will be the source of the food that is going to be utilized once USSC is up and running? What are going to be the sources of the food that is being purchased?

Mr. Sheil: At present we cannot indicate that because we have not gone out to tender. We are preparing that procedure to occur over the month of May.

Mr. Chomiak: Your expectation?

Mr. Sheil: Our expectation is that we will make every effort to promote as much business as possible locally. Today, 100 percent of the foods that are served in the hospitals are purchased from local suppliers. It is our expectation that irrespective of where foods are prepared, they will be purchased locally.

Mr. Chomiak: Does that indicate that volume food will not be purchased outside of the province?

* (1630)

Mr. Sheil: Again, our expectation is to continue to do as much business within the province as we possibly can, just the way we do today.

Mr. Chomiak: Mr. Chairperson, are there any percentages that USSC is looking at with respect to local versus nonlocal?

Mr. Praznik: I just ask the member to clarify, is he talking about the supplier of that food versus the manufacturer-producer-processor of that food? Obviously, there are a lot of foods that are not grown or processed in the province of Manitoba, orange juice being one of them, but the supplier of that product may be in the province, so if he could clarify what he is referring to.

Mr. Chomiak: Mr. Sheil indicated that presently 100 percent of food is purchased locally, so I am wondering what the comparable figure will be or what the comparable breakdown might be under the new proposal.

Mr. Sheil: Mr. Chair, it is difficult for me to say today what that percentage would be. Our expectation, again, is that relying on the regulations of the Internal Trade Agreement by which we will be bound—that is the way we operate today—we are not preassigning percentages of businesses to any suppliers anywhere. We are doing our business the way we have to do our business.

Mr. Praznik: Mr. Chair, just in terms of context, that does not mean, and it makes obvious sense, that the 100 percent of Manitoba suppliers would continue to exist anyway. It is not a static marketplace. You could have a supplier of a particular product who goes out of business or is bought out by someone out of province and supply from another place. Those things happen all the time.

I mean as a provincial expectation, I would hope that Manitoba is competitive enough and has a well enough developed food services industry and food supply industry that it will be 100 percent, but that is a matter of being competitive and having industries and suppliers that are going to meet that need. Certainly, for a market the size of Urban Shared Services in the Winnipeg hospitals—Mr. Sheil may just want to indicate the size of that market—surely to goodness, that is going to be a very attractive customer for food processors and suppliers in the province.

Mr. Sheil: I can say reliably that today for several suppliers here in the Winnipeg marketplace, our business represents about 25 percent of their business, and I speak of, for instance, Independent Fish or To-Le-Do meats. Our expectation is that those suppliers will be given every opportunity to participate in the tendering process, allowing them to broker products that would allow them to retain their business. They tender now. They have tendered historically.

Mr. Chomiak: Mr. Chairperson, could we have a list of the major suppliers that are presently in place? I am sure the USSC must have that information.

Mr. Praznik: Mr. Chair, that may not even be the property of Urban Shared Services. That may be the property of each hospital today, so, again, it outlines the point of information control. I imagine, as well, it would be also a static list because I understand food service is regularly tendered in the system—I look to Mr. Sheil today—and I am sure tenders change from time to time.

Mr. Sheil: Yes, what the minister is saying is accurate. We do have a list of suppliers with whom we contract. I can make that list available. However, it is not a static list. We are currently and in an ongoing sense in a condition of change where we are constantly tendering and awarding new contracts.

Mr. Chomiak: Mr. Chairperson, I appreciate that commitment. I appreciate that it is not a static list, and I look forward to receiving a copy of that particular list.

Both the minister and Mr. Sheil indicated that there was going to be a process that is going to take place in May. Is that an actual tendering process? Will tenders go out in May, or will a process be defined in May specifically? Can you outline what is going to happen in May?

Mr. Sheil: Mr. Chair, we are preparing now for a tendering process which would be our normal tendering process with specific reference to contracts for food for our shared food services system, and we expect to release those tenders in May.

Mr. Chomiak: Any idea on the value of the tender proposal?

Mr. Sheil: In very rough terms, the value of the food products that we would be purchasing over an annual period would be roughly between \$6 million and \$8 million and would be dependent on the results of the tender and would also be dependent on the individual contract awards. There could be dozens.

Mr. Chomiak: What is the time line with respect to USSC with respect to the actual operations and the running in the various institutions?

Mr. Sheil: We are currently projecting a turnover of the facility that is under construction in the St. Boniface

Industrial Park for no later than August 27. That will allow us to begin serving meals in the middle part of September. We will be completed with the transition of all nine hospitals sometime in November. The formal dates for the transitions will be forthcoming in June.

Mr. Chomiak: Why would those dates be coming up in June specifically?

Mr. Sheil: We are still finalizing some of the renovation projects—actually all of the renovations projects at each of the nine facilities—and the actual transition dates are subject to the length of time it will take to perform construction at places like the Health Sciences Centre where it could take between eight and 12 weeks. Consequently, it is necessary for us to get a little bit closer on the actual details of that before we release the transition plans. However, we are in a position to say no earlier than the middle of September for transition.

Mr. Chomiak: Now that is for the nine urban facilities? What about the other five personal care home facilities?

Mr. Sheil: The other facilities are not involved in this process.

Mr. Chomiak: When is it planned for them to become part of this system?

Mr. Praznik: Mr. Chair, if I may just for a moment, I think the point is that the current plan is for the nine hospitals in the system. There are five personal care homes that are associated with Urban Shared Services who do some of their purchasing and other products, et cetera, through them in certain purchasing. That does not mean they are included in the food services. As we structured the Winnipeg Long Term and Continuing Care Authority where we needed to get the benefits of amalgamation of administration and system-wide planning has been in the hospitals. It has not been in the personal care homes. They are usually single-function facilities. They have a support base, often a religious organization or community group. It is long-term care, and those volunteer boards in those situations play a wonderful role because it is a whole different structure and setting.

So in the new administrative system in the personal care home side, they will be continuing with their independent boards, they will be continuing to manage their affairs. There will be virtually a flow-through of dollars through the Long Term Care Authority to them, and they will make decisions with respect to their services and purchasing as we move forward. So they have a choice as to what to do because they are maintaining a governance model, and there are some issues we have discussed around the food services. I think Holy Family has made that point very clear about part of their care and other things, so it is a very different scenario. So those particular facilities, five or so who are part of Urban Shared Services now, are there for not food services reasons, as I understand it.

If they wanted to join, I mean that is part of governance, but in talking to many of them now I do not particularly see that happening in those cases. There may always be an exception, but I do not see it as being the rule.

Mr. Chomiak: Turning to a logistics area, what is the plan in the expenditures with respect to the logistic size of this process?

Mr. Sheil: We are presently revisiting our logistics project. The board of directors has asked that we go back and perform a study to reconfirm the business case numbers. We projected savings of approximately between \$5 million and \$6 million as a result of the logistics business case that was approved in December of 1996.

* (1640)

Quite frankly, time has not been our assistant in this and we feel that it would only be appropriate for us to go back and revisit that. We are going to be launching that actually later this week, and we will be asking each of the institutions to give us some new information, allowing us to go back and reconfirm the business case.

Mr. Praznik: Mr. Chair, if I may, and I do not know how this is appropriate in fitting in, but it is a story I just share with the member for Kildonan. After I was appointed, I had a group of doctors from Concordia Hospital pay me a visit, and Dr. Krahn was one; there were a number of others.

I remember one particular doctor, his name now escapes me, who did work in the area of heart surgery and did the installation of pacemakers and made the comment to me that he could very ably deliver or do the surgical work on installing pacemakers at Concordia Hospital, but he was not allowed to. He had to do them at St. Boniface.

I said, well, why is this? He said, well, St. Boniface was crowded, you know so much room, there is a lot of pressure on, it would be much easier to do at Concordia. I said, well, why is this happening? He said, you know, Mr. Minister, it is because the budget for the pacemakers is in the St. Boniface stores, and they will not allow me to take the pacemaker from St. Boniface to actually do the installation in Concordia.

I thought to myself, if this is true, this is ridiculous. Again, it is all public money. It is getting the best use out of the system. We should never let our administrative structures take away from the delivery of the best possible care. I am sure if one digs there are many, more examples where the way in which we make these decisions end up deciding where care is delivered, even if it makes no sense other than the logistics of how we pay or we budget for things.

So it is part of a larger issue, but I just thought I would mention that to give the member a sense of some of the frustrations that I see within the system as minister. Perhaps there are other questions for Mr. Sheil.

Mr. Chomiak: I do have other questions, just before we go on. It is pretty clear to me that I would like to continue this on Thursday. Do you think that that will be possible? It would be Thursday morning or, alternatively, it would be Thursday afternoon.

Mr. Praznik: I do not know whether we will be able to do it on Thursday. I would like the opportunity to be able to speak to the board of Urban Shared Services for some of the additional information. Perhaps we could schedule this for next week, but I will endeavour to find out and get back to the member for Kildonan on it. There may be some other commitments or issues.

Mr. Chomiak: Just returning to the logistics side, when we talk about logistics, we are talking about

central purchasing. Does that also include the laundry and the related services or is that a separate category?

Mr. Sheil: We have three core business areas that we are active in right now. They are shared food services, logistics and shared laundry, so laundry is separate from logistics. Logistics is central purchasing, warehousing, distribution.

Mr. Chomiak: This is an excellent opportunity to take the minister's words to heart. Since the USSC food plan is up and running and the minister did express some reservations, we now have an opportunity with logistics and with the food services to examine them in detail, a priori, that is prior to the actual implementation. I am wondering if we could have those plans brought before this committee for review.

Mr. Praznik: I certainly believe in public accountability. The Urban Shared Services, they are doing their internal work. The Winnipeg Hospital Authority has a role to play in all of this, and I do not think that it would probably be appropriate at this stage to bring certainly these kind of things forward, not knowing all of the detail, of course, that has to be developed.

The member's point is a valid one. Ultimately there has to be accountability for decision making. Currently Urban Shared Services is very indirectly related to this ministry; it is through this whole myriad of administration. I am not sure exactly where they are going in this area, but the Winnipeg Hospital Authority obviously now has a bigger role to play, and perhaps when we are discussing their role, that would be a very appropriate time for this issue to again be discussed at this committee.

Mr. Chomiak: I wonder if we might be provided with the number of EFT positions that are going to be lost through the Urban Shared Services project as it relates to food services.

Mr. Praznik: Mr. Chair, I am going to have staff sort that out. I am advised they have those numbers, but there is some change with them because of the nonpatient care side in public cafeterias. So when we next convene, we will have those sorted out a little more accurately for the member.

Mr. Chomiak: I wonder if we might have it possibly tabled, a copy of the VSIP, the plan for dealing with employees.

Mr. Praznik: Yes, absolutely, and we will have it for the member.

Mr. Chomiak: Can the minister give any indication as to how much money will be spent on labour adjustment?

Mr. Praznik: Mr. Chair, that is still being calculated depending on the number of VSIPs, placements, and the choices that people made, but obviously there must be an accounting for that at the end of the day.

Mr. Chomiak: Can the minister indicate whether the funding for that program will come entirely from USSC or whether the funding for those unrelated programs will come from other sources?

Mr. Praznik: I believe it is jointly funded through our regular labour adjustment dollars for health care, which we budget for separately, and partially by Urban Shared Services. I am going to have Associate Deputy Minister Ellis respond because she is very much involved with this.

Ms. Roberta Ellis (Associate Deputy Minister, Human Resource Planning and Labour Relations): We will actually be compiling a final report on all of the activity that we have taken with regard to training, retraining, and adjustment measures. Staff have to be given a little bit of time to make a choice as to whether or not they are choosing a retraining option or choosing an employment option. As soon as we have that information, Mr. Chairman, we will bring it forward to the member's attention.

Mr. Praznik: Mr. Chair, when I asked a year ago, after CUPE's intervention to ensure a proper strategy, there is obviously a number of components in that. One is we wanted to ensure that all of the new positions in the new organization, that the current people had an opportunity to be placed in those positions. We wanted to ensure, as we have done in our own provincial civil service, that there was a VSIP program, which I think started as Voluntary Separation Incentive Program. Started at 15 weeks, I think it was doubled to 30 weeks

which is certainly attractive to someone nearing retirement or who is only temporarily working there and is looking to go on to school or some other occupation. There has been a fair number of requests and interest in this program that we would still be sorting out.

Thirdly, I thought to myself, heavens to goodness, when you have a system with literally thousands of employees and many people involved and a host of similar type support services or other support services, hospitals, surely, the turnaround rate across the system should generate enough vacancies over a period of time to accommodate anyone who did not find employment in the new food structure or who chose not to take the VSIP program.

So those three thrusts—and, of course, with the other comes retraining dollars to ensure people are trained for other opportunities that are there in the system. With the Human Resource people there working through now—and I look to Ms. O'Rourke—later on this spring, we should have a final calculation as everybody has either been placed, VSIPed, gone into a training program, or made decisions about where they want to be. If people are not able to be accommodated, I do not think it would be for lack of trying on the part of the system, but I am not going to judge its success until it is completed.

Mr. Chomiak: I take it that the information on both the numbers, the extent and the description of the package, as well as the financial costs both to the province and the USSC as it relates to these various labour adjustment programs, will be tabled and provided to members of the committee.

Ms. Ellis: We do make regular reports to the Provincial Health Labour Adjustment Committee, which has both management and labour represented on it with regard to the VSIP program. So, in any case, we always expect to make those numbers public and we would obviously be doing that; but we will provide the member, through the Chair, any such information as we can, as soon as we can.

Mr. Chomiak: Just returning to the food issue again, I wonder, one of the issues that has arisen on many occasions has been culturally appropriate food, and I

wonder if we might get a description as to what is being done in that regard.

Mr. Sheil: USSC will support over 150 different diet types through its new system. We are finalizing the menu today. We finalized the basic menu, and all of the other menus; the other 149, are basically spinoffs from that menu and will accommodate a wide variety of ethnic, religious, cultural dietary types and should allow us, to our best, to make sure that all of the individual and cultural preferences are met. That will be an ongoing effort to make that program and products increasingly available.

*(1650)

Mr. Chomiak: The two issues, of course, that have been brought to my attention are food as it relates to aboriginal and Inuit people and kosher food. I wonder if you might specify what is being done in those two instances.

Mr. Sheil: I do not have that information today, but I can find out and report back.

Mr. Chomiak: Is it within USSC's plan to provide food for Meals On Wheels?

Mr. Sheil: Today all of the nine hospitals provide—well, not all nine hospitals—I believe seven of the nine hospitals are currently providing meals to Meals On Wheels volunteers as a result of their provision of patient food services. It is our expectation that we will be doing exactly the same thing. We have been meeting with Meals On Wheels since the fall, are working very closely with them and their board of directors to give them some comfort that their volunteers would be well served by our program, and we have done very well in that regard.

We have been able to introduce to them, again, a wider variety of products than is available to them today. We have been able to give them a better packaging system, a better delivery system. We have encouraged them to make a modest investment in an information system that will allow them to communicate directly with us; we will continue to work with them; and we hope to reach a final agreement with them prior to the summer break.

Mr. Chomiak: Will the changes require capitalization on the part of Meals On Wheels, and, if so, who will provide the funds for that?

Mr. Sheil: I believe that there is no capitalization required on the part of Meals On Wheels, with the exception of a minor investment in software, which is not a significant figure. However, I believe that that would be a discussion item for the board of directors of Meals On Wheels.

Mr. Chomiak: So, in terms of the structure, the meals will come out and be delivered in the pre-existing tray and related structure that Meals On Wheels now utilizes. Is that your response?

Mr. Sheil: We will be introducing new packaging materials to standardize them. The Meals On Wheels today uses a variety of packaging: some old, some heavy, some light, some plastic, some steel contraptions. We will be introducing a plastic serving container that will be a part of our project, is capitalized by our project, because of the changes that we are introducing, so it will be neutral to them.

Mr. Chomiak: It is probably a good juncture from my perspective to probably cease at this point on the assumption that we are going to get back together at some other date to follow up on questioning.

I guess I am assuming that, for planning purposes, we will go into Capital on Thursday morning. It is a question whether or not we will need the entire Thursday morning and Thursday afternoon for Capital. In the event that we get through Capital, I am sure we can find something that we could deal with to move it along.

Probably for planning purposes, I suggest that we think about bringing in the regional health authorities on Monday to commence on that front and then I guess sometime in the next week or two or four or five or six or seven, however we go, refitting the Urban Shared Services issue back into the agenda.

Mr. Praznik: I gather when we are speaking of the health authorities, we are talking about the Winnipeg Hospital and the Winnipeg Long Term Care. We will check on availability.

Mr. Chomiak: Yes, Mr. Chairperson, that is an interesting issue because there are broader issues, of course, than simply the Winnipeg Regional Health Authority. My assumption would be that if we have the people from Winnipeg Regional Health Authority here, then we will try to do the bulk of our questions when they are here, and then later on, the next day or whenever, try to deal with other regional health authority questions for those that can be here, sort of something along those lines.

Mr. Praznik: Mr. Chair, we will endeavour to have Associate Deputy Minister Hicks and Arlene Wilgosh who has been managing the regionalization on the rural side available to follow up the two Winnipeg health authorities.

Mr. Chomiak: That seems to work out. Of course, it is always subject to availability and to arising issues.

Mr. Chairperson: Order, please. The hour being five o'clock, it is time for private members' hour. Committee rise.

RURAL DEVELOPMENT

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

We are on Resolution 13.3. Small Business and Corporate Planning Services (a) Corporate Planning and Business Development (1) Salaries and Employee Benefits.

Hon. Leonard Derkach (Minister of Rural Development): Mr. Chairman, when we last adjourned, I was in the middle of responding to a question that was asked of me with regard to education in the Northwest Territories and our involvement in not only the education side but also the business side in the Northwest Territories.

There was a suggestion that, perhaps, Manitoba was losing ground to Quebec in the Northwest Territories, and I indicated to the members opposite at the time that

was not the case, that, in fact, Manitoba has always had a presence and it has been a long-time presence in the Northwest Territories, and that the area that we have done business with in the Northwest Territories has basically been the Keewatin region, which includes communities like Arviat, Rankin Inlet, Baker Lake and so forth.

Mr. Chairman, there has been a liaison that has been ongoing between Manitoba and the Northwest Territories. As a matter of fact, for the Keewatin region, one of the areas that there has been a close working relationship in has been the area of health. Many of those communities in the Keewatin region use Churchill as their primary health centre, and many who need further health care are transferred oftentimes to St. Boniface or the Health Sciences Centre here in Winnipeg.

In addition to that, there has been an agreement and a working relationship between the University of Manitoba and the Keewatin region, and we have also supplied services in education to students in the Northwest Territories as well.

The eastern Arctic, or the eastern Keewatin region is the least populated area of the Northwest Territories. The larger populations do exist on the western side, and for that reason there has been a lot more activity between that part of the Northwest Territories and other provinces. The principal province that has supplied many of the services to the Northwest Territories, or at least the western side, has been Alberta, and there are certainly close links between Edmonton and Yellowknife and communities in the western Arctic.

* (1440)

Mr. Chairman, I do not want the impression to be left that Manitoba has been losing ground because we have not. The reality is that as the new territory of Nunavut gets closer to becoming a reality, we have other players who are making their way into the territory, are looking for additional links, and are in fact ensuring that people are aware that they exist and they are eager for trade. That is really why I was happy to lead a delegation of business people to the Northwest Territories to meet with business people in the Northwest Territories, to meet with mayors and also councils in the Northwest

Territories, along with government officials and elected people, including the Premier of the Northwest Territories, to ensure that they understood that we were willing and able to deliver services to them. But not only that, we were also there to ensure that the benefits would be two ways, so that there were goods and services at present in the Northwest Territories that Manitoba could use, and we could also engage in some two-way trade activity for the future.

In addition to that, we addressed the areas of health and education. We had people with our delegation who represented those areas, and I would have to say that, by and large, the reception by the communities in the Northwest Territories was very positive. It was our first excursion to Iqaluit, which is going to be the capital of the new territory of Nunavut, and the reception there was overwhelmingly positive. Although about 15 percent of the population of Iqaluit is French speaking—it was the first time that we had been to that community, as I indicated to the members last week—there were people there who had gotten their education and their training in Manitoba who are now working the Keewatin region and Iqaluit. Certainly they look forward to the day when we can establish even closer ties with regard to training.

As the new government takes over in Nunavut, there will be many areas that we as a province can assist. As a new government is established, I know that they will be looking for professional advice from provinces and jurisdictions where governments already are mature, and to that extent I know that they will be looking at Manitoba. We have now established some, at least beginnings, in that regard.

There are a whole series of areas that we can participate in, not just health and education, but in trade. As members opposite would know, the Northwest Territories basically purchases all of their food products, with the exception of those that they find in the Northwest Territories, from someone, and Winnipeg has been the major resupplier of those goods. Resupply is a major issue for the Northwest Territories. It is the resupply of dry goods, also of things such as fuel, which is a very important aspect in the Northwest Territories because that is how their electricity is generated and that is how they keep their homes warm.

In the whole area of housing, Mr. Chairman, we have an opportunity because every two-by-four, every piece of lumber, is purchased for housing in the Northwest Territories. There certainly is opportunity for people in that industry in Manitoba to tie closer links with the communities and the business people in the Northwest Territories, and that opportunity was certainly made evident when we were there in January.

Although we are entering a new phase with regard to a new territory, we are looking forward to not only continuing but to enhancing our ability and our activity as it relates to the Northwest Territories. As the mayors and the people pointed out, it is the first time that there has been a substantial delegation of people from Manitoba in the Northwest Territories to touch base with customers, with potential traders, with potential people who can do business back and forth with Manitoba.

Mr. Clif Evans (Interlake): I thank the minister for the explanation. It does seem that it is very important that we do our best as the Province of Manitoba to establish the co-operation between and negotiations between the Northwest Territories and ourselves in these different departments and different issues that the minister mentioned. Certainly, we would like to see the minister's department and the government of the day expand further with negotiations. Can the minister indicate if there are any negotiations that are in place or soon to be in place that will endorse a potential future working agreement with the Northwest Territories, or are we waiting until everything is settled within the Northwest Territories to establish themselves as a government?

Mr. Derkach: Areas that there is activity going on at the present time are areas that relate to the cost of supplying energy through our hydroelectric system to customers in the Northwest Territories. One of the reasons for that, of course, is the activity that is taking place in mining in the Keewatin region. There is a significant potential in mining, but, as the member knows, the mines take a large amount of power and energy. So there is some work going on in that regard, and it is also a way of perhaps complementing some of the energy that is being produced now through diesel in the Northwest Territories.

In addition to that, we are looking at the possibility or the feasibility of a winter road. That has been looked at for some time, but I think that it is being looked at in a more serious manner at this time. In addition to that, we are looking at the possibility of an individual who could act as a liaison between the government of the new territory and Manitoba who might be able to tie closer links between our two jurisdictions through the use of an office and, if you like, a liaison person, but that is something that is being considered at this time. It is not a reality yet.

In addition to that, we have worked with the communities in the Northwest Territories, showing them the successes that we have had with our community round tables. Indeed, Mr. Ross Thompson from my department who works in the Northwest Territories has worked with several of the communities regarding a community round table. They are embracing the concept and using it to determine what their goals and their strengths and their objectives might be for the future.

Another initiative that is being looked at is this whole area of birth certificates is one that is causing some concern to the people of the Northwest Territories. They would like at least a commemorative birth certificate that shows which area of the Northwest Territories they originate from. So that could be incorporated into at least a commemorative birth certificate for them.

There are other areas as well. The area of food processing technology is one that is being pursued by both staff from our province and people in the Northwest Territories. So there are a variety of areas that are being worked on as we speak, Mr. Chairman.

I guess one of the areas that I have not touched on is the area of tourism. The Northwest Territories is known as a tremendous place for tourists from places like Japan, especially when it comes to the northern lights. It is basically the winter tourism that takes place for that purpose. That is an area where we think there is some potential for us to work together and co-operatively, and that is going to happen as well.

* (1450)

Mr. Clif Evans: I thank the minister for that information. Just to make a comment on his final comment as far as tourism goes, that would probably be a tremendous benefit for us to be able to work out some sort of liaison with that in tourism. Certainly, we also should not forget our own Manitoba and rural Manitoba, as well, as far as tourism goes. So perhaps in further negotiations when it comes to the tourism industry, we might also focus on making Manitoba and northern Manitoba a major portion of the tourism aspect for the Northwest Territories.

But I appreciate the minister keeping us informed as to how negotiations are proceeding, and I will certainly look forward to—the minister mentioned to my colleague from Swan River, or it might have been to myself, that the Northwest Territories is being represented at the Rural Forum at the end of this month, so it will be interesting to see their displays and to perhaps have the opportunity to discuss with those representatives who are here just how they see Manitoba for their future. So I appreciate those comments.

Mr. Derkach: Mr. Chairman, just to add to my response to the member for Wolseley (Ms. Friesen) who asked about the education links between Manitoba and the Northwest Territories, I indicated there was an agreement between Keewatin Community College and the Keewatin region—there is an agreement between the college and the Nunavut arctic college in Iqaluit in Rankin Inlet.

The agreement that has been entered into is for the co-operation of and joint education training programs in areas such as health, northern communications, various building trades such as heating, mechanical and electrical, mining trades, heavy equipment operators, mill rights and freight management.

Mr. Chairman, these are the areas that are being pursued in terms of a mutual agreement between Keewatin Community College and the arctic college in Nunavut.

Mr. Clif Evans: Mr. Chairman, I would like to continue on this line. Could the minister indicate, the Corporate Planning and Business Development branch—if you want to call it that—does this part of Rural

Development assist in the development or the research or proposals for the hog industries? Is this part of the department a part of the advisory committee that deals with the planning aspect for rural municipalities when it comes to the hog operations and what role does the Rural Development department play and what is their mandate?

Mr. Derkach: Mr. Chairman, yes, this is the branch that does involve itself with the livestock industry, in general, and the expansion of it. Depending on which area there is activity in, we have staff in our regional offices who do involve themselves in the technical committees that are set up to work with the municipalities and producers, and this is something that has been ongoing.

As the member knows, we are also working with municipalities to develop planning districts and development plans. We have eight or nine such municipalities who are requesting development plans, and we are working with them as well to help them in the expanding of the livestock industry. Certainly that is what is driving some of these municipalities to want development plans and so forth.

Mr. Clif Evans: Mr. Chairman, the minister commented that there have been eight or nine municipalities that have approached Rural Development in setting up some sort of a plan, a development plan within their jurisdictions for the expansion of the hog industry. If that is the case, can the minister indicate who those municipalities are and for what purpose would they be coming to rural development specifically or are they going to other departments in establishing their plan for the potential future hog industry?

Mr. Derkach: Mr. Chairman, we have eight or nine municipalities that have come to the department and have requested that we assist them in establishing planning districts. These are municipalities who are not in a planning district at the present time. They are either requesting that they join a planning district or that a new planning district be established in a region, and staff from my department, as has been the case previously, work with municipalities to establish planning districts throughout the province. That is basically the work of the planning side of our

department, and we are trying to encourage as many municipalities as possible to get on board and to develop plans and to become involved in planning districts, because we think that there is such a benefit that can accrue to them when it comes to expanding businesses, expanding initiatives such as the hog initiative throughout the province.

Mr. Clif Evans: Mr. Chair, would the department also be involved and how would they be involved in helping municipalities that do not have any conditional use of by-laws within their jurisdictions or zoning by-laws as such that perhaps want to establish those by-laws and put them into place? How much of a role does the department have with that? Do they assist them in putting together their proposals? Do they encourage different aspects of the by-law? Do they discourage anything that may be put in place that perhaps the government may feel is not legitimate enough to have as a part of the by-law? What role does the department play with that?

Mr. Derkach: Mr. Chairman, the role of my department is to assist municipalities in putting together by-laws and putting together development plans. We walk municipalities through the process. We assist them. We help them with any issues or difficulties that they may have as they go through the process, so basically we are there as a catalyst to allow the end result to take place. We also are there to answer questions. Municipalities do have lots of questions when it comes to things like development plans, when it comes to planning districts and when it comes to assisting them in ensuring that they follow good practices with regard to an expanding industry.

* (1500)

Mr. Clif Evans: If I remember correctly, my honourable colleague from Swan River (Ms. Wowchuk) asked the minister a question in the House pertaining to the specifics that Rural Development was, if I may use the word correctly, interfering with due process. Has this matter that my colleague brought up—has that been addressed, and is this part and parcel of what this department does?

Mr. Derkach: No, it is not part and parcel, and the member uses the term “interfering.” We do not

interfere in what municipalities do; rather, we assist them. But it is also our responsibility to advise municipalities if in fact they are moving in a direction which could lead them into some difficulty. The member refers to a question that was asked by the member for Swan River regarding a letter that was sent from one of our directors to a couple of municipalities regarding their use of The Municipal Act to try and stop development, a particular kind of development, in the municipality. What was being, I guess, communicated in the letter was that there are legitimate and appropriate ways to deal with a proposed development if the municipality wants to do that; however, using a nuisance by-law under The Municipal Act was not an appropriate way to try and stop a particular type of development in a municipality because The Municipal Act did not contemplate using the nuisance by-law to stop a development in a municipality.

Mr. Clif Evans: So, if the Department of Rural Development feels that the municipality jurisdiction wants to change or to implement, or provide changes to its local by-laws, the minister is saying that his department would then go and advise the jurisdiction on how they should implement their own by-laws? Is the minister saying that not only the Department of Rural Development but the Department of Agriculture and the Department of Environment have the mandate to go to a municipality and make suggestions that perhaps their by-law or their wishes are not in accordance with economic development and the benefit of large operations in their jurisdiction? Is that what the minister is indicating, because that is what it seems?

Mr. Derkach: No, I think the member maybe is not understanding what the purpose of the advice is. The purpose of the advice is to ensure that a municipality is not using an incorrect act to instruct the proponent about a development, that in fact the municipality should use an appropriate act to do so. In this case the municipality was using not only a part of the act, they were using the incorrect act to deal with the development. The Planning Act is where, in this case, the municipality should have been addressing the issue in, and not in The Municipal Act.

So we were not interfering, we were not directing, we were simply cautioning the municipality that this was an area that could in fact pose a problem for them down

the road, if they tried to insist that a development be curtailed under The Municipal Act.

Mr. Clif Evans: Now, if the municipality is part of a planning district and wants to make changes within their by-laws, their local by-laws, is the opportunity there for them to pass or to put forward to the planning district what they are proposing, and would the planning district itself be a part of the changes? Would the department just allow, let the jurisdiction apply their by-laws as they see fit? Would there be any collaboration between the department and the jurisdiction in that situation, if they were part of a planning district, and if they wanted to make changes?

Mr. Derkach: Mr. Chairman, the by-laws are dealt with at the municipal level, but let me say that in all cases where a municipality would want some advice and some assistance, because our staff do have the experience and do have the knowledge of the various acts, then certainly that is what our regional staff are there for, and they would be more than happy to help a municipality along, and we do that.

Mr. Clif Evans: The Department of Rural Development is part of the advisory committee that is in place that takes the proposals of proponents, or the proposals of engineers who are making their proposals to the local jurisdictions. Is the Rural Development department in that advisory committee part of that advisory group specifically and only for the benefit of economic development for rural Manitoba, or are they there to endorse the proposed plans? If they are there to also endorse the proposed plans, how can the minister—my question I guess would be: why would the department be getting involved in being a part of an endorsement committee instead of an advisory committee, as far as whether economic development would benefit in that rural community, whether the proposal is beneficial or not to the area?

Mr. Derkach: It is quite clear under the act today that in fact the final decision is that of the municipality, it is not that of the department. We will provide advice. Our committees will review plans and they will send them back to a municipality outlining the advice or the caution or whatever advice might be required. It is not a committee of the department alone; it is a body that is made up of individuals from several departments who

sit on the committee and then give their advice to the—well, it is either the planning district or perhaps the municipality.

Mr. Clif Evans: What the minister made comment on—I wanted to raise an issue, and I do not know if I did raise this with the last Estimates. When he says that it is the municipality's jurisdiction to make the final decision on the proposal, but what we see is that there is in place and it did occur in one of my jurisdictions in my constituency, where the decision to change the conditional use by-laws on a specific proposal and wanting some time to implement it and going through due process, they were threatened with lawsuits. Individual councillors were threatened with law suits.

I cannot understand, if the minister says, well, it is up to the municipality to make a decision on a proposal, then it should also be up to them to implement any type of changes that they may want without any kind of a cloud of a lawsuit being put in place. As such, the changes were not allowed to go through at that time, and the proposal went ahead without really a finalization of the planning district. What I am trying to say is that Rural Development, if it is their advisory committee or an advisory part of their committee, I am not sure whether the jurisdiction came to the Department of Rural Development and asked what position it was being put in and if that position would get any support from the department as far as The Municipal Act and as far as what the municipality wanted to implement.

So it just seems that perhaps in some areas, there is a shadow that is over some of these municipalities that perhaps want to support and endorse a proposal. I am not saying that they were against the proposal. I am just saying they wanted more time. This goes back a couple of years when there was the proponent threatened through letter with a lawsuit to individual councillors. So, when you put people in a position like that, how can councils make a decision that will benefit their rural area and their economy and support the proposal when they are not being allowed to go ahead with doing what they wanted to do?

* (1510)

Mr. Derkach: Mr. Chairman, we review projects or plans from a technical perspective, or the committee

does at least, and the advice given back to the municipalities. Now we also encourage municipalities to use their own legal people, and that does not say that they will not be challenged by a lawsuit from a proponent. I mean, that can happen at any time, but we simply give them the best advice that we can give them based on the information that we receive.

We encourage them to seek legal counsel of their own, and then they have to make the decisions after that time. Certainly, they are always open to legal challenge by a proponent if that proponent wants to do so, but that does not mean we have instructed the proponent or we have encouraged the proponent or any such thing with regard to a proposal. We simply give the municipality some professional advice and professional, I guess, overview of a situation and then allow them to make their decisions from there.

Mr. Clif Evans: Can the minister explain under the Activity Identification paragraph: “Represents rural Manitoba and municipal government interests in interdepartmental and intergovernmental forums”—is that the Rural Forum that the minister is talking about? What is the interpretation of those activities?

Mr. Derkach: Mr. Chairman, I am not sure whether I am following the member's question correctly, but if he is referring to the Interdepartmental Planning Board, this is a board that is made up of senior officials from departments who look at various issues that come before them. Then, because they are made up from different departments of government, their advice goes to the Provincial Land Use Committee of Cabinet who would then deal with the issue. I chair the Provincial Land Use Committee of Cabinet. So the advice would come to that committee. The committee would then make their recommendations to cabinet and to government.

Mr. Clif Evans: I thank the minister. That was the next line I was going to go to. This Activity Identification says: “Represents rural Manitoba and municipal government interests in interdepartmental and intergovernmental forums.” Forums. So just exactly how does the department, what role do they play under that Activity Identification?

Mr. Derkach: Well, Mr. Chairman, as a department, our role is to be advocates for our clients in rural

Manitoba, whether they are municipalities or whether they are, in fact, economic development groups across Manitoba. It is our responsibility to represent them or to advocate for them before other departments or before other government agencies or government functions. So, whether it is at the provincial level or even at the national level, our role as a department is to be the advocate for the people that we are supposed to speak for, and those are the various agencies, organizations in rural Manitoba.

Mr. Clif Evans: I thank the minister for that.

Now the minister in his previous response referred to the Interdepartmental Planning Board. It also states that the department—and I guess the minister, as he said, serves as a secretariat function to the Provincial Land Use Committee of Cabinet and the IPB and carries out their directives. Can the minister indicate what type of directives would come from these two committees, and does the PLUC committee deal with all aspects of land use, whether it be through the Department of Agriculture with Crown lands, or the Department of Environment, or exchanges of lands? What is the role of the PLUC with Rural Development involved?

Mr. Derkach: Mr. Chairman, this is the committee that would deal with issues like provincial land use policies. We would deal also with appeals that may come before the board from individuals who may wish to purchase a piece of land but have been denied, and they would come to this department, because it is Crown land. They would come to this committee, not this department, with their appeal, and their appeal would be heard at this committee. This whole area of provincial land use policies is both dealt with at the official level or the staff level through IPB which brings together officials from a variety of departments who then make their recommendation to the Provincial Land Use Committee of Cabinet. I might add that the IPB group is chaired by my deputy, and the Provincial Land Use Committee of Cabinet is chaired by myself.

Mr. Clif Evans: So the PLUC is there, as the minister said, to deal with any problems that might arise out of application, or does this committee deal with land that may be taken away for whatever reason from them? What else does it exactly deal with besides the appeal process of making sure that somebody has been turned

down, that they have the proper appeal process to go? Also, I would appreciate knowing who else sits on this committee, on the PLUC committee.

* (1520)

Mr. Derkach: Well, Mr. Chairman, an example of the kind of functions that are undertaken by this committee, and I would like to refer the member back to the review of the provincial land use policies that were done in 1995-96, I believe—[interjection]—'94, I am sorry, back in 1994 where the proposals were put before the Provincial Land Use Committee of Cabinet, and from there, after having been reviewed by this committee and recommendations made, the initiative did go to government for final endorsement.

So it is a clearinghouse. It is a way of getting people around the table who come from various departments that have some interest in these issues to be able to put their heads together and determine what the best way to resolve an issue or issues may be or what best approach can be taken.

The membership on the committee is—as I indicated to the member, I am the chair of this committee. We have the Minister of Environment (Mr. McCrae), the Minister of Northern Affairs (Mr. Newman), the Minister of Urban Affairs (Mr. Reimer), the Minister of Natural Resources (Mr. Cummings), the Minister of Agriculture (Mr. Enns), the Minister of Highways and Transportation (Mr. Findlay), and the Minister of Industry, Trade and Tourism (Mr. Downey).

Mr. Clif Evans: Mr. Chair, then this committee, chaired by the Minister of Rural Development, does this committee hear complaints of how land may be or may not be used within an area leased by anybody, owned by anybody? Does anything such as that go before this committee in dealing with these types of complaints, or is it strictly and specifically a committee that deals with people getting turned down in requesting that they purchase land?

Mr. Derkach: Mr. Chairman, the appeals that the committee deals with are appeals that relate to either leases on Crown lands or perhaps sales, potential sales of Crown lands, and then those recommendations go forward to government, but it also deals with the

broader issues of land use policies and those are basically the major functions of this Land Use Committee.

Mr. Clif Evans: So then the committee could deny a proposed purchase of land saying that what they plan on doing on the land that they are wanting to purchase does not fall into the broad land use scope of government; so they could be denied. If they are not operating the land in a sustainable way, can the land be taken away under this committee? Can it be suggested to the government or to the department that it can be taken away?

Mr. Derkach: Mr. Chairman, we have never faced an issue where we have had to consider taking land away from someone who is leasing Crown land, but usually staff in the departments would deal with the individual on a one-to-one basis. If there are problems, those are usually dealt with far before they get to the committee. What the committee would do is hear when there are changes required to land use policies. We are a policy group; therefore, we would hear those.

In addition to that, this body is also an appeal for someone who disagrees with a decision that is made by the IPB or by the staff in the field and wants to appeal a decision. As an example, if in fact an individual who has been leasing land applies to purchase the land, and, for some reason the department, after looking at the situation, recommend that the land not be sold and that decision is given back to the proponent, the proponent may in fact wish to appeal that decision. So his appeal or her appeal would then go to the Provincial Land Use Committee and then be heard. But that is just one function of the committee, and certainly there are not a lot of those that come before the committee. The committee deals with broader issues and, as I indicated, the one that is before us from time to time is the issue that deals with provincial land use policies.

Mr. Clif Evans: So the minister is saying someone could hypothetically, as he is saying, make a point of someone leasing and then wanting to purchase. In the process of looking over the proposal to purchase, if there was anything in that from either one of the departments that it should or should not go, or should or should not be, then this committee would undertake

to resolve that and approve or not approve the potential proposed wish to purchase.

Mr. Derkach: Mr. Chairman, this is not a board that operates in isolation. We do rely heavily on the advice that we receive from the staff in the various departments that have a direct interest in an issue or in the decisions of this board. So, before a decision is rendered, it is certainly one that is researched carefully. We rely on the advice that comes before us from our staff. Then we also consider the proponent's view, and someone has to make a decision in the end. Our decisions, as I indicated, go to government and then they become law.

Mr. Clif Evans: So, if there is any type of dispute or problem within the proponent's proposal of purchasing, each department that would be involved would make the recommendations or advise the committee of what has been transpiring and going on. So, if there was any one of the departments that let this committee know about the proposal, have a problem with, would this committee, then, and its decision go and be made available to saying, yes, it is okay, the proponent is doing everything that he is supposed to be doing, however there is this problem or that problem? Does this committee refer it back to the proponents, say, look, this is what we are understanding is happening and this has to be corrected, or that has to be corrected, before we will hear your proposal to purchase? Would this committee make the decision, and after this decision is made, does this then go on to the Department of Natural Resources for the administration part of the purchase of land?

Mr. Derkach: Mr. Chairman, when a matter comes before the board, certainly we seek advice from the people within our departments. It may mean that sometimes we may require more information on a particular issue, or we may want to ensure that perhaps some of the habitat is protected in some way, and for that reason there may have to be further discussions and caveats that might have to be agreed to with regard to a piece of property, if it is highly susceptible to erosion, or if it is a particular wildlife habitat. Those circumstances vary from case to case, but in all cases, we certainly do consult with staff and also take advice from the outside, because we do not want to simply

take one point of view. Our responsibility is to try and act on matters and issues in a fair and impartial way.

* (1530)

Mr. Clif Evans: I thank the minister for comments on that. Can the minister indicate what efforts that will include rural telecommunication and information highway initiatives, can he explain what is his department's role in providing and getting those results, some of the programs that are available, if there are, or what initiatives is his department taking to provide these and support rural telecommunication and information highway initiatives?

Mr. Derkach: Mr. Chairman, with regard to the whole area of telecommunication and better usage of the technology that we have available to us, this branch or the department did in fact, with the advice of the Rural Advisory Committee and their participation, we did sponsor a workshop in Winkler last fall with regard to the Internet. We did one in Dauphin as well. Since that time, we have had requests from other communities to hold those kinds of workshops to assist their citizens in the use of the Internet. In addition to that, I guess staff in my department do participate with the committee that is structured to ensure that rural communities have access to the whole area of telecommunications. So in that regard, we are involved. We promote Internet awareness to rural communities, to our municipalities, and we also work in conjunction with the Department of Education and Training and the MERLIN group as they put facilities and put the infrastructure in and make sure the programs are available to educate people on the use of the technology that is available to them.

Mr. Clif Evans: Mr. Chairman, is there money available through the Department of Rural Development for this initiative, or is it just an advisory and support that the department provides?

Mr. Derkach: We provide a limited amount of support for the workshops, the Internet workshops. We did provide some support to Winkler and to Dauphin and in the program where the federal government has provided the \$25,000 to communities to get hooked up to the Internet and to provide the servers, we provide the in-kind support. We do not provide any cash for those projects and that program. So the amount of support

financially that is given from the department is limited, but it is very important because it does allow, for example in those workshops, communities to come together to pay for some of the costs that they incur to put these on.

Mr. Clif Evans: I encourage the minister's department on that item to be a part of that process, and hopefully I do support that rural telecommunications and the initiatives that have come forth that have been brought to my attention in the past year or two to expand their availability of having the information highway available. Telecommunications is an important aspect for rural communities. I hope that we can expand those workshops to larger areas and more centres as it becomes available to them.

Can we deal with the natural gas issue in this line?

Mr. Derkach: It does not really matter. We can deal with it here or we can deal with it under Infrastructure. If the member wishes to ask questions of a technical nature where we need some information from staff, they will be available at that time.

Mr. Clif Evans: I have a few questions on the expenditure side of this department, this line. Can the minister just indicate what the line transfer where—1997-98 Expenditures, we had \$12,000; this year there is nothing. Can you just indicate what that line refers to?

Mr. Derkach: This branch was created just a few years ago, Mr. Chairman, and has been a very active one since that time. Because of the increased activity that is taking place within this department, there were some funds necessary to carry out those activities, and so the \$12,000 that the member refers to is money that is transferred from other areas of the department to this particular branch.

Mr. Clif Evans: Under other operating, it is a \$12,000 item, 12.9, almost \$13,000. It has gone up a few thousand dollars, but under operating, with this specific line and this specific department, what does that entail and what are the costs that would be undertaken under other operating? Would that include any kind of computer equipment?

Mr. Derkach: Items that would be included in that are such things as publications, seminar fees, accommodations for staff who might be travelling on work. So it is a variety of miscellaneous expenditures that would be captured under that particular expenditure.

* (1540)

Mr. Clif Evans: Would publications include this publication on the Rural Forum?

Mr. Derkach: No, that is covered under a different area.

Mr. Clif Evans: What area and how much?

Mr. Derkach: That brochure is paid for under our forum budget, and the cost of that was about \$1.36 per brochure or per booklet. We produced 25,000 copies of the magazine, and the total cost of that is about \$34,000.

Mr. Clif Evans: For this year it has a lot of good information, and it has some nice pictures, and it details everything out quite well. [interjection] Well, yes, there he is smiling as ever, yes, of course.

I think the minister knows that I have been a very interested party as far as attending the forum and trying to be a part of it as much as I can to see what is going on and how things are developing for our rural economy. I do not know what questions the member for Swan River (Ms. Wowchuk) asked on the Rural Forum, specifically.

Can the minister, to this date—and we are only a few weeks away from the Rural Forum—just indicate this year how many exhibits and people he hopes to be participating? Has he got a consensus already of approximately what we might be seeing this year as far as participants and what he is hoping for as far as general admission and interest throughout the province?

Mr. Derkach: I did address part of this with the member for Swan River (Ms. Wowchuk), but I am happy to do it again. We are anticipating about 350 exhibits this year. That is up from last year. There are registrations coming in as we speak, and that is up over

last year at this time, so we are ahead of last year. We are expecting 500 youth at the forum this year. Once again, that is up and ahead of last year.

The participation from others is also up. We have people who have registered for the forum from the Northwest Territories, from northern communities. We have several provincial ministers who have indicated that they will be attending, including a minister from the Northwest Territories. We also are expecting a federal minister to be present at the forum from the indications that we have received to date. So all in all, it looks like the participation level is going to be higher than it was last year, at least the interest at this point in time seems to indicate that at this time. You know we are still a couple of weeks away, so we are expecting that there will be others and more registrations coming in as we get closer to the event.

We have in the participation of the forum, some excellent partners. One of the ones that I must make mention of is the Community Newspapers Association and the community newspapers of Manitoba who have taken a very keen interest in the partnership in the forum. That is very encouraging because it is another way of sending the message back to communities around this province about what really takes place at the forum and the kind of networking opportunities that are available and also the celebration of the successes of rural Manitoba businesses throughout the province.

Mr. Clif Evans: Mr. Chair, I look forward to attending again this year. I wonder if the minister, and I am sure he does—we have discussed the Rural Forum over the past couple of years and what I thought perhaps was lacking—whether the minister's department approached—and I talked about the community colleges being involved, but also the labour end of it in having something available so that our young people in Manitoba can also not only just look at an entrepreneurial side of things, they have to look at an education side of it. I know there are education forums also where you have the opportunity to see how trades and such are an integral part of our rural economy, you know, construction trades or carpentry, et cetera. It goes on and on. We feel on this side it would be good to also have those as a partner within this Rural Forum. I mean, it is for the whole scope of our young people to

see just what is out in the world besides a restaurant or a gas bar.

The minister understands what I am saying because we have discussed it. Has there been anything that we can look to this year? Was there an opportunity to approach our labour people to providing booths at the forum?

Mr. Derkach: As the member knows, we do have participation from the Union of Manitoba Municipalities who certainly have their display there, and their participation is there. We have representation from Brandon University, Keewatin Community College, Red River, Assiniboine Community College. They are all invited to participate in the forum. Through the training that they provide at their colleges, certainly, that element is present in the forum.

In addition to that, we have reached out to the city of Winnipeg, people in the city of Winnipeg, and we have asked them to become involved in the forum as well, so we do not turn anyone away from the forum. If there were plumbers or carpenters, and there are, who want to display or put up displays, we certainly welcome them and encourage them to participate.

Mr. Clif Evans: A final question on the forum. This booklet itself you said cost \$34,000—for the total cost of \$34,000. Can the minister just indicate who did the printing, what company did the printing?

Mr. Derkach: Just a minute, please. The printing of that magazine was tendered by Information Resources Division of the government, and the printing went to Print Crafters out of Winnipeg. The design went to George Taylor, Taylor George of Winnipeg. Is it George Taylor or is it Taylor George of Winnipeg? I am not familiar with these, I am sorry. And the mailing went to Dicom of Winnipeg.

Mr. Chairperson: The honourable member for the Interlake, are you ready to pass?

Item 13.3. Small Business and Corporate Planning Services (a) Corporate Planning and Business Development (1) Salaries and Employee Benefits \$639,200—pass; (2) Other Expenditures \$93,200—pass.

Item 13.3.(b) Small Business and Community Support (1) Salaries and Employee Benefits \$207,500—

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: Item 13.3.(b)(2) Other Expenditures \$58,900.

* (1550)

Mr. Clif Evans: Mr. Chair, I had indicated that I would pass Corporate Planning and Business Development and then recess for 10 minutes and then continue. If that is all right with the minister, the department and the Chair.

Mr. Chairperson: Yes, that is what we will do.

Mr. Clif Evans: No, you said going on to 13.3.(b).

An Honourable Member: You do not want to pass 13.3.(b)?

Mr. Chairperson: Well, do you want to take a recess now, then?

An Honourable Member: Yes.

Mr. Chairperson: Is it the will of the committee to take a recess?

An Honourable Member: After passing 13.3.(a).

Mr. Chairperson: We did that already, 13.3.(a), we have already passed. That has already been passed. We are up to 13.3.(b)(2)—somewhere in that area. [interjection] We did not pass (1)? We are dealing with (b)(1).

Recess 10 minutes.

The committee recessed at 3:52 p.m.

After Recess

The committee resumed at 4:08 p.m.

Mr. Chairperson: Item 13.3. Small Business and Corporate Planning Services (b) Small Business and Community Support (1) Salaries and Employee Benefits \$207,500.

Mr. Clif Evans: We are under 13.3.(b). Can the minister just tell us some of the programs and some of the initiatives that this part of the department deals with?

Mr. Derkach: Before I answer the question, I would just like to introduce the Director of Small Business and Community Support Branch, Mr. Paul Staats, who has joined us.

Mr. Chairman, this particular branch of the department is to assist the department with marketing opportunities and information presentations with regard to programs that the department provides, the services that the department provides, and also to ensure that Manitobans understand what areas of the department are all about, such as the Food Development Centre, which is an important part of the development, especially on the economic development side, specifically as it relates to the value-added side of economic development.

This branch also co-ordinates, on behalf of local communities and small businesses, with various government departments, whether it is Agriculture or whether it is I, T and T, between these departments and the private sector, and in addition to that they have been delivering marketing seminars, marketing services to rural Manitobans.

During Small Business Week, this branch was instrumental in assisting communities to put together marketing and business development seminars throughout the province. This was the first time that we did this. These seminars were attended by many small businesses in the province who certainly found it to be enriching and rewarding in many aspects, because they were able to network, they were able to look at their own business in a critical way and to help their own business to meet their needs as they enter into a competitive market. There were MLAs who were in attendance at these seminars. I believe the MLA for Dauphin (Mr. Struthers) was present at the Dauphin seminar when we were there.

So these are just some of the highlights, if you like, or some of the major areas that this branch is involved with, Mr. Chair.

* (1610)

Mr. Clif Evans: The community round tables, is that part of this leg of the department, or does it just assist in getting community round tables together with other agencies and groups to work together to see how they can make their rural area and community as a whole deal with all sorts of issues, bringing businesses in, providing support for small businesses? Is that part of it, or are community round tables just a specific other portion of the department?

Mr. Derkach: The branch really works with several areas within the department, and the round tables are one area where the branch provides information or supports the round tables in terms of any information that they require, and it puts together the community round table report, the annual report that is put together for them. Basically, it is the marketing arm of the department, Mr. Chairman, that looks after making sure that the communication between various aspects of our department and other departments is there for the private sector.

As the member knows, we put together the community—it is not the newspaper, it is Rural Development's newsletter that goes out to the communities. We do that several times a year to ensure that rural Manitobans know what is going on in their part of the province with regard to new businesses starting up, new opportunities that might be available, programs that are being developed in various departments of government and also to highlight some of the success stories that are present in rural Manitoba. As a matter of fact, the next issue of the Rural Development's newsletter is due in the latter part of this month before the Rural Forum.

If I might add to that, Mr. Chairman, we also do the production of the CD-ROM presentation profiling the department's programs and initiatives. I think the member probably has a copy of it. I think we delivered one some time ago to the member with regard to programs and initiatives that take place in the department as well.

Mr. Clif Evans: No, I do not recall seeing a CD-ROM of any kind. I would be interested in receiving it. It would not do me all that much good as far as the ROM itself goes. I would have to get my son to do the rest of it just to be able to see it, but I would appreciate getting a copy of it. I do apologize to the minister in saying that I have not seen it nor a letter of any kind promoting it.

While I have the floor, if the minister can just also indicate about—did we discuss this departmental radio show last year? My memory does not serve me correctly. Did we deal with it last year?

Mr. Derkach: Yes, we did, Mr. Chairman. I will indicate to the member now that I would be happy to share a copy of the CD-ROM with him if he does not have one. I was sure that we had forwarded some over to him and his colleagues, but I will make sure that he has one just as soon as we can get one.

Mr. Clif Evans: The radio show, can the minister just indicate to the House what this radio show has been doing in the past year or what its mandate is besides its production and advertising co-ordination? Where is it on the radio dial?

Mr. Derkach: Mr. Chairman, they were just 90-second vignettes, I think, of success stories in rural Manitoba, and they ran, I believe, on most of the rural radio stations last year—on all of them. They were designed to promote the successes of rural Manitobans in the area of small business. They featured direct commentary from small businesses, from community leaders, from community people about the successes of small entrepreneurs and businesses throughout the province. We will be doing a similar kind of thing this year, but it will run in the latter part of May.

Mr. Clif Evans: What the minister is saying is all the production and everything is done by the department, or is it like an advertisement, purchasing advertisement time on your local radio stations? What is the cost of this production?

Mr. Derkach: Mr. Chairman, the work is tendered out. It is not done in-house. It is tendered out through the information resources department. Staff from our department do assist and do the co-ordination of it to

ensure that the message is in fact the one that—or at least the intent of the programming does not change from what we anticipate or what our objectives and our goals were, and the cost of this is somewhere in the neighbourhood of \$34,000 to \$35,000 a year. It runs for, I am told, 10 weeks on all radio stations.

* (1620)

Mr. Clif Evans: Some \$34,000 to \$35,000 for 10 weeks. Is that a consecutive 10 weeks, or is that a couple of weeks here and a couple of weeks there? It would seem, I mean, we are putting out money, and I have no problem in having someone tell me about a success story in rural Manitoba, no matter what kind of a success story it was, but is there no other way that we might be able to let the people of Manitoba know about some of the successes in a lot cheaper, cost-efficient way than going on the radio for 10 weeks at that amount of money? I am sure there are other media or there are other ways of letting the people know if it is just someone coming on telling their story. I am not being critical of the concept. I am being critical of the price.

Mr. Derkach: Mr. Chairman, the programs run daily for the 10 week period. There are two or three spots per day on all rural radio stations. These spots also promote programs that the Rural Development department has. Now, it is probably, if you calculate the number of times that Manitobans hear these throughout Manitoba and the number of times they are run, it is a fairly inexpensive investment overall because of the exposure that we receive from it.

But we also do other things, an example being the Rural Forum. It is another example of promoting what it is that happens in the province. It is a celebration of the success stories. It is an opportunity to network. It is motivating others to get involved in the whole area of economic development and community development and in making sure that their communities do grow.

We also use the Rural Development newsletter to talk about the success stories and some of the programs that we have in our department. If the member recalls a few years ago, Mr. Fred McGuinness began writing the Bootstraps series, which were basically anecdotal

stories of successes in Manitoba. So that is another medium that we use.

We also use videos which are produced for the forum and for use in schools and by economic development groups, by councils, by whoever wants to use them, for making sure that the message about not only programs but also about the success stories of Manitoba are heard, because it is through this medium and through this way that we are able to motivate other communities, other entrepreneurs to get involved in economic development, to get involved in community development, to make sure that their communities, in fact, continue to be sustainable and grow.

Mr. Chairman, if I might just add, I have three copies of the CD-ROM that we spoke about, and I would like to share them with the member at this time.

Mr. Clif Evans: No, I can honestly say that I had not seen this before today, so I appreciate it, and I will get my son to come and hook it up, so that I can see what is on it and maybe make comment after that. I do not know how to turn the machine on, so it does not matter.

The minister talked about the media and how we can relate to all Manitobans about the programs available, the success stories and that. Is this information also available on the Internet?

Mr. Derkach: There is too much material there to load onto the Internet, but we have the information available, and if people wish to write to us, we would certainly be more than happy to share it with them and to send it to them so they can use it on their own equipment. That is available from the department at any time.

Mr. Clif Evans: Just one last question on this line. The Estimates points out that marketing assistance to small businesses, as the minister had mentioned, increased the likelihood of success for the ventures of rural entrepreneurs, and I would appreciate some of the successes, if the minister could indicate to us just what are some of the successes that this branch of the department and its input has provided to some of the small businesses, if he could give me some examples today, that, knowing the situation, would specifically encourage small businesses in the communities that I

talk to to undertake to go to the Rural Development department.

Mr. Derkach: Mr. Chairman, at the end of March, we had 274 REDI projects approved and 78 REA projects approved and active. In total, the projects approved to date have been 392. We still have a number of projects that are under review, and that goes on almost constantly.

Now, if I were to take a look at some of the projects that have taken off or are being acted on right now, and these vary from Grow Bonds to REDI projects, but let me just use a couple of examples here. If we look at the Triple S Community Futures, for example, they received some support for looking at a variety of business opportunities in their particular area. We have somebody called Red River Equipment Incorporated, and I do not know these projects offhand. They are from Steinbach. They received some support for expansion of their business. We have Winkler Meats as another example of a business that received support to expand their business. We have Falcon Trails Resort at Falcon Lake that received some support to further develop their resort.

It goes on to larger plants, whether it is plants like McCain Foods or whether it is Crocus Foods or some of these operations which have received assistance from us as well. Rimer Alco is another company. I know the member has heard something about that as well. We have a telecommunications centre in Killarney that received some assistance. We have the grain processors association from Shoal Lake that received some support from us as well.

I can go on and on, Mr. Chairman, but there are companies, in fact, that are operating in our province which have, in fact, received support from us and are operating quite successfully in the province.

Mr. Clif Evans: Support as far as, for example, ABC company out of Riverton was looking at expanding. The product that they have is a very good product. They want to let people throughout the rest of Manitoba know. Is that the type of support, the marketing end of it, that the minister is talking about, or can the ABC company of Riverton, Manitoba, come to the department of rural Manitoba and get financial support

as well? That, I believe, would fall under a different category.

The minister mentioned marketing, and marketing is the feasibility of a product being sold and being marketed throughout so that they can expand. Is that what the minister is saying as far as support goes? So this part of the department is a marketing agency for small businesses in rural Manitoba.

* (1630)

Mr. Derkach: Mr. Chairman, as a matter of fact, we do both. This branch does assist companies with marketing. I am told that to date some 20 corporations or companies have received some specific help from our Marketing branch to help them with the marketing of their product. We work in conjunction with their companies, with customers, with clients, to help promote products in our province that are made by these companies.

In addition, these companies sometimes do also receive assistance through our Feasibility Studies Program or our support programs, whether it is REA, or it could be a Grow Bond company and that sort of thing.

There is a marketing book that was produced. We are on the second edition now, and apparently it will be ready around the 24th of April, so our branch is very active, very involved. Mr. Chairman, the member opposite does know about the peat moss operation in his area, and there has been some assistance given to them. But, if you look at our total support, if you look at, for example, the Community Works Program which is our latest program in the whole umbrella of programs here, we have 36, I think, applications have been approved to date, totalling some \$2.2 million. We also have in the Grow Bonds area, if you look at the number of projects that were approved, there were 21. The impact of employment as a result of these is somewhere in the neighbourhood of 500 new jobs in the province.

If you look at the employment numbers as a whole, the total employment impact as a result of our programs is somewhere in the neighbourhood of 2,560 without the youth, because there were some 3,400 youth jobs created as a result of the programs that are offered by

the department. So for rural Manitoba this has been a very positive and a very direct impact on their communities and their community development.

Mr. Clif Evans: I appreciate some of the minister's input as far as some of the programs and we will have the opportunity to go into detail on them later, but what I am basically asking and/or making comment to is that this part of the department, its main mandate is to assist our small businesses in rural Manitoba in marketing their products so that if the marketing is successful, then, of course, they can expand.

So what I am saying is and my comment was that this branch of the department is a marketing agency for our small businesses in rural Manitoba. The minister mentioned a book of some sort, and a second edition coming out. I wonder if he might elaborate on that, and is that book available for me to see?

Mr. Derkach: One of the, I guess, more common comments that came back to us during earlier forums was that although people had an ability to produce some of the nicest and the finest products, one of the areas that they were having greatest difficulty in was on the marketing side. It is for that reason that this branch was created, and it was to assist businesses to get their businesses off the ground in the area of marketing, to be able to teach them how to market their products, how to approach the market and I think it has been very effective.

Of course, there is always more needed, but with the skeleton staff that we have in this particular branch, it does not allow us to do as much as we would like to do, but nevertheless I think that we are dealing with the situations as they come to us. I think the results have been very, very positive to date.

Mr. Edward Helwer, Acting Chairperson, in the Chair

Mr. Clif Evans: I want the minister to understand, I am not criticizing this. I am saying that there are and to have something like this available is a positive, because, you are right, with really three people, I believe there are four people in that department, and like the minister said, you have a lot of small businesses in Gypsumville, Manitoba, that do not have the expertise and the time to be able to market northern

knowledge to be able to go out and say, well, how can we market or get our widget to go out into the southern half of Manitoba or into Ontario without the opportunity to be able to know the avenues and how to market them.

I mean, a lot of people start up businesses and focus themselves specifically around just one little area and are happy with that, but if you have got a good product that you want to get out, I think it is an important facet of the department that would be able to provide that information and teach them basically how to go about it and have an open door for them. Instead of expanding in a five-mile radius, expand in a 500-mile radius.

No, I do not have a problem with that and support it. Hopefully, it will benefit, not just the companies that the minister mentioned through Grow Bonds, because those are already larger establishments, companies who are already on a larger scale who have been through the marketing part of it. It is the smaller ones that we should be dealing with and assisting on that.

Mr. Derkach: I would have to say and compliment the staff in this branch, because they are an extremely busy bunch even though there are only four of them. At the Forum 98, there will be a marketing seminar and, again, it is designed to help the small businesses with their marketing plans. They have put together a variety of materials for marketing. As I indicated to the member in my previous answer, there is something called Fifty Great Marketing Tips: A Consultant's Directory, which is based on the experiences of rural businesses and other marketing information that will be presented. So this entire package is going to be distributed to all seminar participants who will be at the forum this year. So this is again a new approach that is being taken by this branch. I have to say, I am sometimes amazed at how much they can cover in terms of this broad spectrum of responsibilities that they have regarding communication and marketing.

* (1640)

Mr. Clif Evans: With the minister's comments on that, we have to focus. I would support it totally, a focus on the fact that we have many smaller businesses that make up the rural communities. Not all communities

are fortunate enough to have fairly large industries within their scope and their jurisdiction, so the marketing of a product and the marketing of individuals or a corporation or a company are very important and are getting to be more important. With the availability of media, with the availability of the Internet now, a lot of these small businesses in small communities cannot access those types of marketing situations that they can use because of funding and that. So it is important that we deal with our smaller businesses.

Hopefully, if you can get a percentage of small businesses that come to the department to get assistance in how to market their products, it would be a tremendous benefit if that marketing availability and for the company to go market itself would in fact create a job or two extra because of the more business being brought in through a good marketing plan. Being in business for many years myself, I know that it is not always easy to market a product or market yourself without the proper knowledge and know-how. I would say that is probably one of the tougher focuses, tougher parts of a business, to be able to market what you have so that you can expand, so that you can be successful. To be successful and employ people within your community is a tremendous asset.

Mr. Derkach: Certainly I appreciate the comments of the member. I would just like to present him the first pamphlet or the first booklet of Marketing Basics, and the second one that I spoke about will be out at the end of this month.

The Acting Chairperson (Mr. Helwer): Item 13.3.(b) Small Business and Community Support (1) Salaries and Employee Benefits \$207,500—pass; (2) Other Expenditures \$58,900—pass, for a subtotal \$266,400.

Resolution 13.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$998,800 for Rural Development, Small Business and Corporate Planning Services, for the fiscal year ending the 31st day of March, 1999.

Mr. Chairperson in the Chair

Mr. Chairperson: We will move on to 13.4. Local Government Services (a) Executive Administration (1) Salaries and Employee Benefits \$116,800.

Mr. Clif Evans: We are at 13.4.(a), are we?

Mr. Chairperson: That is correct.

Mr. Clif Evans: Did the minister need staff for this?

Mr. Derkach: We have with us at the table, Mr. Chairman, Mr. Ken Graham, who is the Provincial Municipal Assessor, and also Mr. Roger Dennis, who is the Executive Director of the Local Government Services Division.

Mr. Clif Evans: A few questions on Executive Administration. This arm of Local Government Services, would this arm of the department deal with municipal complaints from people within municipalities on how the operation is being run? What normally is the process for complaints? Writing, phone calls? What normally occurs? I know that I have brought issues to the minister's department. Would this specific part of the department deal with those types of issues?

Mr. Derkach: Yes, Mr. Chairman, that is correct.

Mr. Clif Evans: With the new Municipal Act coming into play, and I am sure there are issues out there in local municipalities, can the minister indicate—it might be a difficult thing to answer—how many new issues has the minister, since the act has come into play, you know, with the municipalities now becoming more accessible to their local jurisdictions, local people, what type of issues does the department receive in complaints about municipalities, let us say, in the past year?

Mr. Derkach: We have a few, Mr. Chairman. The staff do keep track of the issues as they come forward. I am told that there are about 156 times when individuals, municipalities or whoever it might be, have contacted our local Government Services area, I guess, to talk about issues that they are either unhappy with, they want further explanation on, or something of that nature.

Mr. Clif Evans: I know that in the past year, the new Municipal Act has at times made my job a little easier. I say that because people were always coming to me, since becoming Rural Development critic four or five years ago, with issues from within their own

municipality and not undertaking to do what they thought should be done or how it was handled. Previously, I always referred constituents or anybody else that would call me throughout the province when dealing with a specific municipality of any in the province or jurisdiction to Mr. Dennis and to his staff to deal with.

I must say that I have not had as many in the past year, year and a half, as I did previously, people coming directly to me. That is why I wonder if the load of complaints and such has come down in the past year or so with the new act because, as I have said, I have made comment to those who have a complaint and who want to take it to the Department of Rural Development ask me what due process should be. The one thing I do say to them is that really—and I want the minister to correct me or staff to correct me if I am wrong—that under the new Municipal Act, the people in the community have a lot more of a say and the local elected officials have a lot more to be accountable to their local constituents. So I am just making comment in asking whether the department's complaints about their municipalities from people across the province have come down, or are they basically on an average the same?

* (1650)

Mr. Derkach: As the member knows, that was a fairly significant piece of legislation that was passed with regard to The Municipal Act. It also called upon some specific types of action from the communities especially when it involved changing from, for example, the LGDs to municipal status, from the various categories of municipalities down to basically two, the urban and the rural. So there were significant changes in The Municipal Act. When you consider the impact of The Municipal Act and the fact that we now have a more advisory role rather than a hands-on or hand-holding role, I would think that based on the complexities of the initiatives that were undertaken in The Municipal Act, we did not have, relatively speaking, a large number of complaints or issues that were raised.

We have now a system of local government that is more open, more accessible, more accountable, and I think all of those things were very positive for the communities and the people that they represent. So based on all of those issues that were addressed in the

new Municipal Act, I was almost amazed that there were so few challenges or complaints or disagreements with what was passed in the act.

Mr. Clif Evans: I appreciate the comments, and I am pleased to hear that there is not that amount. We are aware also that now the Ombudsman is in place dealing with issues—I do not know how many issues have gone to the Ombudsman, and what I am also asking is if an issue goes to the Ombudsman, does it go through the department directly to the Ombudsman and then to the department? How is it dealt with when there is an issue in place that requires the Ombudsman's input as far as an issue goes?

Mr. Derkach: Mr. Chairman, the concerns or the questions or the issues go directly to the Ombudsman. They do not come through our office. We are informed about them from the Ombudsman's office in terms of what action is required on our part if, in fact, there is some action required. So that again is another element that was new in the new Municipal Act. So far it has been working very well, and we hope that part of it continues as well.

Mr. Clif Evans: Mr. Chair, I hope that the minister also does not think that because the Ombudsman is now in place for rural development or in the rural areas, that it is still the responsibility of this department, The Municipal Act is still under this department, and whatever he says that it goes directly to the Ombudsman.

My question is: if it cannot be dealt with directly with the department on a complaint and it has to go to the Ombudsman because it is not being dealt with, is that what we are finding or are people saying, well, instead of going to the department we are going to write to the Ombudsman and have him do an investigation, where in fact they probably should be, No. 1, dealing with their own municipality on it firstly and foremost, and then dealing with the department heads and the support staff that the department has pertaining to The Municipal Act into the conduct, into the management of a municipality or jurisdiction, and the Ombudsman, I would feel, should be a last resort.

Mr. Derkach: Mr. Chairman, the Ombudsman's office is just another opportunity or another vehicle or another

way in which a citizen can gather or gain information that is required by him or her that he may not be able to get through the municipality, but certainly in all cases, the first step, if you like, is to go to the municipality and to try and get the information that you require from that source. Then they can go to the department, but failing that, failing being able to obtain information from either source, they now have the extra step, if you like, before they have to incur a large cost through courts and that sort of thing to go to the Ombudsman and have the Ombudsman on their behalf research and act and get the information from government. Now again, in some cases, the Ombudsman may not see fit or may think that this is not an area that the Ombudsman should be involved or should act, and he will advise the individuals of that at the time.

Mr. Clif Evans: Mr. Chair, I think I would encourage, and I hope the minister would encourage, that short of having to go to the Ombudsman, and depending on the type of an issue that it is, in people's minds it may be a fairly big issue, a very substantial issue, especially when it comes to spending their tax-paying dollars within their jurisdiction or how they go about proposing a by-law or the type of by-laws that the council may want to put in or information.

I know that I have been called, and I wonder whether the minister's department has been called, on councils not providing the information that the people want to get. It is odd that should be occurring even now, knowing that municipalities know that short of in camera, it is basically an open-style government for your local municipality or jurisdiction. So I have had those types of calls, and I would think that the minister's department and the director would be the one that these people should be going to, either through me or directly, and dealing with that.

I would feel that the minister and the department still has, because The Municipal Act still has that authority, to deal directly with the municipalities in resolving a dispute or a problem between a local constituent and the municipality and his council. I wonder, and again I have not had the opportunity to discuss with the Ombudsman, and I will be doing that, is to try and find out the types of cases that he is getting and to see whether it is not—you do not have to go through the

process for him to tell the constituents that are filing the letter of complaint that he cannot handle that or that is not within his jurisdiction. It is in the jurisdiction of the Department of Rural Development under The Municipal Act.

So I think it should be, if it is the case where it is a complaint and the municipality is not handling the situation with due process under The Municipal Act and under their mandate, then it should come to the department first and be dealt with and not go to the Ombudsman until the matter cannot be resolved between the department.

I mean, I cannot see a municipality saying to the Department of Rural Development and its director, if there is an outstanding issue, we do not have to deal with you. The people, if they have a problem, they can go to the Ombudsman. I am hoping that does not happen and I am sure it does not happen, but it should go here first and not to the Ombudsman and then back to the department.

Mr. Derkach: Basically it is up to that individual who is seeking information as to which route they want to go, but I would have to say that our department has always been and will continue to be open to requests that are made. Now, there are times when a request is made that we cannot give information out because of the confidential nature of an issue. It is at that time that an individual may choose, in fact, to go to the Ombudsman to try and extract that information from the department.

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

Call in the Speaker.

* (1700)

IN SESSION

PRIVATE MEMBERS' BUSINESS

Madam Speaker: The hour being 5 p.m., it is time for Private Members' Business.

PROPOSED RESOLUTIONS

Res. 12—Financial Figures Used in Pre-Budget Consultations

Mr. Tim Sale (Crescentwood): I move, seconded by the member for Dauphin (Mr. Struthers), that

“WHEREAS the process of consulting with citizens of Manitoba concerning the upcoming budget is a valuable process which was begun under the New Democratic government; and

“WHEREAS concerns have been raised about the current pre-budget consultation process regarding whether it is truly an open public process; and

“WHEREAS the citizens of Manitoba rights hold many and diverse views about questions of revenue and expenditure of their Government; and

“WHEREAS such an exercise of consultation can only be useful if it is based on factual information concerning the state of the finances of the province at the time of the consultation; and

“WHEREAS it is clear that in the 1998/99 consultations the Minister of Finance has misled Manitobans in regard to the level of revenues expected in 1997/98 and the level of the accumulated deficit and the level of employment creation here in Manitoba.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba direct the Provincial Government to use current and correct financial information in all pre-budget consultations, to be made widely and publicly available at the time of the consultations; and

“BE IT FURTHER RESOLVED that this Assembly direct the Minister of Finance to ensure that current misleading practices are stopped immediately, prior to any future consultations.”

Madam Speaker: Order, please. Resolution 12, as put forward by the honourable member for Crescentwood (Mr. Sale), regrettably, is not in order. Beauchesne Citation 566.(3) obligates a Speaker “to call the attention of the mover and of the House to the

irregularity of a motion; whereupon the motion is usually withdrawn or so modified as to be no longer objectionable.”

The procedure difficulty with the resolution occurs in the two BE IT RESOLVED portions, and in particular the phrase “that the Legislative Assembly of Manitoba direct the Provincial Government” and the phrase “that this Assembly direct the Minister of Finance.”

Citation 553(1) of Beauchesne states: “by its resolutions the House declares its own opinions and purposes.”

It is not in order for a resolution of the Assembly to direct the actions of any institutions or group other than itself. A review of past resolutions debated by this House showed that it is not Manitoba practice to include in private members' resolutions phraseology which would amount to the Assembly directing the government to take some action. The review did reveal that wherever the words “direct” or “directing” have been used with reference to the government or individual government departments or ministers, they have been qualified by words such as “urge the minister to consider.”

The honourable member does have some options. He can move the resolution again, after having made the necessary corrections and having given a new notice, or the member may wish to seek unanimous consent of the House to submit and have debated a corrected resolution in the near future, perhaps even today. At this time, however, I am ruling Resolution 12 as it presently reads out of order, and, therefore, unless there is another action, it will be removed from the Order Paper.

Mr. Sale: Madam Speaker, I would request consent to change the words “direct” to “to consider,” the words that you suggested, in both of the BE IT FURTHER RESOLVEDs; that the Legislative Assembly of Manitoba request the provincial government “to consider using current and direct,” and the same words in the second one, “to request that current misleading practices be stopped immediately prior to any future consultations.”

I believe that would meet your concern.

Madam Speaker: Would the honourable member for Crescentwood please provide those changes in writing to the table officer.

Point of Order

Hon. James McCrae (Government House Leader): On a point of order, Madam Speaker, if the honourable member wishes to adjust this resolution to take account of the concern expressed by yourself, Your Honour, a few moments ago, I believe there would be agreement to allow the resolution to go in that amended or corrected fashion.

Madam Speaker: It is my understanding, then, there is unanimous consent to permit the honourable member for Crescentwood (Mr. Sale) to make the requested changes to his resolution so it will be in order. Agreed? [agreed]

* * *

Madam Speaker: I will now read the corrected—I will try. It is my understanding, and I stand to be corrected, because we do not have a written copy, that the motion has been moved by the honourable member for Crescentwood (Mr. Sale), seconded by the honourable member for Dauphin (Mr. Struthers), Resolution No. 12, and I will just reread—I think I can—the THEREFORE BE IT RESOLVED portion.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba request the provincial government to consider using current and correct financial information in all pre-budget consultations to be made widely and publicly available at the time of the consultations; and

BE IT FURTHER RESOLVED that this Assembly request the Minister of Finance to ensure that current misleading practices are stopped immediately prior to any future consultations.

Mr. Sale: Madam Speaker, first let me thank you for giving direction. I wish it were possible under our rules that this direction could be given prior to a motion coming up so that we would not have the procedural problem of trying to amend it in place, but I thank you for giving the correction and the instruction to us, I

think, to be more clear about the words we use so that they are always respecting the practices of the House.

Let me also thank the honourable government House leader (Mr. McCrae) for giving consent to the debating of this resolution. I appreciate that very much, and I extend through you my thanks to him for that.

In the first place, the process of consulting Manitobans about budgets and about the state of the provincial finances goes back into the mid-1980s when then Finance minister Schroeder began the process of touring the province quite extensively. I had the privilege at that time of being a civil servant working for the government and I enjoyed that and learned a great deal from people who are still in that department, serving this government well and faithfully. I have always appreciated the opportunity that I had to learn a great deal from both elected and appointed officials in the Department of Finance.

The process was intended to convey real and accurate information to Manitobans about the choices that they faced. I make no apologies for the fact that the intention of the Honourable Victor Schroeder and his successor, the Honourable Eugene Kostyra, as ministers of Finance, were ministers at a very difficult time in our provincial, financial history. Inflation was running at that point in the high single-digit numbers and, in fact, in the early years of the 1980s it was actually in double-digit figures, so it was a very difficult time. Of course, honourable members opposite will remember those times because the federal Liberal government and the federal Conservative governments were trying at the same time to deal with extremely difficult financial circumstances.

* (1710)

So one of the jobs of those consultation processes was to accurately convey to Manitobans the state of their provincial finances and to urge them to be realistic in their demands on the provincial Treasury. Now, you cannot urge people to be realistic in their demands in regard to something that they do not understand. So the first part of our job and the first part of the current Finance minister's job in consultations is to explain how the process works, and that is very valuable because the more the public understands how provincial budget

making works, the more they will be responsible in their choices of government and in their decisions to ask government for various kinds of support.

So, intrinsically, going out and talking to individual Manitobans and to groups is a very useful process. I am very glad that under Premier Pawley that process began and I am very glad that under the current government it has continued.

However, the usefulness of the process is enormously dependent on the accuracy of the information that is shared. You know it is a common computer statement: garbage in, garbage out. So if you share information that is not correct, then you risk getting back from people opinion that is not going to be useful because it is based on incorrect information.

Let me deal first then with the first part of this resolution in terms of the accuracy of financial information. Since 1994-95, Madam Speaker, the government has consistently underestimated its revenues. It has done that by a relatively simple expedient, and it is one that the Finance minister has not denied, so I assume that he has validated it. It is quite simply this: about two-thirds of our revenue as a province are dependent on federal revenues. Our equalization revenue, our personal and corporate income tax revenues are directly affected by federal government decisions about the economy. So every year in the late part of a given year, the federal government provides estimates to all provinces of what the federal government expects will happen to revenues in the coming year. What they tell each province is: we expect your revenues in the form of income tax to grow by thus and such a percentage over the present year. That is the key. The federal government tells provinces what percentage increase to expect on the basis of their current revenue.

What the Finance minister has done is to use not the current revenue as the basis for that revenue increase but the previous year's estimate. It is a very simple expedient, but it has the effect of grossly understating provincial income tax expectations. This happens because in a rising economy, which we have been in federally in our country since 1992-93, provincially since '94-95 our revenues have been growing, the

budgeted revenue and the actual revenue are substantially different.

So the Finance minister does not tell the whole story when he tells the House and the province, I expect revenues to grow by 3.2 percent, for example, in the income tax area and that is what the federal government has told me. He is telling the House the truth. He expects on the basis of federal estimates revenues to grow, but the federal estimate is based on the actual year to date, not on last year's budget. So the Finance minister takes the real federal projection, but he applies it to the wrong base. He applies it to the previous year's budget, not to the real revenues currently being experienced. So it is, unfortunately, a shell game in terms of revenues. The minister knows that, because he knows and we know that the federal revenue estimates are not based on last year's budget but on the real year-to-date revenues.

Now why would you do that, Madam Speaker? Well, there is one very good reason, and that is that the provincial government does not want to acknowledge the revenue that it has because it is embarrassed by having a Fiscal Stabilization Fund of \$577 million while patients known to all of us on both sides of the House sit in hallways grasping their urinals, performing bodily functions in public, dying in corridors, bodies being placed behind curtains hoping that distraught parents in to see their child being treated will not realize there is a child who has died behind the curtain. This is a gruesome and ghastly situation. This government was not willing to let Manitobans know just how much revenue was flowing into its coffers, because it knew that if Manitobans realized that the real revenues were at least \$200 million higher than the Finance minister was telling us, Manitobans would demand that people not live in corridors, not die in corridors, not have to perform bodily functions in public, not have children unable to get diagnostic tests just because it happens to be a long weekend. That is why the Minister of Finance (Mr. Stefanson) has not told the truth in regard to revenues in his budget for the last three years.

Now, lest members opposite think that we are simply making a political statement here, I urge them, as individual members and particularly those who inhabit the upper benches, to go and read the third quarterly

statements for the last three years in a row. For the last three years in a row, Madam Speaker, by the end of the third quarter it was clear that our revenues were going to be between \$150 million and \$200 million higher than they had been in the Estimates.

This year, by the end of the third quarter, the actual number was \$190 million more than budget. That does not count the special flood revenue, does not count any of those one-time things. That is just the natural growth in revenues; \$190 million more than was budgeted. So by the end of the fourth quarter it would stand to reason that it is going to be in the \$225 million to \$250 million more-than-budgeted situation.

That is why for the last couple of years we have had big, special warrants approved in the health area. Not because they planned to spend more money, not because they had any plan at all, in fact, that has become very clear when you look at Misericordia Hospital, when you look at what is happening in all kinds of places in our acute care health system, but because they were embarrassed with the amount of money flowing into the Treasury. They knew it would look terrible on the bottom line to have vastly more money than they budgeted. So they ratcheted up their spending and attempted to hide some of the revenue. Not with a plan in mind. We know there is no plan, but simply to hide the revenue.

* (1720)

So, Madam Speaker, another area in which the government has grossly misled Manitobans is in how the Fiscal Stabilization Fund actually works in the first place. In years like 1990-91, '89-90, '93-94, at least they were transparent about what they were moving in and out of the Fiscal Stabilization Fund, and you can see it. You can see them moving money in one year, moving out the next year, and there is some sense at least that you can track it. But for the last two years, for 1997-98 and 1998-99, there is a footnote approximately the size of the PC Party logo on their last signs. You needed to be Mr. Magoo with thick glasses to be able to make out the fine print on their election signs.

The Filmon Team and Manitoba Strong, but Progressive Conservatives was so small that one would

think it was the phone book. We just find this tiny little three. You go and find footnote No. 3, and it says, note, own-source revenue includes \$60 million from the Fiscal Stabilization Fund. Well, in previous years it was right there in bold print, transfers from the Fiscal Stabilization Fund. They actually showed them. The last two years, hidden in own-source revenues.

You know most folk would not say that money from your bank account, your savings account was revenue. That would not be thought of as revenue, that would be thought of as savings that you were taking out of your savings account in order to give yourself whatever it was you were doing, whether it was a capital repair or a special expenditure, but, no, this is shown as revenue.

The scale of the surpluses over the last few years—two years ago the year-end surplus was three times the forecast. Last year it was four times the forecast. This year it is going to be about eight and a half to nine times the forecast. That level of underestimation is not just cautious arithmetic. It is deliberate misstating of the revenues based on a clever use of federal estimates but applied to the wrong base figure.

In terms of what is happening inside the revenue growth of this province, we can only, for a sense of what is going to happen this year, turn to the federal monthly projections. The federal government is much more transparent in terms of what it tells Canadians. It publishes a little document called the Fiscal Monitor every month. The Fiscal Monitor comes out, and it does not make any adjustments. It does not fudge numbers. It is just this is what we got; this is what we spent; no special adjustments.

So, Madam Speaker, by the end of last month, that is by the end of 10 months of the year, January's results, federal revenues were up 10.2 percent year over year, and yet this Finance minister (Mr. Stefanson) expects Manitobans to believe that our revenues will fundamentally not grow at all. That is what his budget says. His budget in 1998-99 is trying to tell Manitobans that we will have only \$1 million more than we had the previous year. This is over a \$5.5-billion budget; he is trying to tell us we will only have \$1 million more whereas the federal revenues are up 10.2 percent year to date.

The Finance minister tells us, on the other hand, that Manitoba's economy is doing at least as well as the federal government and maybe better.

An Honourable Member: And they are expanding the casinos, too.

Mr. Sale: That is, of course, another interesting issue around revenue. Casino revenue year to date is up 18 percent. It was budgeted to be flat.

So we have all kinds of misleading data, and I wish I had time to go into the employment data because that is the area in which perhaps there is even more misleading information, and that is the suggestion that there were some 15,000 jobs created last year. In fact, as the data show, there were only 1,800 new jobs between January of one year and January of the next. Thank you, Madam Speaker.

Hon. James Downey (Minister of Industry, Trade and Tourism): I am pleased to rise to first of all put notice forward to the member opposite that regardless of the change to the resolution, I, or the government, will not be supporting the resolution as it has been presented even with the amendment.

I also want to just put on the record, Madam Speaker, that I take exception to the tone and the language that is in a resolution like this. The practice of the member for Crescentwood (Mr. Sale), the word "misleading" and accusations of that kind certainly do not do anything for the stature or for the people who are in this Assembly because it cannot be substantiated. He continually plays loosely with that kind of terminology, and I take strong exception to it, because for three elections now this government has been re-elected by the people of Manitoba, re-elected on an agenda and a plan and a program that has probably put us in the strongest position of any province in Canada. So I think it is extremely important that be put on the record, but I want to talk more specifically to some of the points made.

The 1998 budget consultation exercise provided us with an excellent opportunity to discuss our financial and economic situation with Manitobans and solicit input. We are committed to ensuring that the decisions we make over the next few years continue to reflect the

priorities of Manitobans. That is absolutely essential, that the government reflect the wishes and the desires of the people of Manitoba, and, as I said, for three elections in a row we were endorsed by the people of Manitoba. So I take strong exception to the fact that the members opposite criticize the process and the input which we have had from Manitobans because it is not the government they are criticizing, it is the people of Manitoba they are criticizing in this resolution. I think it is despicable that they would put themselves in a position to directly affront the people of Manitoba.

The member for Crescentwood (Mr. Sale) accuses the government of misleading Manitobans during the last round of budget consultations in regard to the 1997-98 revenues, the level of accumulated deficit and the level of employment creation here in Manitoba. Let me address, first of all, the issue of employment numbers. When this government prepared the brochures and other public information material that accompanies the consultation process, the government used the most current Statistics Canada employment information available from the Manitoba Bureau of Statistics.

When these brochures were prepared, there were nine months of employment data available; that is to September of 1997. The data showed that, on a year-to-year basis to September of 1997, there were 15,000 more Manitobans employed than had been the case for the same nine months in the period in 1996. That is how the initial job growth figure of 15,000 was calculated, based on the best information available. When October 1997 data became available, that information was immediately incorporated into material used by my colleague, the Minister of Finance (Mr. Stefanson). In his public presentations during the consultation process, it showed slightly lower year-to-date job gains of 14,100, but that was the most current information and that is what we used.

Now, we initially printed enough brochures to mail one to every household in the province of Manitoba, well over 400,000. That is probably what upsets them, Madam Speaker, more than anything. We did not incur the added expense of reprinting the remaining, or re mailing over 400,000 brochures to incorporate the minor changes. And I hope the member opposite is not suggesting that we should have done so. However,

maybe he would have liked to have seen us do that because taxing the public is no problem for the members opposite, as demonstrated in the years that they had the misfortune, or the people of Manitoba had the misfortune, of having them running the affairs of the public.

In any event, when all the job numbers for 1997 were in, I am pleased to report that Manitoba's employment performance exceeded the national average. Now, I know that the member opposite does not believe that, and of course one would hope that he would at least give fair consideration to it. He is thoroughly convinced, as are members opposite, his colleagues, that Manitoba has not had any job growth at all in the last year or so. Things are just awful, and it must be so because, of course, the Duke of Doom says so, and, of course, if the Duke of Doom says so, it has to be fact.

Madam Speaker: Order please, I will remind the honourable minister that all members are honourable members in this Chamber.

Mr. Downey: Yes, Madam Speaker, I apologize. Let me rephrase it. The Honourable Duke of Doom.

I apologize, Madam Speaker, for using the Duke of Doom. I am saying the honourable member for Crescentwood (Mr. Sale) who has been referred to by certain sources as the Duke of Doom.

* (1730)

I recall, and I am sure most other members of this House recall as well, that the member opposite, by his own admission—and this is important—by his own admission is not too good with numbers. We do have to give credit where credit is due. The honourable member has told the truth about himself, and one should quote it. I am quoting here from the official record of the House on May 13, 1997, when the member for Crescentwood said, and I quote, I claim absolutely no knowledge in the area of statistics. I have a great deal of difficulty interpreting statistics without someone on hand to help, et cetera, et cetera, end of quote. One should always use a quote when it is appropriate from the honourable member opposite, and I felt that was quite appropriate. I have a good deal of sympathy with the member's predicament. I am

sometimes a little unsure about statistics myself, and I am certainly not shy about relying on some advice from experts when it comes to statistics.

I have been advised by the Manitoba Bureau of Statistics that the final Statistics Canada information on Manitoba's employment performance can be summarized as follows: Total employment in the province averaged 538,300 persons last year, an all-time high, and a net total of almost 13,000 new jobs were created. Thirteen thousand new jobs. Our overall job growth rate in 1997 was 2.4 percent, the third best performance among the provinces and well above Canada's annual average gain of 1.9 percent. Our job performance last year was the best since 1986. We should all cheer about that. That strong job growth pushed Manitoba's unemployment rate to an average of just 6.6 percent for the year, our best performance in 16 years. Manitoba's jobless rate reached its lowest level since the 1981 annual rate of 5.9 percent and was lower than any year during the 1980s' expansion.

Of course, that was when the members opposite had the responsibility of governing the province. I will not comment on how they handled that responsibility at this point, but one can certainly probably get from the tone of my comments that we would not be overly happy with it.

I might also add that, as of April 9, Statistics Canada reports that Manitoba's unemployment rate has dropped to 5.2 percent, the lowest in Canada and lower than at any time when the party opposite last formed a government. Well, some would refer to them—you know, I will not comment again on the type of government.

Statistics Canada reports that all our growth in 1997 was in full-time jobs. There were 429,800 Manitobans working full time in 1997, a gain of 14,700 over the 1996 annual average of 415,100 persons. Our full-time job growth rate was 3.5 percent for the year, the strongest among the provinces and nearly twice the national gain of 1.8 percent. Manitoba's annual growth in full-time jobs has outpaced the national average in two of the last three years. In fact, the proportion of Manitobans with full-time jobs in 1997 was at its highest level since 1989.

The private sector drove Manitoba's employment growth in 1997, again, the private sector. Total private-sector employment for the year averaged 438,500 persons, a gain of some 16,800 or up 4 percent from the 1996 levels. This was the second highest growth rate among the provinces and well ahead of Canada at 2.6 percent gain. Private-sector employment in Manitoba accounted for 81.5 percent of all jobs in Manitoba, the highest level ever. Again, a compliment to the private sector for the creation of those jobs.

We are pleased that Manitoba's strong economic performance has contributed to better than expected revenue growth. Our survey of economic forecasters shows that Manitoba enjoyed the third best economic growth among provinces last year. This excellent growth will continue to generate the higher revenue necessary to offset the large federal transfer cuts we are all too familiar with.

Of course, it is not always the case that prudent forecasts are adopted. Recently, the NDP government in British Columbia suffered the misfortune of significantly overforecasting revenues. The budgeted \$87-million B.C. surplus last year came in, in fact, as a \$395-million deficit. Is that the way we want to go in the province of Manitoba? No way.

The NDP government of Saskatchewan now reports that their revenues will fall short of their budget projections necessitating a draw on Saskatchewan's liquor and gaming fund. We do not believe that overestimating revenues based on unrealistic economic forecasts will contribute anything to the longer term security of vital social programs.

For the current year, we are projecting our third consecutive budgetary surplus, a modest \$28 million or \$1 million more than we estimated at the time of the budget. As my colleague the honourable Minister of Finance (Mr. Stefanson) indicated in the third quarter financial report, revenues will be higher than expected. This allows us to add additional resources to important program areas such as health care.

The member opposite's resolution seeks to jeopardize the integrity of our social programs by holding them hostage to rosy forecasts. That is the type of thinking that pushed Canada's social programs to the brink in the

first place. The member's resolution advocates spending money that we may never receive. Of course, the NDP of the past, that was their habit of always spending the future generations' income. You would think that the member would have learned by now, but apparently he and his colleagues have not.

We have worked very hard to canvass the opinions of Manitobans in respect of our fiscal priorities in this province. We are pleased to report that 1,000 Manitobans participated in the budget consultation sessions last autumn, and hundreds more have provided their opinions to the government by letter, fax and telephone. The tremendous response shows that Manitobans realize that sound, fiscal management is important and that decisions affecting public resources ultimately affect us all. We believe that sound fiscal management has contributed significantly to our excellent economic performance. The honourable member's resolution shows that he does not understand good fiscal management. It shows that the honourable member cannot stomach the reality that Manitobans are urging us to ensure the fiscal progress we have made so far is not reversed.

It is extremely important that we do not relive or revisit the kinds of policies and the kinds of directions that the New Democratic Party took this province for many, many years. Waste and mismanagement have cost the young people, particularly of this country and this province, a lot of hard work. We have recovered. A lot of hard work and dedication have been put into reversing the direction this province was going.

I am extremely proud of my colleague the Minister of Finance (Mr. Stefanson), the Premier (Mr. Filmon), all the members of our caucus, who have worked extremely hard to make sure this province is one that we are all extremely proud of. So I along with my colleagues are unable to accept or support the resolution as presented by the honourable member for Crescentwood (Mr. Sale). Thank you, Madam Speaker.

Mr. Leonard Evans (Brandon East): Madam Speaker, I would like to add a few words to this debate on this very interesting and telling resolution put up by the member for Crescentwood. I want to reiterate what the honourable member for Crescentwood has stated, and that is the whole process of consultation started

under the previous NDP government, under the Honourable Vic Schroeder, at the time, and the Honourable Eugene Kostyra, at that time in the 1980s, and it was a good move. It was a move meant to consult the people of Manitoba and allow the average citizen to have an input prior to the government making final budget decisions.

I say that this is a very good process. It can be a very meaningful process providing you do it right, providing you invite a cross-section of people and not just a few friends or a few like-minded individuals that are going to agree with you and have a view that is the same as you. [interjection] Well, if the honourable member for Industry would just listen a moment, I will explain what happened in the city of Brandon about consultation when the Minister of Finance was there, was supposedly consulting with the people.

So, on the one hand, you know, you can skew the process if you invite like-minded people who are supporting your views and, secondly, if you provide selected data to the individuals, you give them pieces of paper, tables that suit your purpose, that make the argument you want to make so they come up with the conclusion, lo and behold, the conclusion is, well, No. 1 priority, we should reduce the debt. That makes the Minister of Finance (Mr. Stefanson) feel very happy, but that was the conclusion, he said, from this meeting.

* (1740)

You know, there was a meeting in Brandon, among others around the province, and the interesting thing is the evening that the Minister of Finance held his consultation meeting was the same night, the same day that the Brandon School Board had a meeting. The Brandon School Board did not know that the Minister of Finance was conducting this meeting that night, but they had a public meeting and they had a large turnout of people, I think more than the Minister of Finance. I do not have all that information, but they had a large meeting. It was reported on the front page of the Brandon Sun.

It is very interesting because, when the Minister of Finance had his meeting, he concluded, yes, the people want debt reduction and then they want tax cuts. The school board meeting, and this was attended, it was

well advertised. All the children had notices; they took them home. The citizens of Brandon who are part of the school division were invited, and they came in droves. The conclusion of that meeting was, no, do not cut the debt, that is not the No. 1 priority. The No. 1 priority is to put more money back into the education system so that we protect the quality of public education in this province and in the city of Brandon. That was the No. 1 priority, and it is stated in black and white, from that particular group of citizens who came because they were concerned about the deterioration of the quality of education in the Brandon School Division, and they related that to the cuts that have occurred and the squeezing of the finances of the school board.

So I say, Madam Speaker, that the Minister of Finance (Mr. Stefanson), yes, consultation is great, but you have to do it in a fair way, you have to do it in a way that you get a true cross-section. So, while the minister can then go about his work and come into this House and brag about fiscal surpluses, in the meantime, the people out there know that what has been happening is we have had piling up of social deficits. The one hand, yes, you have a fiscal surplus or a fiscal balance, but on the other hand, everyone out there knows that the health care system is deteriorated, the school system has deteriorated, social services have deteriorated. No question that the social deficit in this problem has arisen.

You know, there is a theme that the minister puts out in these budget consultations, and that is that a balanced budget or a surplus budget is what creates jobs. He said that—I do not know how many times—we want to have jobs, we have to go about and have balanced budgets or surplus budgets. Yet the figures in his own budget document undercut that argument; in fact, it is the reverse that is true. It is not fiscal budget surpluses that create jobs, it is jobs that create the surpluses.

I would refer you to the year 1992-93 when the budget document of 1998, in this table under Manitoba Financial Statistics, 10-year summary, in 1992-93 own-source revenue declined by 8.4 percent. That was a huge decrease in revenue. The reason for the decrease in revenue, which incidentally resulted in the highest deficit in the province's history—according to the

document, \$566 million, but we all know that they took \$200 million out of the fudge fund to reduce the budget, the bottom-line budget deficit, which should have read \$766 million, the largest in the history of the province of Manitoba under this particular government.

Well, Madam Speaker, that is the result of the recession that we were having at that time. Revenues fell off because people were not working, they were not buying as much, they were not able to contribute as much through income taxes, so that is the logic of the economics here. It is not what is being perpetrated by the ministers saying let us have surpluses, let us have budgets, and we are going to have growth. That is not the case. The reason, incidentally, we had as much growth as we do have in this province is because North America generally is on an upswing. The United States economy has been expanding, and we have been able to export more to the United States. The Canadian economy has been expanding and we have been able to participate in that.

But I might add, however, that the figures that we have do not paint such a rosy picture that the Minister of Industry would like us to think in his previous speech, because when we look at the figures he is talking about—unemployment and employment figures—we see that Manitoba is not doing as well as Canada as a whole. Let us take the latest figures we have got, the first three months of 1998. We note that the growth of jobs in Manitoba is 0.9 percent, less than 1 percent, whereas the national average growth rate is 3.0 percent. We are less than a third of the growth rate of jobs in this country in the first quarter of this year, so if we are doing so great, how come we are down at the low end of the totem pole?

Our sister province to the west of us, Saskatchewan, in this same period had an increase of 3.6 percent, four times the rate of increase of jobs in this province. So I do not think the Minister of Industry should be so self-satisfied with what is happening to the economy here. Incidentally, talking about low unemployment rates, if you get a reduction in your labour force, if you get a squeeze in the labour force, you are going to get a lower rate of unemployment, and the Minister of Industry has to recognize that we have had a shrinking labour force. Take again the latest figures that we have got. The labour force in March 1998 was 573,700

people, seasonally adjusted. Last year it was 575,000, so we have shrunk year over year in terms of labour force. Seasonally adjusted figures, we can take the actual and see the same thing. So that is one reason why we have as low an unemployment rate as is shown here.

As I said earlier today in members' statements, another factor has been that we have to take into account the large percentage of aboriginal unemployment. I know that has been here for a while, but we have a very high percentage of our total population who are aboriginal, and, unfortunately, there is a heavy amount of unemployment among those people.

The fact that we have had increased outward migration—over 6,000 people in the year 1997 outside of Manitoba. It is just a horrendous amount of people leaving. Even over 1,000 to our sister province of Saskatchewan and the rest going to Alberta and B.C. tells you something of the job opportunities here. The fact is that greener pastures are to the west of us, and if the jobs were so great here, why are people leaving?

Again, looking at the employment figures we can see that most of the kinds of jobs we are getting, yes, are in the private sector, but a lot of them, I would suggest, Madam Speaker, are the personal service, community service category, as Stats Canada would refer to them, the jobs that pay minimum wage and do not really offer any career future to the individuals involved. I would put a lot of telemarketing, not all, but a lot of telemarketing in that category as well.

So if we do not have the job opportunities, then obviously people are going to leave. In addition to that, Madam Speaker, another explanation you can see of why people have left or are leaving is the fact that our real wages have not kept pace with the national average. In fact, the real wages today, the average industrial wage today in real dollars—that is, after you squeeze the inflation—is actually lower than in 1988 when this government took office, if you can believe that. It is actually lower, whereas the national figure, the national average industrial wage is higher. There has been a gain in wages on the part of workers in Canada because their wage increases have superseded inflation. In this province, it has been the other way

around, so as a result, we have had a case of diminishing real incomes for our workers.

So you get that phenomenon, those figures which sort of explain, are sort of a bottom-line approach to what has been happening to jobs and job creation in this province, a lot of additional jobs as the Minister of Industry (Mr. Downey) likes to tell us, but they are of the low-wage, service-sector type, the type that does not provide the career opportunities. Then it speaks for itself, and the fact that incidentally we have not allowed the minimum wage to go up for a long, long time. I think we have about the lowest minimum wage in the country now. When you combine these factors, you can see why we have a diminishing real wage in this province.

* (1750)

So, Madam Speaker, the point I am making is that consultations are great, but the Minister of Finance (Mr. Stefanson) should do us all a favour and go out and provide an analysis that is sound, provide statistics of the entire situation, not selected statistics to make a case, and also he should ensure that he has people from a cross-section of the community at these meetings and not people who are simply going to tell him what he wishes to hear. As I said, an excellent example in Brandon, the same night, the same hour, in fact, that the minister's meeting was being held, the school board held a meeting and you got a totally opposite conclusion.

So, Madam Speaker, I do not know whether I have—three minutes, okay. No one likes to see an economy that is losing people. No one likes to see an economy where real wages are declining, so there is a challenge to this government here, to the extent that government can do anything about it. I am going to be the first one to recognize that there are limitations to what governments can do. We have had some growth. The growth, I would suggest, has been, as I mentioned earlier, a result of the expansion of the North American economy, and we are participating in that to some extent. [interjection] Well, I am always in favour of trade, but I want fair trade. I want fair trade. You know, when an elephant trades with a mouse, or if a big partner trades with a small partner, it is always the big

partner who has the upper hand and usually gets the better of the deal.

Some of the recent examples of trade disputes have shown that, or the number of trade disputes that we are getting. Incidentally, this was recognized in Germany in the middle of the 19th Century. When England wanted to have free trade around the world, Germany said, no, no way, we are not going to participate. We want protection because we have got infant industries and England, or Britain, has advanced industries for that time. They invoked a protectionist system, and that stayed in place for decades in order to allow their infant industries to grow.

An Honourable Member: Then they became the aggressors.

An Honourable Member: They had a new vision of free trade.

Mr. Leonard Evans: Well, read your history books. The Minister of Justice—I would invite him to read his history books, his economic history of Europe, and he would see what I am talking about. So, Madam Speaker, with those few words, I would support the resolution put forward by my honourable colleague from Crescentwood (Mr. Sale) and trust that all members of this House would do the same. Thank you.

Hon. Harold Gilleshammer (Minister of Labour): I am pleased to be able to join this discussion today on Resolution 12. I do not think I have got the corrected version, but I think I gather from the member for Brandon East (Mr. Leonard Evans) and the member for Crescentwood (Mr. Sale), the direction that they are headed with this.

The resolution certainly causes me a degree of dismay as I read it, but it is not unexpected. It is not uncharacteristic of the member from Crescentwood as it is full of darkness and doom and gloom. As I listen to the member for Brandon East, it sort of reminds me of the debate on the balanced budget legislation that is very similar to the tone that they take today.

I recall that the member for Brandon East said there was nothing magical about balancing the budget every year, and that he asked the question: do you really

expect to get the debt down to zero, because he did not. Since then, of course, we have accepted that, and we have had four balanced budgets and some modest surpluses. In fact, it would appear that the federal government and all provincial governments are striving for that balanced budget. I know I heard his federal leader bragging recently about the Saskatchewan government achieving a balanced budget and a surplus, so there must be something good about it.

I know that the government of British Columbia, although they have indicated their budget is balanced and took some great pride in that, it appears that maybe there was a little slight of hand there and it was not balanced. In fact, I understand that they do not even include their capital expenditures in their budget. They simply slide that into the debt column.

So we have a philosophical difference with the member from Brandon East. He talks about the fact that there was not an open public access to these meetings. I attended the one in Ste. Rose, and I can tell you that the meeting was open to everyone, and it had an education bent to it that night. There were many, many educators there, talking about their own circumstances, which is completely contrary to what the member for Brandon East has indicated. So it was an open process; people were invited; people did come, and people did speak their mind. We are very grateful to Manitobans for bringing forth, either by telephone or letter or attending these public meetings and giving the input that the Minister of Finance (Mr. Stefanson) needed to bring forward another balanced budget for Manitobans.

The member for Brandon East was critical of the Brandon meeting because there happened to be another meeting in the city at the time. I can tell you that that was a meeting for all of Westman. I had many constituents who went to Brandon to have their input into the budget process, and they came away very satisfied with the information they got. They came away feeling that the Minister of Finance, the staff, and the people there listened to what advice they were given. I can tell you, even though he believes there were people in Brandon denied access to the meeting because they had a conflict and they were unable to come, there were many Manitobans that came to that meeting, and they came away very

satisfied in that they had an opportunity to look at the numbers and have their input into the budget.

So, as a member of this government, we are quite pleased with the response that we did hear from hundreds and hundreds of Manitobans, and they played a valuable part in designing the budget that was brought forward in this House and that we are debating in the Estimates process at this time. I would have the member for Brandon East—I know he understands, but I would encourage him to maybe explain to the member for Crescentwood (Mr. Sale) that these are budget Estimates and that a lot of the expenditures we have are driven by volume, and there are times when we do have to have a special warrant to take care of the pressures that are brought through volume.

I recall when I was Minister of Family Services that we budgeted a certain amount for social assistance, but the volume was growing year after year, both on the social assistance side and on the child welfare side, and we always met those expenditures. We did need a special warrant. So the member for Crescentwood brings to the House this idea or this concept that these are exact numbers, that we should be able to predict not only our expenditures but our income. But these are only just a good attempt by all departments to bring forward their Estimates and to appropriate the right amount.

You know, there was a feeling expressed by the member for Crescentwood that Manitobans were not being given the correct information. The only place that I have ever heard that is here in this House. Many Manitobans who participated, I think, were quite thankful for the opportunity to have their input, to look at these numbers and to understand how appropriations are arrived at.

Manitobans spoke very clearly about what their priorities were. They wanted a balanced budget, they wanted us not to run a deficit, they wanted us to have a surplus, they wanted us to have a rainy day fund and they wanted to address the debt. Members opposite have spoken for years now about the need to make expenditures and not to have a balanced budget. Yet I

believe I heard the Leader of the Opposition (Mr. Doer) speak recently that he would too have paid \$75 million down on the debt. This is quite a conversion for the member for Concordia (Mr. Doer) who has never before, in the time I have been in the House, indicated that he was in favour of a balanced budget or any debt repayment.

I think what seems to be disturbing the member for Crescentwood (Mr. Sale) so severely is that Manitoba is experiencing one of the most remarkable periods of economic success in our history. Further, the member for Crescentwood has clearly seen that Manitobans do not share his thinking in terms of fiscal management, and the Minister of Industry, Trade and Tourism (Mr. Downey) has already read into the record the self-admission by the member for Crescentwood that he has absolutely no knowledge in the area of statistics. It would behoove him to get a better understanding of this and to try and learn from this experience. In fact, maybe he should have participated in some of those budget consultations and he would have had a better understanding of it.

In terms of fiscal management, under our government's careful financial stewardship we have achieved fiscal stability and put an end to 25 years of deficits. We have done this despite the loss of hundreds of millions of dollars in transfer cuts from the federal government, and this year we are able to celebrate our fourth consecutive year with a balanced budget.

In 1996, our economy grew at almost twice the national rate and was the second highest among the provinces in economic growth. The consensus—

Madam Speaker: Order, please. When this matter is again before the House, the honourable Minister of Labour (Mr. Gilleshammer) will have seven minutes remaining.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 14, 1998

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