



Fourth Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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The Honourable Louise M. Dacquay  
Speaker*



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

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.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
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	Rupert's Island	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.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 14, 1998

The House met at 1:30 p.m.

### Introduction of New Member

**Madam Speaker:** I am pleased to inform the Assembly that the Clerk of the Legislative Assembly has received from the Chief Electoral Officer a certificate showing the election of Mrs. Myrna Driedger as member for the constituency of Charleswood.

I hereby table the return to the Writ of Election.

**Hon. Gary Filmon (Premier):** Madam Speaker, I have the honour to present to you Mrs. Myrna Driedger, member for the constituency of Charleswood, who has taken the oath and signed the roll and now claims the right to take her seat.

**Madam Speaker:** On behalf of all honourable members, I wish to welcome you to the Legislative Assembly of Manitoba and to wish you well in your parliamentary career.

### ROUTINE PROCEEDINGS

#### READING AND RECEIVING PETITIONS

##### Winnipeg Hospitals Food Services—Privatization

**Madam Speaker:** I have reviewed the petition of the honourable member for Burrows (Mr. Martindale). 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.

*WHEREAS the provincial government has embarked upon a project in which it is closing hospital kitchens and having hospital food transported in from Toronto for reheating; and*

*WHEREAS this proposal will not improve the quality of food but will cost hundreds of jobs to the provincial economy; and*

*WHEREAS on December 8th of 1997, the provincial cabinet staged a photo opportunity for the media in which government MLAs were served chicken breast from a chef flown in from Toronto for the occasion while the actual meal served residents that night was macaroni and peas; and*

*WHEREAS this proposal will result in more health care dollars being spent on questionable privatization projects; and*

*WHEREAS in December of 1997, the provincial government was forced to drop a similar privatization scheme involving home care which had been opposed by the clients, families and the public; and*

*WHEREAS once again the provincial government without consultation has committed itself to a privatization project which will likely cost taxpayers more money for a poorer quality service, thus forgetting the patients who deserve better care.*

*WHEREFORE YOUR PETITIONERS HUMBLY PRAY that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health to consider immediately cancelling the hospital food proposal and concentrate on delivering quality health care instead of using health dollars to provide contracts for private firms.*

\* (1335)

#### TABLING OF REPORTS

**Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs):** Madam Speaker, I would like to table the Supplementary Information for Legislative Review for 1998-99 for Consumer and Corporate Affairs.

#### INTRODUCTION OF BILLS

##### Bill 302—The St. Paul's College Incorporation Amendment Act

**Mr. Marcel Laurendeau (St. Norbert):** Madam Speaker, I move, seconded by the honourable member

for Emerson (Mr. Penner), that leave be given to introduce Bill 302, The St. Paul's College Incorporation Amendment Act; Loi modifiant la Loi constituant en corporation le "St. Paul's College," and that the same be now received and read a first time.

**Motion agreed to.**

## ORAL QUESTION PERIOD

### Minister of Justice Misleading Comments

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, the Minister of Justice has contradicted himself, investigated himself and now he has exonerated himself. They used to call this kangaroo court in terms of process.

On May 7, 1998, the minister stated that "the suggestion that the list . . . be expanded . . . was not a suggestion made by me. It was in fact a suggestion made by the chairperson of that committee." That is in Hansard.

Those words are not misunderstood by us, and I would like to ask the Premier: did the Minister of Justice mislead this Chamber and the people of Manitoba when he made that statement in here a week ago today on May 7?

**Hon. Gary Filmon (Premier):** Not to my knowledge, Madam Speaker.

### Independent Investigation

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, the minister misled this House last week by saying it was the chairperson of the committee that initiated the discussion on the list. The Law Society has accused the minister of subverting the law. A representative of the Bar Association who is on the minister's own committee has accused this minister of political interference.

After these allegations are made, does the minister investigate the substance of these issues or does he try to clear the air? No. He only initiates lawyers meeting with lawyers after it becomes public that the Chief

Judge will make a statement about the misleading statements of the Minister of Justice.

I would like to ask the Premier: why in Manitoba are we not entitled to an independent review so that the Law Society representative, the Bar Association representative, the Chief Judge and all others that are affected by the allegations of interference by this minister can be investigated in an impartial way and can be made public in a clear and transparent way for all Manitobans?

**Hon. Gary Filmon (Premier):** Madam Speaker, as I have indicated before, the member opposite is basing his allegations on comments made by individuals who did not speak with the Minister of Justice, who were not involved in the meeting between the Minister of Justice and the Chief Judge, and he is basing all of his allegations on that. That can hardly be seen as a factual base upon which to proceed with anything.

Those are not the kinds of things, I think, that should generate extensive investigations. They should obviously generate a requirement on the part of the member opposite to prove his allegations, instead of taking statements or comments made by people (a) who were not in the meeting and (b) who did not even talk with the Minister of Justice.

**Mr. Doer:** Madam Speaker, in other jurisdictions and in previous precedents in this Legislative Chamber, people have done the honourable thing and had independent reviews. They have not had contradictions by the minister, investigations of the minister and exonerations made by the same individual. That is a fixed process, and we do not accept it on this side of the Chamber.

On September 25, 1996, community members accused this minister of threatening them in the way of protest by threatening them that he would prolong the strike if they continued to protest in front of his home. Two individuals from the community made that allegation. This last week we have had two other members of the community accuse this minister of abusing power by interfering in the process.

Madam Speaker, does the Premier not see there is a pattern here? Twice in the last 18 months his minister

has abused power, denied he has abused power, and the Premier has not done anything about it.

Will the Premier please give us a Minister of Justice who has integrity and honesty and can stand the scrutiny, Madam Speaker, of an independent process about the allegations made about him?

\* (1340)

**Mr. Filmon:** Madam Speaker, we have a member opposite who clearly broke the law by revealing names of people who were on the list of the—and he does nothing about it. He is proud of it. He thinks that is a good thing, a good example to set for Manitobans.

#### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** On a point of order, Madam Speaker.

The Premier is out of order on two counts. First of all, the reference to the Leader of the Opposition breaking the law, which is a very ironic comment given the fact that the serious charges in this case are being directed to the Minister of Justice (Mr. Toews). Also, the First Minister was not answering the question, as is required.

So I would like to ask him to withdraw that comment and also to answer the very serious questions we are asking once again, trying to get this First Minister to be accountable for the actions of his Minister of Justice.

**Madam Speaker:** The honourable government House leader, on the same point of order.

**Hon. James McCrae (Government House Leader):** Madam Speaker, almost daily the very same kinds of allegations come from that side of the House to this, very often without any intervention on my part, or indeed even yours. This is nothing more than one of those routine points of order being raised so often repeatedly in one Question Period by honourable members opposite.

**Madam Speaker:** Order, please. I will take the matter under advisement to research Hansard and check with the authorities, and bring a ruling back to the Chamber.

#### Chief Judge Gag Order

**Mr. Gord Mackintosh (St. Johns):** Madam Speaker, to the Minister of Justice. It appears the fix is in. The minister has interfered with the Chief Judge's public responsibility to clear the air by negotiating with her, negotiating the truth.

My question to the minister is: would he now table all the documents that led to the ministerial statement that was made yesterday, and tell us whether there was a term in this backroom deal with the Chief Judge that she cannot speak on this matter? Is there a gag order?

**Hon. Vic Toews (Minister of Justice and Attorney General):** Madam Speaker, the agreement that we arrived at is the statement that I tabled in the House, and it was my understanding as a result of that, that there would be no further discussions of this matter by the Chief Judge.

**Mr. Mackintosh:** I want the minister now to just confirm the concluding remarks of his answer. Is he saying that indeed there is a gag order, that a term of the agreement in the negotiations with the Chief Judge is that she not speak on this matter? Is there a gag order?

**Mr. Toews:** Madam Speaker, it is my understanding that that agreement that was tabled and my statement that was tabled in the House is what in fact was decided between the intermediaries. They came and they talked to me.

The intention of that statement is to clarify any misunderstanding that might have existed. That was and is the vehicle that the Chief Judge chose to express her comments on this matter.

#### Minister of Justice Resignation Request

**Mr. Gord Mackintosh (St. Johns):** How can this minister stay in his position as Justice minister when he has just announced and admitted that he made representations to the Chief Judge urging her to keep quiet on this one and in fact obtained a gag order? Will he resign? He cannot continue.

**Hon. Vic Toews (Minister of Justice and Attorney General):** Madam Speaker, the statement that I made in the House reflects the consensus of the Chief Judge and I, and I was to make that statement in the House. At no time, in respect of this matter, was the Chief Judge approached directly by me, nor did I speak to her. It was felt very important that any discussions not take place directly between the Chief Judge and I and that it would be done through respected intermediaries, and that was the process that was followed.

**Chief Judge  
Gag Order**

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, my question is to the Minister of Justice.

Is the Minister of Justice today saying that the Chief Justice of the Province of Manitoba is not permitted to speak on this matter pursuant to an agreement that has been reached? The minister can call it anything he wants, but it is clear that there was a negotiated agreement between his representatives and either the Chief Justice directly or her representatives. Is the minister saying that she is not permitted to speak on this issue any longer?

**Hon. Vic Toews (Minister of Justice and Attorney General):** If the Chief Judge chooses to speak on this matter, I would not stop her.

\* (1345)

**Mr. Chomiak:** Madam Speaker, this is unprecedented. An agreement between the Justice minister and the Chief Justice about dealing with an issue is unprecedented. As part of the agreement, is there any implication implied, written or suggested from the minister and/or his representatives to the Chief Justice that she cannot or should not speak on this matter? Is there any representation in that regard?

**Mr. Toews:** Madam Speaker, it was agreed between the Chief Judge and I, acting through representatives, that this statement would be the vehicle by which the Chief Judge made her views known.

**Mr. Chomiak:** Madam Speaker, is the minister saying, therefore, on an issue of contradictory statements

between himself, the Chief Justice, representatives of the Law Society and others, and contradictory statements of the minister, his statement issued unilaterally by the minister in this Chamber and negotiations that took place between the minister's representatives and the Chief Justice, that that is the sum total and that is the representation of the Chief Justice of the province of Manitoba with respect to the matters in question? Is that what the minister is saying?

**Mr. Toews:** I am saying that it was the Chief Judge's choice to proceed in the manner in which we proceeded, and indeed it was my choice as well, and there was an agreement in that respect.

**Brandon General Hospital  
Physician Resources—Pediatrics**

**Mr. Leonard Evans (Brandon East):** Madam Speaker, I have a question for the Premier of this province.

The current medical crisis in Brandon relates to the treatment of two existing pediatricians by the Department of Health. Although the government is searching far and wide for at least two or three more pediatricians, this will take many, many months, if not years, and in the meantime Brandon doctors are refusing to deliver babies because of the lack of adequate pediatric services.

The government is refusing to negotiate this matter and causing this problem to drag on while expectant mothers and their families are suffering. Will the Premier now order the Department of Health to get on with the negotiations with the MMA and resolve the problem immediately?

**Hon. Gary Filmon (Premier):** Madam Speaker, there are a number of inaccuracies in the preamble that the member for Brandon East has put forward. Firstly, the government is not refusing to negotiate this matter. This matter has been under negotiations as part of the MMA bargaining that has been taking place now for some time. Specific attention has been paid to and focused on the Brandon pediatrics' issue by the government. The member opposite may know that the Minister of Health (Mr. Praznik) has responded on numerous occasions. Two people from Brandon, the

Minister of Health and I have met with both the chair and the CEO of the Brandon Health Authority. Yesterday, the Minister of Health and the member for Brandon West (Mr. McCrae) and I met with the mayor and members of council on the issue. It is not a matter (a) that is unknown to us; (b) that is not being proceeded with.

The member also said that it is the responsibility of the Department of Health to recruit pediatricians. It is the responsibility of the Brandon Health Authority. They are working on that. They have managed to recruit one who will be coming this fall to Brandon and others who are in the process of being recruited. I should point out that Brandon has been down to two pediatricians now for several years, and neither the Brandon Clinic nor the Brandon Hospital proceeded on the recruitment of these presumed needed additional pediatricians for two years—two years.

Now, he, for whatever interests, is attempting to say that it is our responsibility that for two years neither the clinic nor the hospital recruited those pediatricians, Madam Speaker. This is part of a very much larger issue, and it has to do, obviously, with the requirements that are being put forward by the two pediatricians. We would like to resolve the issue, but I do not think it is a matter of just intervening on this particular issue. It is part of the negotiations that are taking place with the MMA, and we are committed to try and resolve it.

\* (1350)

**Mr. L. Evans:** Madam Speaker, further to the minister's response and my supplementary question, I want to table a letter in this Legislature dated May 13, from the MMA to the Deputy Minister of Health, in which it is said the MMA has offered to meet Saturday, May 2; Sunday, May 3, but was advised the government wanted to wait until Monday, May 4, to discuss this issue. The association has raised the issue of Brandon pediatrics at every meeting, specifically on May 4, 5, 8, and 11. To date the government has made no offer to settle this issue.

Madam Speaker, it is obvious that this matter is not being negotiated. It is being stalled. My question to the Premier is: why is the government stalling and refusing to negotiate on this very urgent matter?

**Mr. Filmon:** Madam Speaker, I know that the member opposite wants to involve himself in union politics, and this is precisely what this is.

Manitoba Health has asked the MMA to prioritize the issues that must be resolved, because we, too, are interested in resolving these issues. They have refused to do that. That way this issue continues to be one of bringing maximum pressure onto the government, and that is not the way in which we are going to resolve this issue. We are looking at it from the long term.

Brandon needs more pediatricians; we are in the process of recruiting pediatricians, but as long as doctors are withdrawing services to try and make their point, the only people they are harming are their patients.

**Mr. L. Evans:** I am not on the side of the Department of Health or the MMA; I am on the side of the mothers and the babies that they want to bring into this world. That is nonsense. Side of the union, you know better than that.

Madam Speaker, I want to ask the Premier—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please. The honourable member for Brandon East, to pose his question, please.

**Mr. L. Evans:** Will the Premier, in the interests of resolving the situation, and realizing—he should read the letter and realize that the MMA is prepared to commit necessary resources and time to resolve this dispute. We have offered to meet in Brandon at any time, and they have been waiting for two weeks to negotiate, and they refuse to negotiate.

Madam Speaker, will the Premier agree to go and do a very honourable and appropriate—take an appropriate and effective measure in this and agree to a third-party binding arbitration process with the MMA, resolve the matter quickly? Get the doctors back to work and let us get on with it.

**Mr. Filmon:** Madam Speaker, if the member opposite just simply wants to support physicians withdrawing services as a means of putting pressure on the

government by harming their patients in Brandon, I do not accept that, and he is wrong.

### **Video Lottery Terminals Community Referendums**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, my question is also for the Premier. A few weeks ago there was a story that was in one of our daily newspapers in which it questioned the candidates in the last by-election. The question was: should VLTs be removed from communities that banned them? The Conservative candidate's response was, and I quote: communities should be allowed to decide if they want to ban VLTs.

Both opposition parties inside this Chamber agree with the Tory backbencher. Our question is: does the Premier agree with his Tory backbencher that, in fact, that should be the case?

\* (1355)

**Hon. Gary Filmon (Premier):** Madam Speaker, firstly, I want to, on behalf of all my colleagues, welcome the newest member of the Legislature here. I know that with her considerable talents and her experience, she is going to make a tremendous contribution to the people of Charleswood, to this government and to the people of Manitoba.

In response to the member for Inkster, I want to say that I certainly will not advise her to follow the lead of the member for Inkster, who, when he was running for the leadership of his party, was in favour of expanding gambling throughout Manitoba. In fact, he wanted to create three casinos, additional casinos. Then, all of a sudden, afterwards, when he lost that leadership, he became an antigambling lobbyist. So I will advise her not to follow his kind of approach to politics where he goes on the one hand and the other hand.

Madam Speaker, I will listen, as my colleagues will, very carefully to the strongly held views of our new colleague from Charleswood. She will have an opportunity as all members do to persuade their colleagues and to be able to work together to make sure that we have the very best policies to offer the people of Manitoba.

**Madam Speaker:** The honourable member for Inkster, with a supplementary question.

### **Free Vote**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, given that the new Tory backbencher says that communities should be allowed to decide, will the Premier then allow her to exercise that opinion within caucus and bring it to the floor of the Chamber in the sense of having a free vote in the Manitoba Legislature? If the Premier supports his Tory candidate, he will allow that free vote to take place.

**Hon. Gary Filmon (Premier):** Madam Speaker, we have a very open caucus that enjoys—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please.

**Mr. Filmon:** Madam Speaker, that open caucus allows all of our members to be able to bring forward their ideas to express very strongly their views on every issue and to help us to—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please.

**Mr. Filmon:** I believe our caucus is much more conducive to differing opinions than the Liberal caucus that kicked the member for Inkster out of its caucus because he had different views.

**Mr. Lamoureux:** Madam Speaker, will the Premier recognize that what Manitobans and the member for Charleswood's (Mrs. Driedger) constituents want is not necessarily an open caucus, they want an open government? In keeping with an open government, why would the Premier not allow for an open vote on that issue inside this Chamber in respect of the by-election, in respect of the position that your candidate took, Mr. Premier, in the last by-election?

**Mr. Filmon:** Madam Speaker, those are things that may indeed come to pass. Those are the subjects of discussions that will be held. When we have new members, new talent, new ideas in our caucus, they

obviously will stimulate additional discussion that may lead to decisions that are made down the road. Certainly I would never preclude that from happening.

### **Health Care Workers 15-Minute Layoffs**

**Mr. Dave Chomiak (Kildonan):** My question is to the First Minister. Madam Speaker, as I understand it, the Middlechurch situation has now been resolved, at least on a temporary basis, but we are in the absurd situation where the regional health authority has offered to fund the extra 15 minutes for the employees only on a temporary basis and not a permanent basis, so the employees might be in a position where they are striking again, again causing a good deal of difficulty and hardship for families and their patients.

Will the Premier commit today that his government will deal with this absurdity of the 15-minute laying off of time for employees, reinstate it on a permanent basis across the province, which is what their commitment was when they removed it in the first place? It was tough times then; if it is times now that we can get raises as MLAs, surely these people deserve these additional 15 minutes. Will the Premier commit to that?

**Hon. Gary Filmon (Premier):** Madam Speaker, I will take that question as notice on behalf of the Minister of Health (Mr. Praznik).

\* (1400)

**Mr. Chomiak:** Madam Speaker, my supplementary: does the Premier not recognize, in light of the fact that we have in Winnipeg shortages in hospitals again, we have people lying in the hallways, and their excuses about flus and everything else goes awry—my question to the Premier: does he not realize that 15 minutes per employee amounts to two and a half hours of patient time per week per employee, something that is desperately needed in our institutions? Will he not today commit that that time will be reinstated so employees and caregivers can devote the time and energy necessary to help the patients of Manitoba?

**Mr. Filmon:** I know that those are all issues that the Minister of Health has under discussion with the

Winnipeg Health Authority, and certainly that is a matter that I know he will want to respond to when he returns to this House.

### **Mineral Exploration Lynn Lake-Leaf Rapids**

**Mr. Gerard Jennissen (Flin Flon):** My questions are for the Minister of Energy and Mines. The two recent announcements of ore discoveries at Snow Lake and Flin Flon are positive news for northern Manitoba. In light of the fact that these discoveries occurred at existing known sites, will the minister now agree to increase exploration in the Lynn Lake-Leaf Rapids region, because presently only one-half of 1 percent of the geological survey branch budget is being spent there, and the Leaf Rapids Chamber of Commerce feels that 30 percent of mining exploration grants should focus on that region?

**Hon. David Newman (Minister of Energy and Mines):** Madam Speaker, the question is timely, given it is National Mining Week in Canada, but the approach that is taken by the member for Flin Flon unfortunately does not pay heed to the fact that that is one of the most-explored, best-known areas in this province. The information which is widely available to companies like Hudson Bay Mining and Smelting and Inco—and it was Hudson Bay Mining and Smelting that did the work there—is beyond our knowledge because much of that is still confidential.

But the capacity to be able to do exploration in the green field areas of the province is where we are investing our energies at the moment, hopefully to get big finds or small finds that develop into mines. That is done through the MEAP program, and that is well supported by this provincial government.

### **Mining Reserve Fund Location**

**Mr. Gerard Jennissen (Flin Flon):** Madam Speaker, since the Mining Reserve Fund comes from mining taxes of mining operations based almost exclusively in northern Manitoba, and the fund is for the benefit of mining communities facing problems, would the minister agree that the fund itself should be located in a northern community such as Lynn Lake?

**Hon. David Newman (Minister of Energy and Mines):** Madam Speaker, I think less concern about where the fund is located, more concern about where the funds are spent, and that is where we direct our attention. As the honourable member for Flin Flon well knows, and we discussed it at Estimates at some length, what we are doing is responding to applications from communities that have creative ideas as to what to do to redress the consequences of a mine suspension or closing, and we are prepared to deal proactively in preventative ways to make sure that the communities are well served if and when there is a diminishing service and jobs provided by a local mine.

#### **Mineral Exploration Cross Lake**

**Ms. MaryAnn Mihychuk (St. James):** Madam Speaker, my question is to the Minister of Mines and Northern Affairs. The need for respect and partnership with First Nations is paramount. The minister calls the recent actions by Cross Lake as rash and counterproductive to the reputation of the leaders and people of Cross Lake.

Will the minister admit that by allowing two exploration companies to work in the Cross Lake resource management area and actually funding one of those companies to the tune of a quarter of a million dollars without any consultation or notification to the band is counterproductive to this government's reputation and to his own reputation as Minister of Mines and Northern Affairs?

**Hon. David Newman (Minister of Energy and Mines):** Madam Speaker, to the extent that privately owned diamond explorers in that area and other explorationists in that area are not dealing in appropriate ways expressing courtesy and understanding the values and traditions of the aboriginal people who are neighbours to their exploration, I think that they would be performing deficiently. We have discussed again at length in Estimates the expectations we have for explorationists in the province of Manitoba.

With respect to Cross Lake and the standards being exhibited by them in relation to the issue of the barricade at Cross Lake, the fact is, to my great delight,

I have been informed today that the Cross Lake band has reconsidered their position. The equipment of Hydro has now been removed with their co-operation and support and with the support of the neighbouring communities. So a very positive resolve has been achieved.

**Ms. Mihychuk:** Madam Speaker, will the minister ensure now—and Cross Lake has again gone out of its way to meet the government and try and resolve issues—that this government will not hand out provincial grants to those exploration companies that have intentions to do that work behind the backs of First Nations on their lands? Will he ensure that government money will not go to those companies?

**Mr. Newman:** Madam Speaker, if there are indeed specifics of problems in terms of the relationship between a private company, which has received MEAP funding, in relation to a neighbouring community, whether it is aboriginal or municipal or whatever, I would be very interested in hearing the details about that and the names of the companies involved. We will use our good offices to promote the kinds of relationships between explorationists and the neighbouring communities which we are advocating through our aboriginal mining initiative and which we advocate in terms of all the explorationists in the province of Manitoba in relation to Manitoba citizens.

#### **Chief Judge Gag Order**

**Mr. Gord Mackintosh (St. Johns):** To the Minister of Justice in follow-up to earlier answers by the minister. Once the minister got wind that the Chief Judge had planned to go public as early as Monday about what the minister did with the nominating committee's report, the minister hired a lawyer, and the minister now, this afternoon, has admitted that he was able to negotiate a gag on the Chief Judge.

My question to the minister is this—[interjection] Well, that is what was said. My question to the minister: was it not indeed his intention, his whole objective, the whole point of hiring a lawyer to approach the Chief Judge to get a gag order, to shut her down to ensure that she did not make public statements on this very serious matter?

**Hon. Vic Toews (Minister of Justice and Attorney General):** Madam Speaker, let me say this, both in respect of this question and any other similar question put to me today. If the member is asking whether there are any legal consequences flowing from the statement made by me on May 13, if the Chief Judge decides to make any further statements or comments, the answer is no. It was agreed between us that the statement was to be the appropriate vehicle by which both the Chief Judge and I would make our views known on the issue raised in the statement. So, if the member has any doubt about that, the Chief Judge, as I have indicated earlier in this Question Period, has the right to make further statements or comments.

#### Statement–Negotiations

**Mr. Gord Mackintosh (St. Johns):** Well, would the minister—who has now indeed confirmed that it was their understanding that she would not make any further statements, and that is clear from what he has just said—now advise this House what else formed the agreement between the minister and the Chief Judge that does not appear in the ministerial statement of yesterday? What else was agreed to? What were the other terms of negotiation?

**Hon. Vic Toews (Minister of Justice and Attorney General):** I made the statement in the House on May 13, 1998. It specifically referenced the May 11 Question Period. That Question Period on May 11 specifically raised the questions asked of me on May 7.

**An Honourable Member:** Contradictions.

\* (1410)

**Mr. Toews:** The member for Concordia (Mr. Doer) indicates that they are contradictions. I disagree. There were a number of statements or questions that were asked of me. In respect of those questions, which are very different questions on very different points, I provided an answer on each question.

**Mr. Mackintosh:** Well, the minister avoided my question. I asked: what else was agreed to with the Chief Judge that is not in the ministerial statement? I want to know and Manitobans have to know what, for example, was the role of his earlier threat hanging over

the Chief Judge to remove her from the nominating committee and to have judge appointments removed. What other threats were made? What other negotiating tactics did this minister use? What were the instructions to his lawyer when he went to the Chief Judge?

**Mr. Toews:** To my knowledge, there were no threats made.

#### Political Interference

**Mr. Gord Mackintosh (St. Johns):** On a new question, Madam Speaker.

The minister has gone to the Chief Judge and interfered with her public responsibility to clear the air. He directly interfered. I ask this minister: is he going to continue with his ludicrous statement that because he hired a lawyer there was no direct interference? Does he not understand that, given his former career, it makes no difference if he went to the Chief Judge or his lawyer went to the Chief Judge? He directly interfered with her ability to perform her public responsibilities.

**Hon. Vic Toews (Minister of Justice and Attorney General):** Madam Speaker, no one compelled the Chief Judge to attend any meeting or to enter into any discussions. This process was adopted out of an abundance of caution when it became apparent to me that there may well be some misunderstanding, and that misunderstanding needed to be clarified.

Madam Speaker, the allegations made here by the member for St. Johns are not accurate.

#### Gag Order

**Mr. Gord Mackintosh (St. Johns):** My supplementary question to the minister: will he not admit that the sole purpose of him hiring a lawyer to go to the Chief Judge was to obtain a gag order and prevent her from talking on this very serious matter? That was the purpose. Will he not admit that now?

**Hon. Vic Toews (Minister of Justice and Attorney General):** No, Madam Speaker, that is not correct. I have a broad responsibility to ensure that there is the administration of justice in the province. The Chief

Judge, in her capacity as judge, has certain responsibilities, and in her capacity as the committee chair of this specific legislated chair has certain responsibilities. It was a view to understanding our relationship in respect of that particular duty that she was carrying out as the chair of that committee.

**Madam Speaker:** Time for Oral Questions has expired.

## MEMBERS' STATEMENTS

### Economic Growth

**Mr. Mervin Tweed (Turtle Mountain):** Today I rise to note an article of interest for all Manitobans. The Winnipeg Free Press headline, Manitobans' prosperity expected to continue, sums up our province's outstanding economic progress quite nicely.

The article quotes Mr. Ian Russell, senior vice-president of Investment Dealers Association as saying: "Our view is in the next several years, the level of growth and prosperity is going to continue in Manitoba. The business conditions here, if anything, are going to improve even more."

What does this mean? It means more quality employment opportunities for Manitobans. Our unemployment rate is at the lowest level in 16 years, and capital investments continue at a record level. It is unfortunate that members opposite continue to present Manitobans their usual serving of doom and gloom. Thankfully, Manitobans are able to see through the opposition's cloud of despair, and the recent election of the member for Charleswood (Mrs. Driedger) is a testament to this fact.

When our government brought in the strongest balanced budget legislation anywhere, the member for Crescentwood (Mr. Sale) said it would likely have a negative effect. Everything is a matter of perspective.

If 12 consecutive months of an unemployment rate below 7 percent, six straight years of double-digit growth in exports to the U.S., and three consecutive fiscal surpluses are examples of negative effect predicted, then I wonder if members opposite are capable of recognizing anything positive. Thank you.

### National Nursing Week

**Mr. Tim Sale (Crescentwood):** Madam Speaker, I rise to recognize something extremely positive in the life of Manitoba, and that is the role of professional nurses in this province, to recognize national— [interjection] Recognize the proclamation—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please.

**Mr. Sale:** Madam Speaker, perhaps I should begin again, given that I have not had a chance to start due to the enthusiasm of the members opposite.

I want to recognize the important role of registered nurses and licensed practical nurses and licensed psychiatric nurses in our health care system. More than 12,000 members of this profession give outstanding care to Manitobans in spite of the incredible cutbacks put in their workplaces by this government.

Madam Speaker, the Minister of Health (Mr. Praznik) has had the gall to recognize National Nursing Week, a minister whose government laid off 1,000 registered nurses in this province, who is now in a situation where he does not have enough nurses to even open critical care beds over a period of months. He cannot get them open because those nurses have had to leave this province to find employment elsewhere.

This government recognizes the achievements of nurses, and then it refuses to recognize an important report tabled in this province not more than four weeks ago citing thousands and thousands of instances where critical care was not able to be given because the government of this province has cut back health care, has cut back nursing, so that the wonderful skills and gifts cannot be enjoyed by those who need them most, those who are ill.

Let us come to a time in this province when we recognize the contributions of vital professionals like our nurses by ensuring that there are enough of them to care for sick Manitobans, that they are not worked off their feet, that they are not burnt out, that they are not put in work situations that are unsafe for them or for their patients. Let us honour them with our deeds and

not with the words, after a thousand of them have lost their employment.

\* (1420)

**Mrs. Myrna Driedger**

**Mr. Jack Penner (Emerson):** Madam Speaker, it gives me a great deal of pleasure, on behalf of all my colleagues in our caucus and indeed I believe all members of this Legislature, to welcome Myrna Driedger, the member for Charleswood, to this Chamber. It is indeed a pleasure to have a new colleague on this side of the House, and I certainly am pleased that she will bring a great deal of intelligence and stature on behalf of her constituency to this House.

**Vegetable Industry**

Spring is a wonderful time of year. Spring leads to new growth, new evidence of prosperity—and one only needs to drive out to rural Manitoba these days to smell the newly tilled soil in the air—and that growth has been demonstrated as part of the economic base that this province depends on.

The vegetable industry in this province has demonstrated again its ability to prosper and indeed add to the economy and the diversity of our province. The Vegetable Marketing Board, headed up by Larry McIntosh, recently indicated that they would increase their sales in Canada and into the United States by about 10 percent this year. That is very astounding growth, and that is indicative of the kind of economic expansion that we have seen in this area.

Vegetable production is part of the diversification process that is ongoing in this province, and that is something that our Minister of Agriculture (Mr. Enns) has not only promoted but has been very influential in, in encouraging all across Manitoba. Indeed, all of southern Manitoba is depending on vegetable production and the export of vegetables to add to the economy of this province.

**Mining Reserve Fund**

**Mr. Gerard Jennissen (Flin Flon):** Madam Speaker, mining is a billion-dollar industry and is Manitoba's

second-largest industry. Over 4,000 Manitobans are directly employed in mining, and communities such as Flin Flon, Snow Lake, Leaf Rapids, Lynn Lake, Thompson and Bissett all developed primarily because of mining. Virtually all of the mining tax revenue in this province comes from northern Manitoba.

The Mining Reserve Fund, by statute, is for those communities where there are partial or complete shutdowns. This vital fund, which is more important than ever before, is a major asset. In our opinion, it makes sense to have this dedicated fund kept where it comes from, namely northern Manitoba.

Lynn Lake, a mining community with a proud history of more than 40 years, has been abandoned by one of the major banks. The provincial government itself took an account of more than \$1 million out of Lynn Lake as part of what it likes to call health reform. Credit unions are interested in setting up a branch in Lynn Lake but need to have a significant deposit base. If the province were to place the Mining Reserve Fund in such an institution, it would greatly benefit both Lynn Lake and northern Manitoba. Northern Manitoba has a strong mining presence because of its base resources, its workforce and infrastructure. Sadly, due to neglect and cutbacks, much of this infrastructure is deteriorating.

Banking service is vital to allow the mining industry and other businesses to operate. Lynn Lake businesses and a thousand residents are being forced to travel 105 kilometres along the notorious PR 391 due to the closure of the bank branch. This is not acceptable. Lynn Lake residents deserve fair treatment; something they are not getting from the major banks. Bank profits are at a record level while service is deteriorating. Bank mergers will only mean that many more communities will lose their local branches. The Mining Reserve money which comes from the North should be used to benefit the North.

**Video Lottery Terminals**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, earlier in Question Period, with the Premier's rather long diatribe and not necessarily answering the question, he made reference to my position with respect to gambling, and I would like to take the opportunity just to expand on it a little bit because I do not think the

Premier quite understood the general gist. If lengthy preambles were allowed, I would have explained back then, but suffice to say, I do believe that a gambling policy is important for the province.

It should be one that is based on tourism. The idea of having a casino, for example, at Hecla Island I think would be a very positive thing. I think there are other potential ways in which one can develop good gaming policy, but it would not be one of being driven by cash in terms of a cash infusion into general revenues. I disagree totally with the need to have VLTs in every little inlet and community that the province of Manitoba has, and for that reason, I have always believed—I believe, as the new member for Charleswood (Mrs. Driedger) believes, that those communities should in fact be allowed the opportunity to have a vote on whether or not they are necessary in their communities. Thank you, Madam Speaker.

### ORDERS OF THE DAY (Continued)

#### House Business

**Hon. James McCrae (Government House Leader):** Madam Speaker, I would like to announce that the Standing Committee on Law Amendments will meet on Tuesday, May 19, 1998, at 7 p.m., in order to consider the following bills: Bills 5, 6, 7, and 15.

**Madam Speaker:** To repeat the announcement by the government House leader, the Standing Committee on Law Amendments will meet at 7 p.m. on Tuesday, May 19, to consider Bills 5, 6, 7 and 15.

As previously agreed, the Committee of Supply will resume.

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### JUSTICE

**Mr. Chairperson (Gerry McAlpine):** Order, please. Will the Committee of Supply please come to order. The Committee of Supply sitting in Room 254 will resume the Estimates of the Department of Justice. Although we have not officially got into the line-by-line

Estimates, the minister was responding to remarks to the motion that is before us. I would ask the honourable minister to continue with his comments.

**Hon. Vic Toews (Minister of Justice and Attorney General):** Well, I understand, Mr. Chair, that I only have a few minutes left available to me and so, rather than at this time go through any further detail of the judges' salary case, I would conclude my comments and leave the floor open to others who may want to debate this issue.

\* (1440)

#### Chairperson's Ruling

**Mr. Chairperson:** Before we do hear from any other, when we were sitting earlier this morning, there was a point of order from members concerning the point of order raised by the member for Thompson (Mr. Ashton). The usual practice during debate on a motion in the Committee of Supply is to alternate between government and opposition members. We have not got into the line-by-line Estimates at this point. Accordingly, the rotation for the debate on the motion before the committee will alternate between government and opposition members. If a member is not available to speak during his or her party's rotation, I will recognize the first member who seeks the attention of the Chair.

The member for Thompson (Mr. Ashton), I would remind, to make this ruling, since I have to make a ruling on the point of order, I am ruling that the honourable member for Thompson did not have a point of order.

Before I recognize the honourable member for Thompson on this particular issue, if debate is going to continue—which I presume that it is—I do have a list of members who had raised their hands and asked that the Chair recognize them. I do have a list, and on that list I have taken them in order as the Chair recognized them. I recognized the honourable member for Inkster (Mr. Lamoureux), the honourable member for Turtle Mountain (Mr. Tweed), the honourable member for Thompson (Mr. Ashton) and the honourable member for Emerson (Mr. Penner). That is the way the list stands now.

The honourable member for Thompson, on a matter of clarification.

**Mr. Steve Ashton (Opposition House Leader):** Yes, just a matter of clarification, whether you use it as a point of order or not, you are saying that there will be an alternation in debate, which is basically what our point was.

**Mr. Chairperson:** That is correct.

**Mr. Ashton:** I think that is a very good ruling.

\* \* \*

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, I guess what I have seen happen in the past if there is a bit of a questioning of the motion—because I was not necessarily here prior to the motion being presented. I did not hear any of the details as to why the motion, in fact, should be supported. I understand the motion is actually going to be provided for me, and I appreciate that.

Having said that, Mr. Chairperson, this is indeed a very serious issue. In fact, yesterday I stood inside the Chamber, and as each MLA is given an opportunity to grieve once in any given session, I had taken yesterday as my opportunity to express some concerns that I had with respect to what was happening. Nothing really has changed from my point of view with respect to that. What I try to do is to bring things down to as simple of a level as possible in order to make what I believe is a relatively good, soundly based decision.

I am not clear. Prior to the Chief Justice not making any form of a statement, whether it was direct or indirect through a statement inside the Chamber, it would have been a little bit more difficult to have come down on this particular issue.

But, given the statement that was made yesterday inside the Chamber, I think, at least from my point of view, it somewhat puts the issue to rest until we can find, as an opposition, or until the Chief Justice attempts to address the public as a whole. Only she knows whether or not she will do that, because in essence we have to look at what actually took place. The reality of the situation was that you had the

Minister of Justice (Mr. Toews) and the Chief Justice having some discussions about the need for bilingual judges, from what I understand, or bilingual candidates. That had taken place quite a while back. Then there was the time when the Chief Justice went to the Minister of Justice, and a list was provided with seven candidates. I understand that the Minister of Justice was wanting to see a bilingual name on that particular list.

I guess I can be somewhat sympathetic to that particular need in the sense that I think at times there is a need, whether maybe it is bilingual, maybe it is aboriginal, maybe it is another form of minority group, where government would like to see included on the list. What we have to do is we have to compare it to what was happening prior to the legislation. Prior to the legislation it was in essence the cabinet that selected whomever they wanted to become the judge. Well, legislation then was brought forward to change that system.

I think one of the things that was not taken into consideration in bringing forward that legislation was what about the public, the perceived public need. In this case, it was for a bilingual judge. Well, that, in all likelihood—and I have not read every paragraph of the act—was not taken into consideration. There was a discussion that took place, and I think that that would be a responsible thing to do: to have some sort of a discussion airing the concerns of, well, here we are hopeful or we would like to see at least some candidates, that there is a need for a bilingual judge. I think that there is some merit for that sort of a discussion.

When the Chief Justice just came back with just the seven on the list, I would have been very disappointed in the Minister of Justice (Mr. Toews) if he said: I will not accept this list unless there is a bilingual candidate. But, from what I understand, both from the Minister of Justice—and there is no denial of that from the Chief Justice.

Those were the only two involved in that particular meeting, that that never took place, that that ultimatum was not there. So, if that ultimatum was not there, that means the list as being proposed by the selection committee was, in fact, going to be respected.

Now, there was discussion about that bilingual candidate. If the Minister of Justice would have said, for example, Mr. Chairperson, knowing full well that the only bilingual individual was, in fact, a Tory candidate that ran back in, I think, 1988, and he knew that to be fact and suggested to the judge that I want to see a bilingual candidate on there, well, I would have a very serious problem with that.

That is the reason why I ask the question directly to the minister: was he aware of the fact that he was the only bilingual candidate? The minister, I believe, said something to the effect that he had no idea if there were other bilingual candidates. Now I understand, in fact, since I asked that particular question, that there were other bilingual candidates. Nothing prevents the committee, if you like, from reopening or asking for additional bilingual candidates.

If it could be demonstrated from the official opposition that the minister tried to get a particular individual into the courts, I think, then, there would be a valid argument. I have not heard anything that has actually demonstrated that. I believe that the only way it would appear, at least at this point in time, to be able to demonstrate that is that we would need to have something come from the Chief Justice.

That is the reason why I spoke yesterday on my grievance making reference specifically to what the Chief Justice has said in essence through that ministerial statement. I also indicated in the grievance that in fact once I receive it from Hansard, I would be faxing it over to the Chief Justice's office. Well, Mr. Chairperson, prior to coming up to the committee room, I handed my assistant a copy of the Hansard, a copy of the grievance, and asked that it be sent to the Chief Justice's office. The reason why is because that is the only way in which I have as a legislator the ability to confirm whether or not the Minister of Justice (Mr. Toews) has accurately portrayed what took place in that ministerial statement. If I hear absolutely nothing from the Chief Justice, then I can only assume that the ministerial statement is, in fact, accurate.

\* (1450)

Mr. Chairperson, what makes it very difficult—and the Minister of Justice made reference to it, in part, in his

dialogue. He talked about the importance of judicial independence. I recognize the importance of judicial independence, but in recognizing that judicial independence, I also recognize there is a need for public accountability, and I think that that is, at least in part, being lost, I would argue, in this whole process.

That is the reason why I felt that it was indeed appropriate for me, given these circumstances, to express in the best way I could—and it might not be the best way, but in the best way that I could think of to convey a message in hopes that the Chief Justice will, in fact, look at the seriousness of the issue that is before this Legislature and do what she feels appropriate.

In Question Period today, when the minister was asked the specific question, is he saying—or the whole issue of the gag order, and I think that is important. It is important for a couple of points. If the Minister of Justice (Mr. Toews) has indicated directly, in any fashion at all, that the Chief Justice cannot speak on this issue, I think he would be doing a disservice and there would be a valid argument for the Minister of Justice to resign.

I understand that that has not, in fact, occurred, and, again, Mr. Chairperson, the only person who can actually respond to that is the Chief Justice, so it is a question of do we believe that the Chief Justice has been manipulated. Well, I would be disappointed in the Chief Justice of the province if she allowed herself to be manipulated, and she has a responsibility, not to this Legislature but to the public of the province of Manitoba, to indicate on the record what, in fact, has transpired.

Well, short of that occurring, we have a statement that is very clear that has been made, and one has to accept that the Chief Justice has not been manipulated because if the Chief Justice has been manipulated, then she has allowed herself to be manipulated. If that is the case, the Chief Justice, in keeping with the Minister of Justice (Mr. Toews), should both step aside. She should not be the Chief Justice of the province if she has allowed herself to be compromised in that situation, but, Mr. Chairperson, much like I am prepared to give the Minister of Justice the benefit of the doubt, I am also prepared to give the Chief Justice the benefit of the doubt.

What actually has transpired, Mr. Chairperson, I believe only two people know, the Minister of Justice and the Chief Justice, and there is only one individual who, in any public way, directly has commented on this particular issue.

The Chief Justice has not for whatever reason, and I am not in a position in which I can force, nor am I going to continue to push to force for the Chief Justice. I would have thought that it would have been appropriate to make some sort of a statement, but that is up to the Chief Justice. I am satisfied that there was something that was put on the record yesterday, and because of that, I am prepared to give the benefit of the doubt not only to the Minister of Justice (Mr. Toews) but also to the Chief Justice.

Mr. Chairperson, I would conclude by saying that I have, as a legislator, done whatever I can in the sense of faxing my grievance to the Chief Justice, and I would look to those two individuals until there is some sort of contradiction, something that clearly demonstrates because of the seriousness of this, something that is tangible that comes out that shows that the Minister of Justice (Mr. Toews) has not been accurate in what he has said in his statement yesterday, or the Chief Justice addresses it directly and it contradicts what the Minister of Justice has, in fact, put on the record. Then, in fact, I would suggest to you—

#### Point of Order

**Mr. Toews:** Just on a point of order, I note that the member refers to the judge as a Chief Justice. In fact, it is the Chief Judge. There is a distinction. So, just for the purpose of the record, it is the Chief Judge that the member is referring to.

**Mr. Chairperson:** Order, please. The honourable minister does not have a point of order.

\* \* \*

**Mr. Chairperson:** The honourable member for Inkster, to finish your response.

**Mr. Lamoureux:** Mr. Chairperson, I appreciate that because there is a significant difference, obviously, for that. So I do appreciate that.

To conclude, Mr. Chairperson, unless there is something else that is brought to the table that clearly identifies a contradiction between the Chief Judge and the Minister of Justice, I, and I believe I should say, and my colleagues, I do not believe are in a position to support this particular motion.

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Chair, I will be very brief. I would move to now put the question.

**Mr. Chairperson:** The honourable member for Turtle Mountain, that motion has to be a motion that is in writing.

We have a motion that was presented to the Chair moving the question be put. The motion is in order. Is it the will of the member to—it is a nondebatable motion.

#### Voice Vote

**Mr. Chairperson:** All those in favour of the motion, please say yea.

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All those opposed, please say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Yeas have it. I declare the motion carried.

#### Formal Vote

**Mr. Steve Ashton (Thompson):** Mr. Chairperson, I would request a counted vote, a formal vote.

**Mr. Chairperson:** Just for the point of clarification, for the member for Thompson (Mr. Ashton), I am informed that we need another member to move that.

**Mr. Ashton:** I was speaking for our entire 23-person caucus. [interjection] There are four of us here.

**Mr. Chairperson:** A formal vote has been requested by two members. This section of the committee will now proceed to the Chamber for a formal vote.

*The committee recessed at 2:59 p.m.*

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**After Recess**

*The committee resumed at 4:05 p.m.*

**Mr. Chairperson:** Order, please. According to the rotation, the honourable member for Thompson has been asked to speak.

**Mr. Ashton:** I have given many speeches in this Legislature, but very few under this kind of circumstance. I must admit that only about 10 minutes ago I was not expecting to have any opportunity to speak on this motion. I would note for the record that—

**An Honourable Member:** Unlimited time.

**Mr. Ashton:** Well, I would love to have that. There is something about this room that brings back memories, but I would note for the record that our Justice critic moved the motion, and I am the first New Democratic to be able to speak on this. If the motion put forward by the member for Turtle Mountain (Mr. Tweed) had been passed, then obviously I would have not been able to do that. That is the process in committee.

I say to the members opposite, I know it is the final episode of Seinfeld tonight, but we did not have to turn the Legislature into two hours of comic proportions either. I will not suggest who in this Legislature might be appropriate for which character. I think some of us could come up with our own suggestions on that. But, anyway, I must admit earlier that when we were discussing what was going to happen in this session, I was thinking of another rather brilliant comedy show from a few years ago, Monty Python, because it certainly had parallels today as well.

But the fact is the government did back down, did allow us to speak on this, did not muzzle us, did not stop us from speaking out. I am glad the government House leader (Mr. McCrae) has come along some way because I want to suggest that that is exactly one of the reasons we started this debate because we want the government to go further. We want the government not to be speaking for the Chief Judge of this province; we

want the government to stop what we have seen put in place which is a gag agreement involving the Minister of Justice (Mr. Toews) and the Chief Judge and allow the facts to be put on the record.

\* (1610)

I want to give some very good reasons why we moved this motion, Mr. Chairperson. I do not want to start with the statement—I could start chronologically, and I will deal with that in a few moments—but the statement that was introduced yesterday in the House by the Minister of Justice (Mr. Toews), and if there is any doubt about why this Minister of Justice should resign, it was this statement, a ministerial statement regarding the judicial appointment process. I was stunned when I heard the expression here, and I just want to read it into the record.

I am quoting the minister: “I have the utmost respect for the Chief Judge, and accordingly I have been made aware of the recollections of the Chief Judge on the events of the last several weeks relating to the judicial appointment process.” Mr. Chairperson, “I have been made aware.”

Well, some of us when we heard that phrase thought: what happened here? Did the Chief Judge phone up the minister? That would be one possible way. Did the Chief Judge write to the minister? Did the minister phone the Chief Judge or write to the Chief Judge? Was there a brown envelope that was put under the door? It took us 40 minutes, but by the end of Question Period yesterday we had the minister confirming on the record—I have the Hansard here, and I find it absolutely amazing that what the minister did was, finally, after close to 40 minutes, confirm that what he did was that he contacted a lawyer. We still do not know how the lawyer was selected by the Chief Judge, but we know that this was the process that took place.

Now think about this for a moment. I am trying to think of how this process would start, because we still do not have answers on this. What did the minister do? Did the minister phone up the lawyer and say—and I quote the minister: “The person who I had acting as an intermediary on my behalf was Mr. Bill Olson of Thompson Dorfman.” What happened? Did the

minister get on the phone to Bill Olson and say: I have a job for you.

In fact, did he even contract with this lawyer? We do not know if there was a fee paid, whether it is paid by the minister's department, paid by the minister directly, or if this was just a favour. Some old boys' connection is the word that is used, but if we want to use other terms—old persons—I think we know that this is a term that is used very much by the feminist movement to reference the fact in many cases, certainly until recently, and in most cases that is the situation.

But what did the minister do? Did the minister phone up and say that I got a problem here? What kind of direction did the minister give to Mr. Olson, what kind of direction? Well, we do not know. What we do know is—and this is from the minister's own words again both in the statement and today—that we essentially had what would be equivalent—I realize the minister is a lawyer, and I think he would accept this analogy as well. They treated it as if this was some kind of a plea bargain or some kind of an out-of-court settlement on a civil suit.

One of the common elements in that kind of agreement is, indeed, that people who are party to that agreement cannot speak out any further on that, certainly the case in many civil settlements. So, Mr. Chairperson, what you have is the situation whereby the minister, who was getting increasingly caught in a web of his own creation, of inconsistencies, of complete inconsistencies, tried to get these two lawyers to work out an agreement that included supposedly this statement. We know this. Apparently, we have to take the minister's word—represents not only his word but the Chief Judge, but also we heard today that this is going to be it, no more statements. Aha! And I mention, you know, when you are in an out-of-court settlement situation, that is one of the things that are agreed to. Now we do not know if there was a written memorandum of understanding—that would be normal process. We do not know if there is an exchange of letters. All we know is we have to take the minister's word. They know he not only speaks for himself, but the Chief Judge.

Now, people may say: How important is that to this particular issue? Well, let us deal with that. How

much can we rely on the word of the minister on this particular matter? May 7, 1998, the first time this issue came up, the minister talked about the issue of judges. I just want to paint the picture here again, because it is interesting that people are confusing this, and I think it is important to put on the record what happened. If you look at the concern here, it is about direct interference in the selection of judges. Under the act that is not a role for the minister to play.

The real concern in this particular case was whether the minister tried to rig the process by specifically raising the issue of bilingual judges, knowing that one of those who was interviewed, not applied—and I say this to the member for Inkster (Mr. Lamoureux), because I know he asked this question—one of those who was interviewed just happened to fit that criterion.

There have been suggestions that there is more than one criterion involved; there are also some political, personal connections involved. I want that to be clear, because the minister does not have the ability to send this back and say: I am going to reject this list. It is a one-way street. The committee recommends to the minister.

Now, what was the opinion of the representatives from the Law Society and the Bar Association? They were at their part of the selection committee. They received the report from the Chief Judge that basically, unless the list was added to, the list could very well be rejected. Talk about the two-way street. What is interesting, by the way, is that in the minister's first statement he said he did not even raise it. If you were to believe that, you might say: well, what happened here? That was on May 7. Well, what happened on May 11, because if you look at what happened on May 11, the minister at that particular time said: well, you know, maybe I did raise it. On May 11, the tune changed.

I have the reference in Hansard. I would invite people to reference it. "On that particular issue I can indicate that I had raised the issue of bilingual capacity, French-speaking capacity on our courts." Version No. 1: the suggestion that it be raised was not a suggestion made by me. But now that the minister on May 11, only when confronted by the conflicting stories here of the two individuals who sat on the committee, who

received that report back, did he change his story and say: well, maybe I did raise it.

Well, let us deal with what this supposed correction, this ministerial statement, says. Now, I think one of the most operative words in here or the phrases outside of, I had been made aware of the recollections of the Chief Judge, is the fact that he said: "I am advised that the Chief Judge has reviewed the transcript of Question Period on May 11, 1998."

Well, we now know why. Because this minister is the one who initiated this process. Now, was this part of the direction to his lawyer, Mr. Olson? Mr. Olson, I want you to phone the Chief Judge—we do not know if that was the direction—or somebody that presumably could act on behalf of the Chief Judge, and I want you to raise the issue of May 11, and they are now saying that, you know, I interfered in the process and I am going to be in serious difficulty; my credibility as Minister of Justice is going to be zero if that issue continues.

\* (1620)

Well, what is interesting is because the statement—what do we have back from it? Well, it is referenced to May 11, 1998, and all the statement says is: "I am advised that the Chief Judge has reviewed the transcript of Question Period . . ."—once again, we have to take the minister's word for this; we do not know what the Chief Judge has said; we do not know what the written agreement is—"and shares my recollection of the substance of the matters discussed between us on May 4."

Now, by the way, May 11, not May 7. You note that; very clever on the minister's part. May 7 was conveniently left out. I could deal with that because I think, in essence, that proves exactly what we said all the way along, that even when he went via this channel to the Chief Judge, he did not want to know about May 7. He wanted to know about May 11, but he continued to say: "However, for her part, I am advised my comments left her uncertain upon leaving our meeting as to my intention to proceed with the process of appointing two Provincial Court judges from the list of seven names that had been left with me at the end of the meeting."

So what he is admitting in this particular statement is that indeed there was on the part of the Chief Judge, very clearly she went back of the opinion to the—you remember how the Premier (Mr. Filmon) sometimes throws back and says the other individuals in the selection process were not part of this. But, you know, the Chief Judge went back obviously, immediately, and said to that committee exactly what those committee members have put on the public record.

Now, what is interesting is talk about hanging by a thread here, because the minister, first of all, will not deal with May 7, he deals with May 11, and in his own statement, this supposed joint statement here, we have clearly on the record clear evidence that the Chief Judge then went to the selection committee and said to the selection committee that the bilingual position has to be added after the fact, something you cannot do under the act.

Now, what did the minister do? Did he apologize? Did he say I should not have said that? I want to read the operative word again, because all he said was I regret any misunderstanding that might have been generated by my lack of clarity.

He regrets any misunderstanding. Mr. Chairperson, this was not a simple case of a few misspoken words, and I suggest to the minister, he is a lawyer, he has operated in a courtroom. Not being of the legal profession myself, I would suggest he might wish to look at one of the issues when you are dealing in a court case, credibility of witnesses. Why should we believe the minister? Why should we believe the minister who said one thing on May 7, said one thing on May 11, and in this case, why should we believe that there was any real misunderstanding?

You know, Mr. Chair, I do not think there was any misunderstanding. I think the minister knew exactly what he was doing. The minister was trying to get one particular candidate added, and it is very easy to do, because all you had to do was say let us add in the requirement, after the fact, of being bilingual. Guess what, only one of the interviewees was bilingual.

I mentioned this in the House. I mean, there is not a job application out there that cannot be rigged. If you happen to know the exact qualifications of the person

you want, all you have to do is ask for it. If you want to fill a job and you know there is somebody out there with a Ph.D. in classical Arabic studies and you put that in and there is only one person with that qualification, surprise, surprise, you get that. I mean, that happens all the time. We all know that; we see it. You do not have to be—anybody else, anybody who has any experience with the employment process, that is what the minister did in this particular case.

What misunderstanding? The minister knew exactly what he was doing. What we really have here is that the only regret the minister has is he got caught. He got caught. Not only did he get caught dealing with a situation where he had the Law Society representative and the Bar Association representative, and there are other representatives on that board, as well, on the selection process, but you have the Chief Judge who goes out of this meeting, goes into this committee and says this is what the Minister of Justice said.

Now, what are we supposed to do following this process now? Are we supposed to believe the minister when he clearly has stated various things on the record that are not accurate? Are we supposed to believe that the minister somehow could be objective in this case and speak for him and the Chief Judge? I think not.

But I want to go one step further, because I think what the minister has done on this particular matter is I think he has compounded this beyond its original complexity. I mean, it was bad enough to begin with. Here you had key people, the Law Society, the Bar Association, questioning the political interference of the minister in the selection, the judicial process.

That was based, by the way, not on anything that was second and third-hand. This is based on the direct comments of the Chief Judge who met with the minister and reported that meeting back to the various people who are part of that selection process.

So the minister, I say—and I will put this on the record because I think this is common knowledge—the concern was that the Chief Judge was going to come out and make a public statement on this. And what would the Chief Judge have said? Well, you could even read it in the words of the minister. The Chief Judge believed, following their meeting on May 4, that this was the

intent of the minister to send the list back to add the bilingual requirement. That is what the Chief Judge believed.

The minister was concerned that, if this came out, all of a sudden he would not only have the Law Society, the Bar Association representatives, but the Chief Judge who was at the meeting with him, clearly indicating what had happened, and that he was interfering in the process. So what he did was he started this circuitous process that I talked about. I want to suggest that that has made this worse for this minister. It was bad enough, I think, when you have a Minister of Justice that clearly does not have the confidence of the head of the Bar Association and that of the Law Society, two key players in the judicial system, but here you had the Chief Judge—but this minister was so desperate to save his political hide that he brought in Mr. Olson and he brought in—we do not know if he brought in—I still do not understand how this contact can go, by the way, the Chief Judge's lawyer, because at some point in time someone has to contact the Chief Judge, either directly or indirectly.

Now, the minister said, well, I did not do it directly. You know, when I hear a lawyer, that lawyer is acting on my behalf and you cannot hide behind him and say: well, I did not phone the Chief Judge; I just hired a lawyer. I mean, you get in the next question: What were the instructions to the lawyer? How did the discussion go? Hi, Mr. Olson—Bill, right, Bill Olson—how's it going, right? And he asks back how's it going? Oh, I'm having a tough week. Oh, yeah, I heard about this Chief Judge situation. I'll fix it for you, don't worry. I'll phone a friend of mine who's a friend of the Chief Judge and we will get this straightened out. Version No. 1, right? Just all between friends here.

What is version No. 2? He phones up the lawyer and says, what? What are the instructions to the lawyer? Fix it. Now, even lawyers, and there are good lawyers out there and I think Mr. Olson is well respected in the legal profession, but even Mr. Olson, based on the expressed instructions to fix it, I think, would have some difficulty with that sort of mandate.

So what I suspect what happened here is the minister phoned up Bill Olson and said: I have a problem. Unless I get a statement from the Chief Judge, unless I

can say the Chief Judge agrees with me, I am in serious political trouble. I would suggest he maybe even said confidentially to the lawyer that his political career was on the line. I think that was legitimate, probably an accurate assessment. Was that how the discussion went, Mr. Chairperson?

Does the minister not understand how that in and of itself, I think, compounds it? It was bad enough before: you had the minister on one side; you had the Chief Judge and the presidents of the Bar Association and the Law Society on the other side. Now, we have a situation where the minister initiated. I have the Hansard from yesterday if anybody wishes to read through it. The minister initiated this; we know that now. I compare that, by the way, to his ministerial statement where I reference again, and I cannot say this often enough on the record: "I have been made aware of the recollections of the Chief Judge."

The Chief Judge did not phone the minister to make him aware. The Chief Judge did not talk to the minister. The Chief Judge apparently either talked to his lawyer or to this other lawyer that was involved. I suppose he acted on behalf of the Chief Judge, and then we end up with this brokered, back-room attempt to provide the minister with a—I was going to say a shield, but I would say it is more like a fig leaf here, Mr. Chairperson, to cover him from the fact that his political credibility, I believe, was seriously questioned by many people.

\* (1630)

Does the minister not understand how much he has now tied in the Chief Judge? You know, we now have a situation where we do not know what the Chief Judge would have said, and we will now never know on this because, according to the minister today, there was an agreement. That is it. The minister spoke for himself and spoke for the Chief Judge. I say there are issues on which the Chief Judge should be able to speak. There is precedent for that.

By involving the Chief Judge in this way, I believe the minister certainly is compromising the independence of the judiciary. I think, by the way, that it is totally inappropriate to have a statement read quoting the Chief Judge on debate and Question Period

in the House. You know, if the Chief Judge wishes to make a statement, she can do it in a written statement. She can do it in whatever form she wants, but talks about May 11, 1998, the transcript for Question Period.

What part of it? Which questions? The questions asked by the Leader of the Opposition (Mr. Doer)? By the member for St. Johns (Mr. Mackintosh)? I believe on that day as well the member for Kildonan (Mr. Chomiak) asked questions. I believe other members of our caucus have asked questions. Now what he has done, he has dragged the Chief Judge in to start commenting on Question Period, but conveniently only one day in Question Period.

You know, all we have in here—I mean, talk about weasel words. This is why I think the minister does a major disservice to the Chief Judge, talks about the recollections of the Chief Judge, and talk about statements that are weasel words here, and "shares my recollection of the substance of the matters discussed between us on May 4," even though he admits that she went out of that meeting and basically told the committee what we have been saying on the record now to be the case, which they denied initially, even after it came out publicly.

When they attacked the credibility of the presidents of the Law Society and the Bar Association, what he did on May 11 was turn around and say that this is basically what happened. We know the Chief Judge went back and said that to the selection committee, but "shares my recollection"? Which recollection? Which statements? Which questions? I mean, is this going to be the next step now in government, that we are going to have the Minister of Justice (Mr. Toews) phone up a lawyer who will then go and talk to whomever, judges, whichever judge? Are we going to now have those kinds of statements read into the record by that minister?

You know, the minister, I think, should resign for a number of reasons. First of all, he has not been telling the people of Manitoba through the Legislature the complete truth. I say that, Mr. Chairperson, because we have different versions of the same incidents. We have the minister changing his story. That is clear. That, in and of itself, I think, is reason for this minister to submit his resignation, but he has gone further.

The second step was essentially I believe he lost credibility within the legal profession with his actions vis-a-vis the Law Society and the Bar Association, and, by the way, I include the Premier (Mr. Filmon) because the Premier has compounded this. The Premier has, I think, shown how basically with this government their standard of ethics is so low that it is virtually impossible for any minister to be kicked out of cabinet. We have seen that. You know, it is sort of like limbo dancing. If you put the bar about three inches from the bottom of the floor, you can say, well, we do have a standard here; it is three inches high but no one can get under it. That is what has happened.

But let us add to that not being up front with the people of Manitoba on the record, much about the Law Society and the Bar Association, but by his most recent actions what he has done, he has dragged the Chief Judge into this, to commenting on Question Period indirectly, has dragged the Chief Judge into an unseemly illegitimate process. I do not think the Chief Judge, by the way, and I say this on the record, should have been involved in any back-room discussions with anybody through a representative and with a representative of the minister. So he has now dragged the Chief Judge in.

I know he is hanging by a thread, but how many more components of the judicial system is that minister going to drag down with him? Well, Mr. Chairperson, we have suggested there is a better way. First, the minister should resign, and the minister liked to play games with that. You know, we said in the House, well, then you call for an independent investigation. We said the minister should resign; call an independent investigation.

Now, there has been clear precedent for that. We have had a situation in Manitoba. Wilson Parasiuk who was exonerated, no misconduct, but accusations made in the newspaper. He was exonerated. The attorney general, one Mr. Runciman, I believe, in Ontario, was in a position of being accused of revealing the name of a young offender indirectly by recognizing the mother of the young offender, thereby indirectly indicating who the young offender was. This was in the throne speech. It was not even his comments, but, obviously, it had to come from his office. Some suggested the Premier was equally responsible, Mike Harris, in Ontario. But you

know what that Attorney General did, Mr. Chairperson, that Attorney General immediately tendered his resignation and has submitted the matter to an independent inquiry. You know, in Ontario, there have been numerous examples with the previous NDP government and the current Conservative government where that process has been followed.

I wonder is the Premier (Mr. Filmon) so desperate to say, well, nobody ever had to leave my cabinet; no one ever had to quit. Well, you know, if you set the ethical standards so low that no one ever, ever, ever goes below that standard, then, indeed, no one is going to resign. But I say to the minister, if it is good enough for the attorney general of Ontario, why is it not a good enough standard here? I want to throw this into the mix, too, because I would say, given these circumstances, any minister should have resigned to at least clear the air, to at least re-establish confidence amongst key components of the justice system.

I say to the minister: Does he not understand that the Attorney General's office, to my mind, in particular, should be above and beyond this kind of political circumstance? The Attorney General is not just a minister of the Crown. Mr. Chair, that brings with it responsibilities as a member of the Legislature but also the additional responsibilities of being a minister of the Crown, but he is fundamentally responsible for preserving the integrity of the justice system.

I say to the minister: How can he go on and have any credibility in this matter? I mean, what credibility is he going to have with the legal profession, with judges, when he has now had to drag the Chief Judge into this desperate attempt to limit the political damage? I say to the minister: What credibility does he have? This is the same minister—who can forget the minister about electing judges, electing judges? I mean, this same minister at the same time in the same breath was out there trying to rig the selection process to appoint this particular judge. What credibility is he going to have? I can just see it in a debate in the election. He is going to get up and say we should elect judges; we have to make judges more accountable.

Mr. Chairperson, he is going to have zero credibility on that because they are all going to say: yes, you are the one who tried to rig the existing selection process.

I say to the minister that his credibility has been seriously weakened by this. I think it has been fatally weakened. I say the longer he hangs in there, what he is going to do is he is going to continue, I would say, an increasing level of a lack of confidence in the judicial system and of the public of Manitoba in his ability as Minister of Justice.

I say to the minister: Do the right thing; do not play these political games. You should not have dragged the Chief Judge in. You should not have had this ongoing dispute with the Law Society and the Bar Association. You should not have said what you did at that meeting. You are in violation of the process for appointing judges.

I say to the minister that, if ever I have seen in this Legislature reasons why a minister should resign and step aside and put in place an independent inquiry, this is it. I appeal to the minister, and I appeal to members opposite. You may think that you are saving the minister's political skin, but in the process, you are hurting our legal system, and, I say, in the long run, you are hurting this minister as well. Please, Mr. Minister, you should resign.

\* (1640)

**Mr. Chairperson:** Order, please. The list that I have before me that I recorded, the honourable member for Emerson (Mr. Penner) was to speak. Mr. Penner does not appear to be going to speak. The next member on the list is the honourable member for Broadway.

**Mr. Conrad Santos (Broadway):** Mr. Chairperson, there are twin lights in our governmental system; there are two basic principles: that we have a government of law and not of men; and second, equally important, that within that system we maintain the independence of the judiciary. We say that we are a government of law because the law has to prevail. Once it is written in the statute book, it is for a judge to interpret the law. It is for political people like us, legislative assemblies, us representative of the people themselves who have the authority and mandate to write the law, but the judiciary should be let alone to interpret the law.

When the composition of the judicial branch, the people who occupy judicial positions, is determined

without any shadow of interference from the political sphere of government, then the citizens will have their full faith and confidence in the judiciary. But the moment we tamper with the processes in this autonomous and independent branch of government, we also shake the confidence of the citizens who rely on the independence of the judiciary and the judges.

We should remember that the judiciary are institutional agencies of government, and they have the power and right to take away not only the lives and freedom of citizens, but also to take away property rights and other rights of citizens. That is why we adhere to that doctrine in our system that they should be left alone to administer justice. We saw that in the icon of a blind lady with a sword so that we cannot see all the biases of litigants. It is also a rule that, when you are interested in the outcome of a case, you are a party to any issue or any thing to be settled, you should not in any way be allowed to influence the one who is to make the decision, namely the judge.

Now what we have seen in this case is that the Minister of Justice (Mr. Toews), who occupies the highest position in the land in terms of being the chief enforcer of the law and the chief upholder of that tradition of independence of the judiciary, has been allegedly accused of not only interfering in the judicial selection of who are going to be judges, but also had himself take a direct hand in muzzling a member of the judiciary, the Chief Judge, from clarifying the facts and removing all shadows of doubt as to what had actually happened. The honourable minister had done this by means of a statement purporting to be the mind and the expression of the mind of the Chief Judge.

I do not know if human being can ever, ever be in a position to know the mind of another human being. All I know is that one has to be of some kind of a divine person, a divine being before he can enter into the mind of his fellow human being, and for any mortal person like the honourable Minister of Justice to say that he can speak the mind of the Chief Judge is to me an expression of arrogance, which is not at all believable psychologically or factually. I cannot even know the mind of my closest. Even twins who are born closest in genes and genetic characteristics, they cannot know or foretell the mental processes of the other twin. How can another human being say that this is what another

human being is going to say? That is presumptuous, unbelievable, arrogant.

Purportedly, he wants to put an end to this issue that befuddled him in his position. This is like the doctrine of *res judicata*. There should be an end to all controversy, but the end to all controversies can only happen when the facts are in, and the facts can only be in where there is an independent inquiry, a judge or a retired judge from another jurisdiction, who is not in anyway involved in the environment, in the controversy, to hold a hearing and get all the information that he can get, but that will not happen as long as one of the principal parties to the controversy is not willing to step down as Attorney General and Minister of Justice.

It is a prerequisite to an independent inquiry about a position and the performance of a position that the occupant of the position step down. That is the only honourable thing to do. Refusing to do so will cast even more doubts, even more suspicion about what has actually happened, especially so when the honourable minister has made a series of statements which are not consistent with all the other statements he has made before and after.

I do not know which one is better, to be consistently inconsistent or to be inconsistently consistent, but in any event, we are caught by our own words. It is written in the books, by thy words, thou shalt be justified, and by thy words, thou shalt be condemned. Therefore, unless you have something to say, you hardly should speak, and when you speak you should make sure that what you speak is the truth, because it is only the truth that can make us free. The truth can make men free.

The honourable minister can be free from all these allegations of scandal, allegations of interference, allegations of musseling down, if the truth be allowed to surface, and that will happen when he steps down from the position as the chief enforcer of the law in this province, allow an independent inquiry by another third person who is not at all involved in this controversy and come up with all the factual information needed to clear the air. Only then can honour prevail. Only then can the rule of law and the independence of the judiciary be preserved.

Indeed, there might be controversies as to what the facts are. Two persons looking at the same phenomena may not have the same impression of what actually happened. Facts are quite distinguishable from our own individual perception of the facts. That is the reason why some philosophers said that all life around us is just an illusion. It is what you see, and what you see may not coincide with what is actually there. [interjection] She said Plato and she is right.

Indeed, we are surrounded with so many artificialities in our social structure. We have to say that every member of the Legislative Assembly is an honourable person. That is only an assumption, but if you prove it otherwise, then you destroy the assumption.

\* (1650)

As I said, one's perception may depend upon the position one is occupying. If you happen to be the opposition, you perceive the same phenomenon a different way. If you happen to be the government, you perceive the facts in a different way. But then you need a third party, a third person who is not at all involved in this controversy in order to lay down what actually happened, and then we can agree that those are the facts. [interjection]

Oh, she said those are the Liberals, but the Liberals are sometimes sitting right in the middle of the fence. You do not know if they are for it or against it. I do not want to speak against any political party, but that is my observation. On the other hand, since there is no clear perception of what is factual, you cannot blame them either. But what grieves me in all this setting is the secrecy that surrounds the official transaction of public business. I know that there is a basic axiom in the parliamentary system that certain information has to be confidential, and it is justified by certain highest value in the land, like the security of the country, for instance. In that case, then it should be confidential, but when every official business has to be confidential, even interacting and clarifying what the mind of another person is, then it is really an excessive application of the doctrine.

I do not think anything that involves the public business, the affairs of the people, the affairs of the citizen, should be secret at all. In every decision that a

government in power makes, if they only express the facts available to them at the time they make the decision and they also express the value premises that they are relying on when they make the decisional choice, then I suppose that would be a rational kind of decision making in our system of government. The citizen will know, and the decision maker will hesitate to make decisions if there is any unfairness, if there is any injustice, if there is any kind of oppression that may result as an outcome flowing from that decision.

Therefore, it is essential that as much as possible, we should be open in terms of the factual basis of our choices. If it is a fact that the honourable minister did not intend to reject the list that was sent to him, then it should come out in an open inquiry. There is nothing for him to hesitate about, if that is the fact. Anyone on the side of the truth is not afraid of anything that could be dug up. What can you dig up if it is the truth that you are on? But, if you are hiding some skeleton in your closet, then you will not want the closet to be open because they may see the skeleton.

The mere fact that you refuse in opening the closet is already a condemnation of your behaviour that you are really hiding something, even if in fact you are not. So I think it is essential that we open all these processes, these kinds of series of events as they happen, as they unfold and let the world see who is telling the truth, who is not telling the truth; who is hiding something, who is not hiding something. Then there will be more confidence and trust on the part of the citizen on our behaviour here as their representative, as government decision maker who is concerned with the welfare of our citizens.

If we refuse to even allow the light to come into the room by closing all windows and all doors, then that is the time when these mischievous kinds of insinuations will flourish. Just take a look at your room. If your room has never seen the sunlight, there might be lots of bugs in there, lots of bacteria growing, mould perhaps; but, if you let the sun shine in and let the light come in there, then all this will be stopped, all the growth of insinuation, scandals and all kinds of demeanours that are unbecoming of us will be stopped and we can restore the confidence of the public in our role as part of the government, whether we are in power or whether we are in the opposition.

There is another point I like to make. In the law of agency, if the principal authorizes another to be an agent, as long as the authority is given, it is the principal himself who shall be bound. He cannot say, I did not intend what the agent says. This means that, when the honourable minister appointed somebody to speak for him, he himself is speaking through the person as the principal. In doing so, he himself is interfering with that kind of relationship that we have constitutionally established that these are supposed to be autonomous, independent bodies of government, the judiciary and the political branch.

That itself is a ground to justify people stepping down as a matter of honour. In the olden days, if somebody slapped you in the face or spit at you publicly, because you have honour, you would challenge the person to a duel. You will lay down your life for the sake of your honour. I do not see so much behaviour nowadays. We do not at all—we have become thick skinned that we sacrifice our integrity as a person for the sake of short-term advantages and benefits. We think that our being in public office is permanent. It is not so. We are here on a temporary public trust. Once the trust has been shattered, like the mirror, it cannot be restored.

You have seen in other jurisdictions, cabinet ministers going down in general elections because the people no longer trust them, nor the government. That will happen to each of us inevitably, in due time. Therefore, it is while we are in positions of authority and power, we should keep that role almost above and beyond suspicion; like Caesar's wife, an occupant of a public office shall be above even the shadow of any kind of suspicion. That can be relieved if we allow an inquiry as to the facts by a person who is not interested one way or the other. That is an independent inquiry by an outsider, outside of our jurisdiction who may be called in to look into what actually happened.

You cannot say that this is what happened when you are talking about the mind of another person who, by institutional arrangements, is supposed to be independent and can only be allowed to speak for herself. If she cannot speak because of some other circumstances, that has to be explained to the citizens, and that can only be explained if there is a third person outside of the jurisdiction making factual inquiry.

The minister cannot say "sue me" because he is the chief enforcer of the law. How can any citizen have the legal standing to sue the Attorney General, Minister of Justice in Manitoba? Who is going to pay for his lawyer? That is not a reason to install the clearing of his name. But his name is not only his name; it is the name of his government, his own colleagues in cabinet, his own Premier. That is a very important thing to remember, because if the local bread, you put something in a slice of bread and it is still a loaf of bread, the whole bread will be infected and there will be some kind of public—

**Mr. Chairperson:** Order, please. The hour being 5 p.m., time for private members' hour. Committee rise.

#### INDUSTRY, TRADE AND TOURISM

**Mr. Chairperson (Ben Sveinson):** 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 Industry, Trade and Tourism.

When the committee last sat it had been considering item 10.1.(f)(1) on page 89 of the Estimates book.

**Mr. Tim Sale (Crescentwood):** Before we adjourned at lunch, I was asking a policy question. The minister gave a stirring defence of his government's activities in the North. I am always glad to hear his recitation and its enthusiasm. I guess one of the things I would say sincerely to him is that I am always impressed by somebody who has served as long as he has and still has the fire in his belly and the enthusiasm for his job that he exhibits at least once or twice in Estimates every year. I always enjoy his perorations on the achievements of his government.

My question, however, was not about what they had done to develop employment and other opportunities in the North. The question was a very, I guess in a sense, technical one. Will his government take the position and convey it to the Government of Canada that it is no longer acceptable for our main statistical body, Statistics Canada, on whose numbers every government in the country depends for public policy development,

to explicitly exclude status aboriginal people on reserve from any of their major statistical gathering activities?

My two primary concerns are income-related, poverty-related statistics, which are not the responsibility of this minister, and employment and workforce statistics, which are. So it is a policy question. Will the government take a position in support of the inclusion of aboriginal, First Nations people on reserve in all activities of Statistics Canada, where other parts of our population are sampled or surveyed?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** I will seriously consider it and probably ask the member if he has any recommendation on methodology as to how best that could be carried out as part of the discussion that he is going to be having with Mr. Falk in our Bureau of Statistics branch. I am not opposed to it. It is a matter of how best it could be done. We will take a look at how it may be able to be accomplished.

**Mr. Sale:** I thank the minister for that. As I have said before, I am not a methodologist, so I am not able, except as a layperson, to understand the difficulties. I know there are substantial methodological difficulties with including small populations that are geographically distance, because methodologists have nightmares about what that does to overall numbers. I know that is a problem. I think it is one we have to struggle with, not just so that our numbers are accurate, but so that we stop conveying what is essentially a colonialist mentality to our First Nations people, that they do not count from a federal government perspective.

I will tell the minister—he raised in his comments before lunch a concern that perhaps we were raising this issue for political, small "p" or large "p," political purposes, because the overall numbers were very good.

I have been raising this issue—I think if he checks the record he will find I have been raising it since I was elected, but I can tell him that as a matter of my own professional history, when I was the director of the Social Planning Council of Winnipeg from 1976 to 1985 we struggled with this issue. When I was on the National Council of Welfare as an appointee of Lloyd

Axworthy, I say with some historical anxiety, the National Council of Welfare almost from its inception, which I was not part of in 1968, which, I think, was the inception of the National Council of Welfare. But almost from inception, the National Council has raised this problem.

When I was on the council from about 1980 or '81 till 1985—no, I suppose it was 1979 to 1985—we struggled with this question and raised it because it was evident that it was a problem then because it was seriously distorting Canada's poverty statistics. Our housing statistics, for example, northern reserves are not sampled for housing questions either.

So I can tell the minister that it was not a short-term political advantage that I was raising. It is something I have raised now for, I suppose, 22 years it would be. I hope that his success will be better than mine at getting something done about it. So, with those comments, I am prepared to pass this section.

**Mr. Chairperson:** Item 10.1. Administration and Finance (f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$568,000—pass; (2) Other Expenditures \$249,300—pass; (3) Less: Recoverable from other appropriations (\$60,000).

**Mr. Sale:** Could the minister indicate what the \$60,000 is for or from? What it is both for and from?

**Mr. Downey:** It is basically work that is done from other departments and/or Crown corporations, and that is basically what it is made up of.

**Mr. Sale:** Essentially, then, Mr. Chairperson, these are fees for service?

**Mr. Downey:** That would be correct.

**Mr. Chairperson:** Item 10.1.(f) (3) Less: Recoverable from other appropriations (\$60,000)—pass;

10.1.(g) Grant Assistance - Manitoba Horse Racing Commission \$176,100—pass.

Item 10.2. Business Services (a) Industry Development - Consulting Services (1) Salaries and Employee Benefits \$2,198,400.

\* (1440)

**Mr. Sale:** I cannot recall where the levy, the parimutuel levy, shows up. I know it is not under the \$176,000 grant. Is it within this section or is that further on? I cannot remember.

**Mr. Downey:** The change in the legislation last year eliminated the need to show it in our annual Estimates, so it basically goes directly to the racing commission and not through the books. It was an in-out situation before, so it has now been eliminated from the Estimates book.

**Mr. Sale:** Is that industry now seen as an industry receiving services under Business Services, under Industry Development, under Tourism and Small Business, Economic Development. Where is the appropriate place, in the minister's view, to ask questions about this?

**Mr. Downey:** Mr. Chairman, I do not have any trouble answering questions at some point on it. It actually comes under the Finance and Administration section of the department. If the member has questions, I am prepared to deal with it at this particular point.

**Mr. Sale:** I just had two factual questions then. One is what the total value of the levy is expected to be in the first year of the new operation, and the second is what is the total value net to the Jockey Club of the VLTs in their operation?

**Mr. Downey:** I will get that information for the member.

**Mr. Sale:** I thank the minister. Can we move then to 10.2.(a)?

**Mr. Chairperson:** Item 10.2. Business Services (a) Industry Development - Consulting Services (a) Salaries and Employee Benefits \$2,198,400.

**Mr. Sale:** I think in this area we might as well deal with (a) and (b) all as one item, if that is acceptable to the minister, rather than going through each line one at a time.

**Mr. Chairperson:** Is that the will of the committee? [agreed]

**Mr. Sale:** Could the minister indicate what are the two or three most strategic areas in which he sees industry development? You know, we have aerospace, agri-food manufacturing. I can read this, but could he indicate what he thinks are the two or three most critical areas that government is now working on, and could he indicate what in his view needs to be done to be successful in those areas?

**Mr. Downey:** I would like to take this opportunity before I make my comments, Mr. Chairman, to introduce Mr. Ian Robertson who is the new Assistant Deputy Minister responsible for Industry Development, who will be joining us for this part of the Estimates.

The question, if I understood correctly, is that the member has asked what two or three of the most critical areas that the department are working on as it relates to overall industrial development in the province. One of them, and I will start off and I will ask the department to note if there are some additional ones that I am missing, but No. 1 is one of the key areas that has been identified that we have had to embark upon and work, and that was to work with financial organizations and institutions to try to make sure there has been the available capital in place to invest.

As the member knows, we have seen the development of an additional labour-sponsored capital fund which is another additional tool, the continued strength and growth of the Crocus Fund, which is an important part of it. The other pools of capital that are out there are extremely important. We have still got our target to accomplish, the \$60-million equity capital pool by the year 2000, I believe it is, and we have moved a considerable distance, I think, from \$4 million some three, four years ago to today in the neighbourhood of \$30 million. So that still remains to be a critical area, particularly for the smaller companies that are looking for equity capital investment. That is an extremely critical area that has to be continued to work on.

Another key area that is continuing to be part of the overall initiative and that continues to be challenging and that, of course, is in the whole area of development of people for the high tech industries, the IT industries, which, again, are extremely important to us. But rather than specifying it as a particular challenge and a problem, I think it is a broad industry challenge and

opportunity, because we are talking every company basically needs people with these capabilities.

Aerospace continues to be a major initiative by which we see a development and a growth. Of course, we have seen the sale of Bristol to the Magellan Corporation over the last year, which, I believe, is a positive move in the relationship between Bristol and Boeing, now that Boeing are having considerable work done at Bristol. It is strengthening that cornerstone of the industry.

The agri-food industry continues to be a major targeted area, and of course when we see the announcement in Brandon of Maple Leaf's expansion of a \$112-million plant, we see what is happening with Schneider's here in Winnipeg. Of course, it is interesting to see how the outcome will be of the judicial decision made this week by an Ontario judge allowing the sale of the Schneider shares to go to Smithfield Foods of the United States, how that will in fact enhance the food processing, particularly on the meat side.

We are hopeful, although we do not have any direct investment in the operation per se, that the Can Agra oilseed crushing plant will be commissioned and brought into service in the next short period of time. Again, that is a major part of the overall development.

Just further on the food industry and related is the Isobord plant—on which the member had some interesting questions and comments last year—hopefully we see the commissioning of that plant by July, which I would hope the member would take some time to go out and observe. I am sure he will because not only of the investment the province has made but also the fact that it is new technology. One can always be encouraged by the fact that they are looking for a second plant. Hopefully, there can be the resources and the package put together to have a second plant developed in the province.

In the area of other manufacturing, of course we have furniture, clothing, the textiles, plastics, farm machinery, transportation being a very key one. I have talked about the aerospace, but transportation in general, what is happening in Transcona with New Flyer is extremely encouraging, and of course that holds

us very well. The development of the health industries and the garment sector continues to be strong, with tremendous growth potential. Health industries I talked about. Information technology is extremely important, financial services.

Those are all key areas, and I will ask staff if they have any others. Tourism we are going to deal with in another one, but that again is another major area for industry. I do not want to be criticized for leaving something out, but it is basically the value-added industries, call centres, the improvement in the value-added of the work that is being done there. That is pretty critical.

I read some numbers into the record as it relates to our exports in my opening comments. Our exports are going very well. The continued expansion of our export opportunities into new markets, and diversifying that particular activity is extremely important as well.

If there are any others that I have not touched upon, I am sure during the debate we will include them, but key information, high tech industries, continued manufacturing, transportation, garments, furniture, food processing—environmental industries again continue to be another part of it—the pharmaceutical and health care industries, all areas that we believe will grow.

Probably one of the main emphases we will be placing is on the developing of pools of capital and the supports for those systems and also people trained in the high tech fields, not just per se high tech, but every industry needs those kinds of people to support their growth.

\* (1450)

**Mr. Sale:** I thank the minister for the expansive statement. What I was asking for and what he gave me at the beginning of his answer and at the end of his answer were the issues that I was particularly interested in, which were the two or three strategic areas. He has identified capital pools and human capital development, and I think we would probably both agree that there is a list of areas in which Manitoba is doing well and I think underlined by the Investment Dealers Association report which again points out something that most of us in this room know but many Manitobans do not, and

that is that we have an extremely diversified economy. We are much more of a manufacturing and value-adding economy than people recognize. They still think that we are, in the old phrase, hewers of wood and drawers of water. While at least the hewers of wood part is important, many people do not understand just how diversified our economy is and has been for some time. It is not really that new. I think what is new is that the growth has been in the value-added side as opposed to in the natural resource side, and that is what is very positive. I think everybody can take pleasure in that having happened.

I want to ask a couple of specific questions about the issue of capital pools. The minister has acknowledged and others have acknowledged the outstanding success of Crocus, and I was very pleased that the government has retained Crocus to manage a specific technology fund, which I think is a very good idea. The problems facing high-technology companies in start-up are really very major, and in a smaller province like Manitoba finding capital for high-tech start-ups is even harder than it is in bigger markets such as Ontario or in the United States. So I think that is a very strategic development. Crocus welcomes it, and we welcome it. I think it is a good development.

I have some questions about ENSIS and about Crocus as well. Let me start with the limitation that is in Crocus's act preventing it from being active in anything that smacks of farming. We have an increasingly difficult line to discern between an activity that is farming and an activity that is really manufacturing or processing. For example, the government has indicated its intent to sell its forest nursery business. There is a company called PRT Forest Regeneration. It is a B.C. company, went public in the last year or so, has developed a very large following, and obviously would be interested in that business, but it would mean that another Manitoba industry that is very well thought of and has supplied an increasingly high-quality product would then be owned outside the province. At least, it would still be Canadian owned, but it would not be Manitoba owned.

On the other hand, there is the option of employee buy-out. That is difficult if the employees do not have the kind of capital that Crocus was set up explicitly to deliver, and their ability to bridge the equity investment

needed by employees in order to buy a firm is one of the purposes of Crocus, and they have done it well a number of times now. But my inquiries to Crocus, their view is that the nursery is a farm, and so they might be interested in it, but they cannot look at it because their act prevents them from doing so. ENSIS is not set up to foster employee ownership. ENSIS is extremely small at this point.

Venture Capital fund, sadly, managed at least in terms of its business management by a non-Manitoba company, BPI. They do the marketing and the administration, I think; the actual fund management is made by Bill Watchorn and his associates, but he hired BPI to do their marketing and actual—now I am not sure what the entire role of BPI is. I do not think I have the prospectus with me, but if you review the prospectus, you will see that BPI figures in the management of that fund.

So I am wondering whether, first of all, the government would look at amending the Crocus Fund act to either loosen or at least clarify what is meant by farming? I do not think any of us would dispute that Crocus should not go out and buy farmland. That is probably not the most productive investment that Crocus could make, although it would be a good investment if you wanted to get into farming business, maybe. Would the government clarify, for example, could its forestry asset be privatized, if that is indeed the choice, through an employee buyout levered through Crocus? Would it be their view that Crocus could do such a thing or indeed is it prohibited? If it is prohibited, would the government look at changing its act so that the agri-business function in Manitoba, which is one that needs capital—I do not think government would argue that—could be something that Crocus could examine?

**Mr. Downey:** Mr. Chairman, let me at the outset say that I know how interested you are as chairman, particularly as it relates to the subject which was raised by the member, in the nursery business as to its location being in your constituency, so I am sure that this part of the debate will not put you to rest too quickly.

I would say at the outset, first of all to the member, there are some instruments that are already available, whether it is the credit corporations, the FCC, the

Manitoba Credit Corporation and there may be an option. One may want to take a look at the new generation of co-op legislation that has just been introduced yesterday, which may be vehicles that could be used.

I will have to check this, and I will do so for the member, but I am not so sure that we are, that they are absolutely denied from looking at it. I am not sure whether it would be by regulation or by legislation, but I think that under ministerial approval, there is a little bit of latitude as to whether or not they could be investors.

I do not know what stage that it is at. I will ask the department to take a look at it so we are prepared, if in fact there was a request come forward as to the definition. It appears to me that is not in the true sense of the word the same interpretation of farming as we would traditionally have thought, that it is labour intensive, it targets a specific market. It is a niche market. It is not as if you are going out to get into production of traditional crops and that type of thing. And it is a major employer of people.

Let me say at this point I do not know whether I have the flexibility under current regulations and/or legislation, but I am quite interested in making sure that there is an ability to at least try to make sure that there are employee-owners of that operation. I think it is the right way to go. It has been demonstrated in lots of cases that the employee buy-outs have been extremely positive and Crocus have been the tools that have been established to help that.

So rather than say, no, turn it off, I am open to it, quite frankly, if there were some discussions that were to be brought forward. Again, if I am tied by legislation, the member knows what I would have to do would be to consider changing the legislation. If not, if it is by regulation, then we would be able to do so a little differently and maybe it is by ministerial discretion, so I would put it in that category.

On the comments that he makes about the ENSIS group, again, they are not influenced. We do not direct them as government as to how they operate, as we would not do with Crocus. I understand the other reason for the use of the company that is referred to in

fact was to facilitate speed of set-up and getting on with the job. That is my answer to that. I cannot comment any further because, quite frankly, it does not fall under the direct direction of my ministry, but we are supportive of them. So I make those comments and hopefully it is helpful to the member.

**Mr. Sale:** I have asked the page if he could get a copy of the act so that I can refer back to it and see the sections I was concerned about, but I believe there is a section on prohibited investments and that farming is a prohibited investment, so I think it is in the act and not the regulations. But maybe we could just defer discussion of that until we get a copy of the act that we can refer to directly.

\* (1500)

I take what the minister is saying—I do not want to put words in his mouth—but I take what he is saying is that his priorities are to maintain Manitoba ownership to, if possible, induce employee ownership, substantial participation by the employees in the ownership, and to attempt to use vehicles such as the Manitoba Credit Corporation or whatever vehicles he has to facilitate that process.

I would hope that he would do that, because I do not want to see control of that very, very high-quality, excellent resource pass out of Manitoba's hands, but in the absence of some injection of capital to allow employees to become owners—most of them, I think, are not highly paid, they are not high-wage people. I do not mean they are poorly paid, but they are not people who have made bundles of money working in this nursery. They are going to need assistance, as are any other investors, I think, who are likely to take it up. Otherwise, I think we will see it bought by a non-Manitoba company that increasingly we see in the forest seedling business across the country. It is a lucrative business and I would not want to see us lose that resource.

**Mr. Downey:** I am not in disagreement with the member. I think we demonstrated with our support of the Pine Falls Paper Company the government's commitment to helping employee buy-out processes. That was demonstrated. I agree, if Manitobans and Manitoba companies and particularly the employees

can put together the resources and the tools are available to them to accomplish that goal, we certainly would encourage it.

Again, I think we are going to maybe get hung up on—I do not know where he would go for references to the right regulatory body that would say whether a nursery, a tree nursery or the type that we are talking about is a farm or it is not, whether it would have to be under the Tax Act or where it would come under.

**Mr. Chairperson:** Order, please. We are being summoned to the Chamber for a formal vote. We will now recess and proceed to the Chamber.

*The committee recessed at 3:02 p.m.*

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#### After Recess

*The committee resumed at 4:06 p.m.*

**Mr. Chairperson:** We will resume consideration of the Department of Industry, Trade and Tourism, item 2.(a)(1), and we had agreed to move around in this particular portion.

**Mr. Sale:** If we could just go to The Employee Ownership Fund Corporation Act, the section that I was referring to in terms of the Crocus Fund's function, Section 13(2), ineligible investment definition, 13(2)(a)(3), use in farming. In conversation with Crocus, their senior officers indicated that they believed from their legal counsel that the nursery would constitute a prohibited investment under that clause. So I am sure the minister was aware of that, but I take it that he has undertaken to review with his staff and probably with legal counsel as to whether this was meant to focus on farming in a traditional sense or whether, for example, it would include Pineland Forest Nursery or other kinds of new-generation farming.

I think this still goes to the question that the committee has discussed in a number of ways during the Estimates, and that is how we understand farming in the kind of new world we are in where we have so many activities that seem to be more like manufacturing or more like processing than like farming, but they take

place in what sounds like a farming context. I think it may be appropriate to revisit this, particularly in view of the size of the Crocus Fund, which is very close to \$100 million now and a very important pool of capital for Manitoba.

Given that the minister is interested in and we are all interested in more value-added businesses in the agribusiness, agricultural sector, perhaps it is appropriate to review whether this section itself should not be amended to make it clear that in fact Crocus could invest in any business other than a traditional small farming operation, which, I suspect, was what the intent was when the act was framed.

**Mr. Downey:** As I indicated earlier, we will take a look at it to see if there is any ability to do it as it currently stands. If not, maybe there would be a chance to review it to see if in fact there are other types of activities that they should be in that they are now being prohibited from participating in.

**Mr. Chairperson:** 10.2. Business Services (a) Industry Development - Consulting Services (1) Salaries and Employee Benefits.

**Mr. Sale:** No, I still have a couple of other questions here, Mr. Chairperson.

Under 10.2.(b)(3) Programs (a) Manitoba Industrial Opportunities, could the minister review with the committee or supply to the committee the status of all the MIOP loans and grants currently outstanding? I think in the past he has provided a list. If he wishes to do that in that same fashion, that would be helpful.

\* (1610)

**Mr. Downey:** Yes, I will. We are prepared to provide that list. I can tell the member at the outset, I believe that one that he is probably aware of that we will have some difficulty with is the support to Akjuit for \$2.5 million under MIOP. It appears that that—we will do what we can, but I do not imagine there will be much payback on that one, but I think all their other ones are in reasonably good condition, and if not, we can speak to them after the member goes over them, and I can deal with any specific questions that he may have following the receipt of the list.

**Mr. Sale:** Does the minister want to provide that list now or does he want to provide it the next time the committee meets?

**Mr. Downey:** I can provide it the next time the committee meets. If we get finished tonight, I am prepared to provide it as soon as it is available.

**Mr. Sale:** It would be helpful if, given that we are going to recess for I think about a week, it would be helpful if he could provide that during the time that he is away so that it is not just tabled when we try to talk about it when we reconvene.

I wonder whether there has been any progress on the issue that has been raised in two successive years now on the listing of the companies receiving investment from Vision Capital and also from the Manitoba Capital Fund.

The minister is familiar with the issue I have raised. I have raised it with the Auditor as well. I am waiting for a response from the Auditor as to the listing of the companies that have been subject of the investment by those two important venture capital pools.

**Mr. Downey:** Our position has not changed. We are unable to provide that list due to confidentiality of which we have distributed a legal opinion to the member, I think it was the last—no, it was probably under the Manitoba Development Corporation hearing. So our position has not changed.

**Mr. Sale:** For the record, Mr. Chairperson, again, I do not think that our government, our party, rather—we will be government at some point—agrees with the position of the government that it is appropriate for public sector funds to be invested in companies whose names cannot be made public. I think it would be something that I strongly suspect that if the current party were in opposition, they would find it difficult to agree. They may find themselves in that position.

I think it is particularly silly, given articles such as the Friday, April 19, Winnipeg Free Press article, which lists virtually all of the companies, including ones that Vision lost money in, Ubritrex, Quantic Labs, and Chemfet, so, I mean, here are the companies. At least we are told this is most of them. What is the problem

with having a requirement that these companies be listed in the same way? But we have had this debate, and the government has its view and we have our view, and this is one in which we have a difference of opinion.

Can I ask whether there are any companies in which Vision or Manitoba Capital Fund have invested that have failed in the current period?

**Mr. Downey:** Again, Mr. Chairman, I do not believe I am able to give that information. What we are able to do is to talk about the MIOP companies that we have supported, but we have not, I do not think, previously disclosed any information as to any investments which have been made either by Vision and/or by the Manitoba Capital Fund. Again, I think if other people want to release those names or those companies or they do themselves, that is their business, but, again, our advice from legal counsel is that we should not be doing so. So I think that is a trick question.

**Mr. Sale:** What is the purpose of the \$2.37-million allocation to Vision Capital?

**Mr. Downey:** It is a matter of making an accommodation for the interest charged for the money and also an accommodation for any losses that may be incurred which come to that amount.

**Mr. Sale:** I do not understand interest in regard to this operation. I thought you were capitalizing this investment fund. I do not understand interest charges.

**Mr. Downey:** The relationship that the department has with the Department of Finance is that they provide us with the funds and the department is charged the interest charges on that money.

**Mr. Sale:** How much is the interest this year, Mr. Chairperson?

**Mr. Downey:** The combined number which has been put together is made up of interest and allowance for loan losses. That, basically, is what we are able to tell him.

**Mr. Sale:** That is a puzzling answer. The purpose of Estimates is to ask questions about the expenditures of

government. Surely the minister is not now saying that interest is a nondisclosable expenditure? If there is interest being paid to the Department of Finance out of this \$2.37 million, how much is it?

**Mr. Downey:** Would you repeat the question again? I am not trying to keep information from the member; I am trying to get specifically what he is looking for here.

**Mr. Sale:** Mr. Chairperson, the Minister of Finance advances, I am told, money to the department for the purpose of paying various expenses in regard to Vision Capital. I presume the same is true in Manitoba Capital Fund. How much of the \$2.37 million is interest being charged by the Minister of Finance for the advances which the Minister of Industry, Trade and Tourism (Mr. Downey) identified in his first answer?

**Mr. Downey:** What I was not clear on was whether it was the rate of interest or the total amount of interest that we were charged. The amount is \$1.974 million.

**Mr. Sale:** Just to be clear, that interest is essentially an internal charge of government then? It is a transfer from Industry, Trade and Tourism Estimates and should show up as a credit in the Estimates of the Department of Finance, a recovery?

**Mr. Downey:** That would be correct.

**Mr. Sale:** Do we have the same information for the Manitoba Capital Fund which I presume is the same issue?

**Mr. Downey:** Yes, Mr. Chairman, \$200,000.

**Mr. Sale:** So it is fair to say then that the pro rata share of losses for this year for Manitoba Capital is about \$306,000, and in the Vision Capital situation it is something in the order of \$60,000?

**Mr. Downey:** Because the agreement that is made in the funds that are provided to the capital funds, Mr. Chairman, there is an accommodation for potential loss. However, there is also an ability, as he knows, because we are in fact investing as an equity investor, there could be a positive side. For the accounting purposes, we have to put in place an ability for if in fact there

were a loss, so that we are not able to—it is hard to explain how it is an absolute. I can tell him what we have accounted for as it relates to the allowance for bad debt. This would be the number right here. On the Vision Capital Fund it would be \$750,000.

\* (1620)

**Mr. Sale:** Mr. Chairperson, \$750,000 is the loss provision for this year, and is there then an offsetting gain on assets provision that nets out then to the roughly \$60,000 difference? I am puzzled by the accounting here.

**Mr. Downey:** Mr. Chairman, because in fact when we charge a greater amount of money for the use of the money, then it can come into a positive position, and there is a positive number which is recorded which is offsetting the loss allowance. It is a bookkeeping procedure because the fund has not been closed; it is still open waiting for the final. I will let one of the staff explain the other part of it.

**Mr. Murray Cormack (Deputy Minister of Industry, Trade and Tourism):** When there is any subsidization on the interest rate, we are required to show that as a charge immediately, but as the loan proceeds to maturity, that comes back into us. It reverses itself, so to speak, and becomes a revenue to us. So the situation when you combine all of our loans is such that this year that offsetting amortization comes in at \$687,000. So when you take the interest costs of \$1,974,000 and the allowance for bad debt of \$750,000, then you have to subtract off \$687,000 which is this reversed revenue, if you will, to get the net of \$2,037,000.

**Mr. Sale:** Mr. Chairperson, this perhaps is why it would be helpful if we had a clearer accounting on how this works. Let me explain my confusion and my assumptions. I guess obviously they have been wrong, so we will hope we are—at least I am learning something here today. No one else may be.

I thought that Vision was a separate investment fund that was capitalized by advances from the government. I was not aware that on an annual basis there were transactions in and out in regard to the Vision Capital Fund. I thought it was separately managed and, in effect, once capital was transferred to the fund for

investment purposes, the fund managed that capital. There may or may not be some return on the province's investment if the fund declared a dividend, for example, or declared a distribution to its partners, given that the government of Manitoba is not the only funder in Vision. There are other partners in Vision.

So I clearly am not understanding how Vision operates from the point of view of an investment fund. Do all the other partners have a similar kind of arrangement whereby in their books there is an ongoing, annual funding of Vision. Maybe I just should be quiet and let someone explain this, because I am sure confused.

**Mr. Ian Robertson (Assistant Deputy Minister, Industrial Development):** I am not sure in what detail you want an explanation of the agreement, but the province has a loan, a loan to Vision Capital, and Vision Capital also has a limited partnership, which is our private sector partners, plus the province has part ownership of the limited partnership as well.

Under the loan that we have to Vision Capital, Vision Capital pays us an interest rate. The interest is payable at maturity rather than on an ongoing basis. So on a current accounts basis, the province has no interest income because we do not take the income into our financial statements until we receive it, even though we are accruing it. On an expense basis, the Department of Finance is charging us an interest charge on the money that we lend to Vision periodically, and we advance Vision money on a formula basis over time as they make individual loans. So it is a complicated accounting arrangement, but the third number which Minister Downey provided you with is under what is called PSAAB, which is public sector accounting practices. That is required by public sector accounting practices. So that is why that number is contained in our arrangements.

Because it is required under public sector accounting practices, our private sector partners do not have a similar amount, but that is because of their accounting treatment, not a cash flow issue. That is only an internal government accounting number.

**Mr. Sale:** So, if I can paraphrase back the explanation, this largely arrives because government is not on a full

accrual accounting basis in regard to this fund. It is taking income in and treating it as actual as opposed to, even though you are accruing it on your books, you are actually only recognizing it when it comes in? Is that the source of the difference here?

**Mr. Robertson:** On an income basis, we receive our income from Vision at maturity on our loan but, on a cost basis for those funds, we pay finance for those on an annual basis.

So we are showing an expense but we are not showing an income. We are not showing an income because we show it when we receive it.

**Mr. Sale:** So, Mr. Chairperson, the other limited partnership contribution that we had, was that a capital investment in effect? Was it a buying of equity in Vision so that we are equity partners through the LP?

**Mr. Robertson:** Yes, we have an equity investment in Vision Capital, and that equity investment is made on the same basis as the other private sector partners.

**Mr. Sale:** Mr. Chairperson, could we just have then a breakdown of the equity versus the loan and that would presumably then give us our total outstanding division?

**Mr. Downey:** Mr. Chairman, we have a \$30-million initial loan to Vision, a million and a quarter in equity, and we are in the process—or we have not announced that there is an additional amount that we will be providing to Vision which has not been announced yet but will be. It will be shortly, but it is not completed I guess. There is an additional amount which has not been announced yet but will be shortly.

**Mr. Sale:** I am not sure I understood the figures the minister gave. I wonder if he could just review them. I heard him say a \$30-million equity investment, a \$30-million loan investment, plus a share in a partnership of how much. That was the figure I missed.

**Mr. Downey:** One and a quarter million.

**Mr. Sale:** Could the minister just indicate whether we have a similar arrangement with Manitoba Capital Fund or is it all equity investment in the case of Manitoba Capital Fund?

**Mr. Downey:** With the Manitoba Capital Fund, it is a limited partnership.

**Mr. Sale:** So it is all equity then.

**Mr. Downey:** All equity, that is correct.

**Mr. Sale:** Thank you. Just for the record, I think the minister is just confirming that Manitoba Capital Fund is all equity, and so, in the case of Manitoba Capital, just to summarize it, it looks like we have a net loss provision of \$306,000 for this year. Is that, in that case, a net loss? That is there have been some gains, there have been some losses, this is the net loss or is it a provision?

**Mr. Downey:** It is my understanding that that is a provision, a loan loss provision, but no losses to date.

\* (1630)

**Mr. Sale:** So, Mr. Chairperson, that is setting aside a loan loss provision against our government. I think it is a \$5-million investment.

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

**Mr. Sale:** So, Mr. Chairperson, how is that held? What account is that held in? Is it a trust account in Finance or how is that amount held if it is a provision for loss?

**Mr. Downey:** I am informed that it is held in the Department of Finance.

**Mr. Sale:** Mr. Chairperson, maybe Mr. Dalgliesh could just indicate in a note or whatever, where in the—it is probably in Volume 4 of Public Accounts, but is there a schedule where I would find the loan loss provision? Maybe you could just point me to it.

**Mr. Downey:** We will provide that information for the member.

**Mr. Sale:** Mr. Chairperson, I think we could pass down to (c).

**Mr. Chairperson:** Item 10.2. Business Services (a) Industry Development - Consulting Services (1)

Salaries and Employee Benefits \$2,198,400—pass; (2) Other Expenditures \$840,500—pass; (3) Grants \$16,900—pass.

Item 10.2.(b) Industry Development - Financial Services (1) Salaries and Employee Benefits \$785,400—pass; (2) Other Expenditures—\$250,600—pass; (3) Programs (a) Manitoba Industrial Opportunities \$11,205,500.

**Mr. Sale:** Just so that we are clear when we reconvene, is it acceptable that we go back and review that list if that seems to us to require some questions?

**Mr. Downey:** Yes, Mr. Chairman.

**Mr. Chairperson:** 10.2.(b)(3)(a) \$11,205,500—pass; (b) Vision Capital \$2,037,000—pass; (c) Pine Falls Paper Company no expenditure—pass; (d) Manitoba Business Development Fund \$2,000,000—pass; (e) Small Business Expansion Fund \$500,000—pass; (f) Manitoba Capital Fund \$506,000—pass; (g) Less: Interest Recovery (\$2,807,500)—pass; (h) Less: Recoverable from Rural and Urban Economic Development Initiatives (\$500,000).

**Mr. Sale:** Is this \$500,000 targeted at any particular area or is it simply an arm twisting in cabinet?

**Mr. Downey:** There is no particular allocation.

**Mr. Chairperson:** 10.2.(b)(3)(h) Less: Recoverable (\$500,000)—pass;

Item 10.2.(c) Manitoba Trade (1) Salaries and Employee Benefits \$1,128,400.

**Mr. Sale:** I want to recognize the success in the area of trade in terms of increased volume of trade over the past year and, well, over the past several years. As was pointed out in the House, there has been substantial growth in our international trade.

**Mr. Downey:** I have a correction to make on this \$500,000, so the record is not—I want Ian to make a comment on it, if he would, please.

**Mr. Chairperson:** Item 10.2.(b)(3)(h). Is it agreed to go back for an explanation? [agreed]

**Mr. Robertson:** Mr. Chairman, the \$500,000 is a recovery of (3)(e) the Small Business Expansion Fund. That is a specific allocation.

**Mr. Sale:** That is not a program transfer, though, is it? That program has been there before?

**Mr. Robertson:** The Small Business Expansion Fund just started and the full amount is being recovered; the full amount of the cost of the program is being recovered.

**Mr. Sale:** The \$500,000 shown in the current year's expenditures, is that a restatement from Rural Development in previous years, or is it new this year and this is the provision for next year?

**Mr. Robertson:** This program is new, but it was in last year as well. The program was late in getting implemented, so the full cost of the program on an annual basis is being recovered

**Mr. Chairperson:** Back to 10.2. Business Services (c) Manitoba Trade (1) Salaries and Employee Benefits \$1,128,400.

**Mr. Sale:** As I was saying, the trade numbers over the past few years in terms of exports growth has been substantial. I just note for the record that it appears that in 1997 the final export number, although I do not have the breakdown for various countries except the United States, was \$7,600,900,000, which is a substantial growth over the previous year. I am saving the minister making all of these statements just so that he does not feel that he has to do those things. He probably would feel he has to anyway. But the percentage growth was also impressive in terms of a double-digit number. Although it is down from its peak, it is nevertheless—one cannot have growth at double-digit numbers forever. So there is no question that the growth has been impressive.

I think what is also impressive is that the area of the growth, I guess the minister has pointed out and we have noted, has been largely—not exclusively but largely—in value-added industry as opposed to unprocessed or semi-processed goods.

\* (1640)

That said, there is a continuing concern about the trade balance. When this government took office in 1988, we had a trade surplus of \$372 million in that particular year, although that was a record year, and I believe, in modern times anyway, a record surplus, that there had been deficits in previous years under the previous administration. Nevertheless, it was a very impressive year in terms of the trade balance.

The American trade, however, since the outset of NAFTA, has, with the exception of 1996 where there was a significant reversal, the trade deficit with the United States has widened every year: \$484 million in 1988, rising to a peak of \$1.3 billion in 1994, and falling in 1997 to \$1.031 billion, but still over a billion dollars in trade deficit with our largest trading partner. If you look at the Canadian numbers, you see a trade surplus in merchandise trade with the United States. In Manitoba's terms, you see a substantial deficit. The government has maintained that NAFTA has been good for us and that the open trading environment has benefited us, but the trade numbers would seem to suggest otherwise. There are clearly gains in exports, but the gains in imports have been very, very substantial and have, since 1988 in any case, outstripped the gains in exports.

The difficulty that that puts us in, of course, is that most exporters, while they may be happy with the current government, and I am not trying to suggest that the current government has not created a business climate that business groups like, they tell us, and I imagine they tell the minister too, that most of their success is dependent on a dollar that is in a reasonable trading range, that when we let the Canadian dollar go to 89 and 90 cents, it killed most of our exports and it certainly severely damaged the structure of our manufacturing industry.

We now have interest rates which are still, in real terms, very high. Our nominal interest rates have come down tremendously, and that is true. But real interest rates are actually higher than they were when inflation was very high in the late '80s. We are still seeing real interest rates in excess of 5 percent in many areas and higher than that in some sectors where risk is perceived to be higher. So there is a very, very high real interest rate premium. The Canadian dollar is absolutely critical to maintaining the kind of export performance

that we have, and I do not think it will matter what government is in power. If the dollar appreciates above about the 74-cent level or 73-74-cent level, we are going to see our exports in serious trouble.

So the government has been an unwavering supporter of free trade, NAFTA and, I presume, FTA, but NAFTA in particular, but we are financing that trade with a billion-dollar transfer every year to the United States to pay for this trade deficit. Thank goodness we are in a trade surplus with the rest of our partners so that in fact our trade deficit last year of almost \$600 million, while very large, is still better than our trade deficit with the United States of a billion dollars. Now, that is Manitoba money flowing out. It is not new money coming in. It is a net outflow of capital to finance our trade deficit.

I do not see anything in the numbers to encourage me to think that this is turning around. We had a trade surplus in 1988. We had very small deficits in '89, '91 and '92, but from that point on, apart from '96, which looks like it was probably an anomaly in a variety of areas, the trade deficits overall have been an average of well over \$500 million, probably \$550 million. Our trade deficits with the United States have averaged during that period of time about \$1.2 billion, and I do not see encouragement in that. I see encouragement in the volume, but I do not see encouragement in the bottom line, which is really what matters to the Manitoba economy. The trade deficit has to be financed, essentially, out of our earnings as a province. So I would be interested in the minister's response to that.

**Mr. Downey:** Mr. Chairman, I want to acknowledge the comments the member made as it relates to the movement of product into the United States and how important it is that we continue to grow and expand. Without getting into the philosophical debate as to whether or not NAFTA or the FTA agreement has been good for us, we believe it has, and there have been several examples. I think the hog producers of the province and the country would say thank goodness we had the Free Trade Agreement or the agreement in place under NAFTA, because I believe three times the Americans have taken Canada to the dispute panel and three times criticizing us of unfair subsidies or unfair support for the hog industry. Three times it has gone to

the panel, Canada has won, and there has been a substantial refund in border duties that have been in fact to pay back to the producers. So, without that structure, without that agreement, without that process, it would have been strictly a political argument which would have been hard to lay out our case.

I think it is also important to note that he does make an important point that our dollar, being where it is at with the strength of the U.S. dollar opposed to the strength of the Canadian dollar, is that it has left us in a strong advantage. We also know that many of the companies that we talk to continually say that, yes, it is very advantageous to them, but they could live with a stronger dollar up to a certain point. Now, I do not know how everybody would like it, but I think one has to also appreciate some of the production machinery that we buy, some of the inputs that go into this business which are shown here on our imports are not a benefit when you are buying it with a weaker dollar.

But the bottom line is that the number of 80 to 85 cents quite often is referred to by some of the companies, that they would still be in a reasonably good situation if they had an 80- to an 85-cent dollar. Not that they want to go there, but that is basically the number that has been used. I put that on the record, not with any research, but, again, with some discussion with some of the companies. There is, I think, an important note, and that is that the ratio of what we are importing compared to what we are exporting is probably an important number for the member to have. I put on the record that we get a better appreciation for this whole issue that the member has raised by looking at the ratio of exports versus imports.

In 1997, for example, Manitoba sold the U.S. 83.8 cents worth of goods for every dollar worth that we had bought from them—83.8 cents for every dollar that we bought from the U.S., an all-time high. That is up from 83.2 cents per dollar in 1996 and 75.4 cents per dollar in 1994. It is considerably higher and a major improvement over the situation a decade ago. A decade ago, in 1987, Manitoba sold the United States only 57.9 cents worth of merchandise for every dollar's worth that we bought from them, so the ratio of what we are buying from them compared to what we are selling them is continuing to improve, and we are at an all-time high, as I have indicated, at 83.8 cents. So the ratio of

what we are buying from them versus what we are selling them is improving, and I consider that to be putting us in a good position as a province, and very positive.

Mr. Chairman, if one were to read the comments or make reference to the comments the member put on the record earlier from the Investment Dealers Association of Canada, I think it augurs well for Manitoba and the position that we are in. It is extremely well too when they point out that we are basing ours, and it is being based now on more manufactured goods, more value-added product than ever before and, quite frankly, there is, I think, an opportunity to continue to probably import raw product to this province rather than exporting it for processing here rather than our just continuing to export.

We still export a tremendous amount of mineral wealth that goes out in the raw form and not refined. Again, the economies of doing the processing have to be here. We still have a major electrical advantage, a cost advantage which we want to continue to maintain. We still have tremendous production capability, and we have to, we believe, maintain the course of encouraging businesses and doing certain things such as were done in this last budget in which some of the decisions are reflected, we believe, in the performance of our companies.

I am certainly not going to stand up as a minister and take all the credit because, quite frankly, it is the companies out there that have the attitude and the investment entrepreneurship and the vision to take on the challenges that are out there, but it is certainly rewarding to be in this ministry when, as much as it is a challenge and a difficulty, where some industries are finding problems getting employees to fill the vacancies that are now appearing with the demand that is coming at them.

So putting it in that context, Mr. Chairman, I hope it further explains how we feel about the situation on the export-imports.

\* (1650)

**Mr. Sale:** I appreciate the minister's comments, and I think we need to continue to work very hard at that

balance, because this is after an unprecedented—I believe now the American economy is in its seventh full year of expansion, and our economy is in about our fourth year of significant economic growth.

I do not think the law of the markets has been repealed, and it is very—let us say, I think, we are much more vulnerable than people would like to recognize to a downturn in the American economy or in the world economy, for that matter, but in the American economy because there are all sorts of indications that that economy is stressed, I guess, to say the least, after the number of years that it has had. We have the uncertainties of the Asian situation overhanging us as well. So I hope it continues. I hope the ratio the minister cites continues to improve, but I just flag this as something that would make me lose a little bit of sleep on this issue.

I wanted to ask the minister when these publications were done. I received them within the last week, a nice package, and they are nicely done. They are very, I suppose classy would be the term to use. I was wondering when they were prepared.

**Mr. Downey:** I think, I am informed, within the last year.

**Mr. Sale:** Mr. Chairperson, the Investment Dealers Association of Canada puts out a quarterly card that has a fair amount of similar information, not maybe quite as much about Manitoba, but a fair amount. I am wondering, when you are putting out this kind of stuff that—it is good, I like this, I like to see this kind of thing. But it is 1996. It is now a third of the way through 1998, and 1996 is the most recent data that we have in here. I think that we could do better, given the technology we have in terms of updates.

I like the information and I like the kind of card, and frankly it would be nice if MLAs had small supplies of these so when we travel we can say, maybe you do not know too much about our province, here is a little bit of information, pocket information, good information on the back about access. But I would think we would benefit from having this updated more frequently.

**Mr. Downey:** I agree that it is extremely important to keep it current. We are restricted by the information

that flows on trade from Stats Canada and from our own bureau. I think it is June they come out for the last year, and I will also make sure—I do not even think there is a picture of the minister on there—I will have to make sure there is an updated picture of the minister that goes on these as well. I think that is an oversight by somebody in the department. Yes, that is the buffalo, that is right. But I will look at that, seriously look at that. It is important to have as up-to-date information as possible, particularly when it is good.

**Mr. Sale:** Mr. Chairperson, there is lots of information in here that does not need to be updated, but I would just suggest that there are in fact monthly StatsCan publications of GDP and growth and employment and all sorts of numbers that are in here. I do not think you have to wait for annual publications. If you decide to do it thirdly or quarterly or semiannually, I just think it shows to the people who are receiving it that we are on top of our own stuff. Just a comment for what it is worth.

**Mr. Chairperson:** Item 10.2. Business Services (c) Manitoba Trade (1) Salaries and Employee Benefits.

**Mr. Sale:** Mr. Chairperson, I have a little article here from the Union Farmer, and I know the minister will recognize the organization and the publication, but it has an interesting chart and an interesting article. Essentially what it says is that increasing exports do not appear to increase farm income. It is talking about net Canadian farm income: Manitoba realized net farm income against Manitoba agri-food exports. What this chart shows, if the data are correct, and I do not have any reason to doubt it, is that we have had sharply rising exports of agri-food and slightly declining farm gate receipts.

I wonder if the minister has any strategies or any suggestions as to how we can explain to our farmers why in 1989 farmers received about 23 cents, a very similar ratio approach to what the minister was using a few minutes ago, for every dollar of agri-food exported from the province. Today, they get just seven cents. That is a little more than a two-thirds decline in about nine years, or eight years, a very serious problem for our farmers that, while the value of exports has grown very sharply, the real world of the farm-gate receipts does not seem to have changed at all.

**Mr. Downey:** Mr. Chairman, I could give a considerable, lengthy response to this because I think it does deserve some debate, not necessarily debate but some comments made. First of all, the farmers in Manitoba are paying the highest cost of freighting their grain out of any prairie province in the country, and that was thanks to the federal government who took away in entirety the support under the transportation subsidy without investing back either in roads and/or in any other infrastructure for the farmers of Manitoba and/or western Canada.

Today, just to give the member a number that he may appreciate, when a farmer from Manitoba hauls three loads of grain to the elevator, whatever size they are, one load goes to the transporting and the elevation of that crop, so that means if you haul \$6,000 worth of grain to the elevator, \$2,000 of it goes to the movement and the elevation. Farmers cannot continue on with that kind of cost incurred. So it is a matter, yes, grain prices are down. When the Crow was taken off, they were high, and right now the real shock is hitting them, and, quite frankly, that is why I advocate a dual-marketing system because once the subsidy was taken off of farmers to force them to use that high-cost system, it is very, very difficult.

Point No. 2—and there is room for more discussion and my colleague the Minister of Agriculture (Mr. Enns), again, is certainly aware of this and we are working on it—is that because of some of the production restrictions that we have upon us where we have some natural advantages in Manitoba, we are restricted from increasing those products because of our agreements with the other parts of the country under national supply quota systems.

Now, there is another one, and when one looks at the statistics—and I saw it recently and I am going to have some more work done on this. The member is right. The farm-gate prices have not gone up in a manner which have been satisfactory. What has gone up has been the processed food portion of agriculture.

That is why the closed co-ops or the new generation co-ops to move farmers up the food chain higher, where there is Crocus Fund being allowed to get more involved in the processing of food or any of those capital pools, we have to do that, where the farmer

carries the ownership of the product higher up the food chain to get a greater return from people like him who is a consumer.

There is quite a bit of work to be done, and as we move down this diversification and this whole new generation of farm communities, we are going to see more of that take place. That is why, again, the production of hogs, the diversification into livestock and all different kinds of speciality crops where you add value to them at site of production rather than shipping them as a raw product to site of consumption is absolutely essential, and when we look at the loss of people out of some of our rural communities, we have to bring those jobs back in the food-processing industry. So, when he talks about whether it is Crocus or other capital pools, he can count on us being very supportive.

**Mr. Sale:** Mr. Chair, I just table this, and perhaps we could get copies for when we next meet. Just a brief comment, it would seem from the bottom of that chart that the Crow does not show up here as a particular problem. It has been a problem all the way along. It has been essentially flat to declining, Crow or no Crow.

**Mr. Downey:** But it has been greater impact with the loss of the Crow.

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

Committee rise.

## EDUCATION AND TRAINING

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

We are on Resolution 16.4. Support to Schools (a) Schools Finance (1) Salaries and Employee Benefits.

**Hon. Linda McIntosh (Minister of Education and Training):** I am ready to continue on with my answer to the question, Mr. Chairman.

Just before we broke, I had been asked questions about some specific schools and was talking about the Gimli situation, the Gimli Early/Middle Years School. Enrollment has increased significantly at that school from 471 students in 1996 to 512 right now. The projected enrollment for September is 513 students.

To accommodate the current overcrowding, the school division has converted two of their existing rooms that were not previously being used for classrooms into regular classrooms. To accommodate the anticipated enrollment increase for September '98, as requested by the school division on October 28 of this fall, 1997, the Public Schools Finance Board on May 4 of 1998 approved two portable units as a short-term solution there. But the long-term solution is the modernization of this school, and a project has been identified for this school under the government's Aging Buildings Program.

The Public Schools Finance Board will conduct an assessment of that school in the near future and will forward its recommendation to the minister for consideration. Subject to the Public Schools Finance Board's formal assessment and the minister's approval of the project, the school division could be authorized to proceed with planning and design authority for a major renovation project in 1999-2000.

**Ms. Jean Friesen (Wolseley):** The minister has mentioned the Aging Buildings Program and makes reference, of course, in the Estimates to that as well. Could the minister table any formal documentation that exists on that, the criteria for example, and could she give us an idea of—I am not clear whether that is a separate application that one makes over and above the five-year general plan, over and above the amendments that come from time to time to those five-year plans?

Is the Aging Buildings Program something which is considered separately to which you apply separately, and what are the criteria for that?

\* (1440)

**Mrs. McIntosh:** Government approved, in this last round, a new three-year Aging Buildings Program which is beginning this year, '98-99, with a total budget of \$30 million. That \$30 million is spread over three

years—it will work out to about \$10 million a year—to address unmet significant capital needs beyond the regular capital support programs. So it is new money. It is over and above the amount we have spent this year, which was \$29.7 million, I think, on capital in the schools. We are putting in additional money for several aging building projects.

The member asked a very good question in terms of, where does this fit in with the regular work that might be done on a building that is aging? In a regular five-year capital plan would it not be addressed? The answer is, ultimately, yes, it would be. For the project selection criteria, projects will consist of—these are the things that will be addressed with that \$30 million—major renovations and upgrading of older school buildings that are certified structurally sound and deemed to have a remaining useful life of at least 25 years following the renovations. So they can be repaired and extended by 25 years, then that would be one criteria.

Another is the replacing of roofing, mechanical and structural systems that have been assessed by independent consultants commissioned by the PSFB and designated as high priority based on age, conditions, repair record, cost to repair and maintain the system, disruption to the school, et cetera. These projects had to be identified as high-priority projects by school divisions via the five-year capital plan process.

So put simply, this money tops up our regular budget to allow the PSFB to address right away many of the aging buildings that fit those two criteria without any unseemly delay, and part of the reason for this is we had, as I indicated earlier today, after the Second World War and babies started to be born in the '50s primarily, a whole series of schools built very quickly that have all aged simultaneously and are all due for major repairs right about now simultaneously. So it is the same identification process but with narrower specific criteria, and this is extra funding to meet the aging building needs without jeopardizing regular capital requests. In other words, to address all these aging buildings that we would want to in this next three-year period, might have meant some of the other priorities would have had to be set aside. This way, they do not have to be. So it is a three-year project, and those are the criteria.

**Ms. Friesen:** Mr. Chairman, could the minister tell me which schools have applied to that fund?

**Mrs. McIntosh:** Yes, I can provide the names of the schools that are in this first round. The others are all still being—they are in the five-year capital plans, and they have to be identified for next year which they will be before too long. Right now, I can only provide for certain, in terms of the choices for this year, the ones that are going to be done right now.

There will be about the same number done next year and again in the third year of the program. They are buildings, as I say, that have been identified as high priority projects via the capital plan process, and staff check to see if they meet this narrowest criteria to be done, pulled off that list and done separately, so that everything else on the list can be moved up for earlier treatment, thereby avoiding the delay that might have happened if we had tried to address these aging buildings simultaneously. We might have had to lose some other projects. This way we do not.

But I will give the member the names for this year. They were the subject of a press release, I believe, earlier where we published those names or which schools were getting their aging building needs met.

We have in Agassiz School Division No. 13, we have the Beausejour School. We have Transcona Collegiate being done in Transcona-Springfield; Virden Collegiate in Fort La Bosse; Sisler in Winnipeg; Neepawa in Beautiful Plains; St. Paul's in White Horse Plain; Melita in Antler River; West Kildonan Collegiate in Seven Oaks; and Pembina Crest which is the South Winnipeg Tech Centre site.

Now, with roofing replacements, we have in Winnipeg I, Isaac Brock, George V. These are Phase 1 of Issac Brock, Phase 1 of George V; Robert Browning in St. James; Minnetonka in St. Vital; Nordale in Norwood. Those are the roofing ones.

System replacements, repairing boilers and piping in Inkster and Shaughnessy Park; boiler replacement, Phase 1, in Viscount Alexander in Fort Garry; furnace replacement in Princess Margaret School in River East; furnace replacement in Elmdale in Hanover; oil furnace propane conversion in Arden in Beautiful Plains;

furnace replacement in Whitmore in Dauphin-Ochre; boiler replacement in Binscarth in Pelly Trail. Those are the systems replacement projects.

I believe that is all. There may be one or two others. Staff is just checking to make sure that I have not missed any from that list. There is another systems replacement, Mr. Chairman, a furnace replacement at Rivers Elementary in Rolling River; and in terms of roofing, Robert Andrews School in River East; Woodlawn A and B in Hanover; Arthur Meighen High School, the gym area is getting new roofing, in Portage la Prairie; Carberry Collegiate in Beautiful Plains; Brookdale gym in Beautiful Plains; Vincent Massey in Brandon; St. Jean Baptiste in the DSFM; and J.H. Kerr in Snow Lake and Deerwood in Mystery Lake are getting new roofing.

\* (1450)

**Ms. Friesen:** So just to clarify the process, these names and projects are culled from the five-year applications, five-year plans, that divisions make on a regular basis.

**Mrs. McIntosh:** That is correct. Because they know what the priorities are best, and culling is a good word to use for the process.

**Mr. Clif Evans (Interlake):** Mr. Chairman, I would appreciate if I could just follow up on earlier questions with respect to the Gimli Early/Middle Years School and the situation that it is in. There have been, of course, letters written and articles in our local papers with respect to the condition and the situation that we have at Gimli Early/Middle Years and the effect that it has on the young students and the teachers and the whole community.

Can I ask the minister, we talk about a five-year plan, has Evergreen School Division had this Gimli Early/Middle Years School in their five-year plan some years ago? Is it something they just implemented as put in this year, this fiscal year? How long has this school been on the agenda?

**Mrs. McIntosh:** As I indicated yesterday, when the five-year capital plan is submitted, we ask divisions to look ahead five years and try to anticipate what their

needs will be, as well as their immediate needs. So school divisions will do that, and they send in a list of priorities. They will say we have 10 projects that we can think of that need to be done between now and five years from now.

They will put them in order of priority. So they might identify something that they think could be needed in five years that may, in fact, not be needed in five years, so each year, of course, the list is reassessed and updated, modified or confirmed that it is still the list, and this year they might say five years from now we are going to need a new school. Then, of course, next year it will be four years from then, and the year after that it will be three years, and two, until finally we are in the year when the new school is needed. So it is not needed necessarily the first year they identify it. Some people think because it appears on the list that it is needed right away. It sometimes appears on the list identified as something that might be needed in five years' time.

With Gimli and the Evergreen School Division, this one appeared for the first time on their list of five-year anticipated needs, their capital plan in—I am looking to see what year it was—two years ago, 1997. I may be off on that. I know that they did have it on for a couple of years. It was certainly within the last five years, but not five years ago. It is a shorter time than that that it has been on. It has not been listed as their highest priority. It is now, but it was not until just now. Last year they identified as their highest priority Winnipeg Beach; that was approved. Now they have identified as their highest priority the Gimli Early/Middle Years School, and it looks as though the school division will probably be authorized to proceed with the planning and design authority for 1999, the year right after the one we are in.

They currently have two portable units there which have just been approved. They were just approved this month as a matter of fact. Are they already there? [interjection] Okay, so they have, pardon me, two portable units that were approved earlier this month that will be there for this next year. That is the short-term solution for this which is now their top priority.

**Mr. C. Evans:** I thank the minister for the response. It is my understanding that staff has been out to visit at

the school. My understanding is they have certainly seen first-hand the needs that are there and the conditions that are at Gimli Middle Years. I just want to make a comment that certainly my concern for the condition of the school and the need for Gimli Early/Middle Years is that I do have constituents and children who attend school in Gimli. Of course, this issue was raised to me, with me, by parents and trustees that are involved in this. Now it is my understanding also that there is to be a presentation made to the department by the end of this month.

Am I correct in assuming that? Basically what I am asking is, at the minister's support, the division's now perhaps change of heart when it comes to what the priority is. Now you say that this has become a priority. That is fine. They probably appreciate that too, but how quickly can we move along with that priority on behalf of Gimli Middle Years?

One other question: will the portable classrooms cost Evergreen any money for having those portable classrooms there? [interjection]

\* (1500)

**Mrs. McIntosh:** Sorry, Mr. Chairman. Through you to the member, I can indicate first of all that the requests do not come to the department. They go to the Public Schools Finance Board which is arm's length from government, so government does not interfere in those—

**Mr. Chairperson:** Order, please. I hate to interrupt the honourable member, but I have to come to the committee member for the other section.

### Report

**Mr. Gerry McAlpine (Chairperson of the section of the Committee of Supply meeting in Room 254):** Mr. Chairman, a motion has been moved in the section of the Committee of Supply meeting in Room 254 by the member for Turtle Mountain (Mr. Tweed). The motion reads: that the question now be put.

### Formal Vote

**Mr. Chairperson:** Call in the members.

*All sections in Chamber for formal vote.*

\* (1600)

**Mr. Chairperson:** The bells have rung for one hour. I am asking the Sergeant-at-Arms to turn off the bells.

Order, please. In the section of Committee of Supply meeting in Room 254 considering the Estimates of the Department of Justice, a motion was moved by the honourable member for Turtle Mountain (Mr. Tweed). The motion reads: that the question be now put.

This motion was carried on a voice vote, and subsequently two members requested that a formal vote on this matter be taken. The question before the committee is the motion of the honourable member for Turtle Mountain.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 0, Nays 43.*

**Mr. Chairperson:** The motion is accordingly defeated.

The sections of the Committee of Supply will now continue with the consideration of the departmental Estimates.

## EDUCATION AND TRAINING (Continued)

**Mr. Chairperson (Marcel Laurendeau):** Order, please. The committee will come back to order. We ask the minister's staff to please enter the Chamber at this time.

**Hon. Linda McIntosh (Minister of Education and Training):** Mr. Chairman, I had just been concluding a response on the Gimli school situation, and I want to correct something I had said. I had said that the Gimli Early/Middle Years schools was now the top priority, and, in fact, the Winnipeg Beach School is still the top priority. It has been approved and the next on the list is the Gimli school. So for the next go-round, once the Winnipeg Beach is dealt with, it will be their highest priority because it is second on the list now. In short, Winnipeg Beach first, Gimli second; and the Winnipeg Beach has been approved.

**Mr. Clif Evans (Interlake):** Mr. Chairman, I did ask also to whose cost would the portable classrooms be, whether it would be incurred by Evergreen, or does the department take care of the cost?

**Mrs. McIntosh:** Those costs are borne by Public Schools Finance Board through the government of Manitoba funding.

**Mr. C. Evans:** Before the bells, I did ask about the proposed meeting that I have been told is supposed to be happening by the end of the month. The school board, I understand, has put everything sort of together in another way and is going to be presenting it to the department. Is that so? Is there going to be another meeting, another presentation, by the school division?

**Mrs. McIntosh:** I am not sure if the member is referring to a request to meet with the minister and the department or the PSFB. The PSFB does not normally have presentations made to it by boards. However, what they do is they regularly will assess, then, project requests or renovation requests. School divisions will ask for things. The PSFB will then meet with division officials to assess the need and examine the criteria, see that they are met, et cetera. That may be what you are referring to.

It may be that the board has asked to meet with me or senior staff on a variety of issues because I do meet regularly with boards. The sort of standard instructions to my appointment secretary is if a school board phones and asks for the meeting, grant the meeting. At this time of the year with the House in session, the meetings are backed up a fair bit. So there may be one scheduled that I am not yet aware of in my weekly schedule with me.

Those would be the two types of meetings. None of us here have a recollection of a specific date or a specific meeting to come. But those are the two types of things that may be on the books that would be part of our regular communications with boards and divisions.

I just want to indicate that, I do not want to leave a wrong impression. I mean, the PSFB does regularly meet with school divisions. If I am reading what the member was asking for, the kind of meeting they were

describing would be probably with staff and not with the board.

\* (1610)

**Mr. C. Evans:** Just a final comment. I certainly would like to indicate to the minister and the department—and I am sure that she has received the letters. I know that the department has received and seen the articles in the local paper with respect to Gimli Middle Years. I know that the minister and the department certainly do not take the issue here lightly. I know that they know that it is a very important situation, a very important issue, for the community. It is growing, we know that. I wish that we would be able to support Evergreen School Division's requests to get the Gimli Early/Middle Years School rebuilt. This is basically what they are asking for, a bigger school built.

It is the future, not only for Gimli itself, but it is the future for the whole Interlake region to have the availability for our kids and our young people to be able to attend a school that is up to date, modern, with all of the facilities available, proper building and whatnot in place.

So I am certainly hoping that the minister will support the recommendations and the request by Evergreen to engage in getting this new school in place as soon as possible on behalf of all the trustees and students and teachers of Evergreen School Division.

I thank the minister for the opportunity to express my concerns.

*Mr. Edward Helwer, Acting Chairperson, in the Chair*

**Mrs. McIntosh:** I appreciate the member's comments. The Public Schools Finance Board and the minister and the department do take these issues seriously. We are also very strict, though, and mindful that we maintain the integrity of all processes, and the PSFB has a mental discipline in terms of objectivity in that they work very hard to preserve objectivity.

So the minister does not go to the PSFB, for example, and say we want you to move on this school in Gimli or with this school here or this school there, I think for obvious reasons, unless there would be a terrible

disaster or something that was a huge priority, was some extraordinary circumstance that I cannot envision right at the moment.

Having said that, ultimately the recommendations do appear before the minister after the PSFB has done its work. Mr. Chairman, we are generally receptive to those recommendations because they do require the minister's signature on them at the end of the process.

So, again, I appreciate what you have said, and the PSFB is accessible. I had indicated that they do not normally have some regular presentations from boards, but any board that asks to meet with them, they will agree to see. Staff works with them regularly and they do—I know from having watched them in the few years that I have been here—go through with a fine-tooth comb all those priorities.

They have indicated that they believe, as far as the Gimli School is concerned, that they will likely be authorized to proceed with planning and design authority for 1999-2000, the year after this one. That is their expectation at this point, and barring some unforeseen traumatic intervention, that is likely what would happen. In the meantime, they have the request for portables which have been approved earlier this month. I do not know if that gives you your Gimli answer. [interjection] Okay, I appreciate your interest.

I have an update here, too. I do not know if the official critic is interested in the Wolseley update that is on the books here. [interjection] Okay.

**Mr. Daryl Reid (Transcona):** I want to start off by apologizing to the minister. I had expressed to her earlier this week that I was going to be available this morning, but I was unfortunately detained by another scheduled speaking engagement. I know she had answered some questions that were posed by our critic for Education, and I thank the minister for her answers and my colleague for asking those questions with regard to Transcona-Springfield School Division, and I will read Hansard to see the questions and answers that were asked as soon as they are on the Hansard system.

But I want to ask some questions, because I am not sure that all of the questions that needed to be asked

were asked with respect to the school division. I wanted to ask the minister at this time with respect to the Transcona-Springfield School Division. The minister, I believe, said that the Anola School will be the first priority for that particular school division and that project will go ahead. The minister, I noticed before the question and the bells were ringing here, indicated that Transcona Collegiate was on the project list for this year.

What I need to know is whether or not official communication has gone out to the school division. I know there was a meeting that took place a day or two ago with school division people with respect to some of their concerns, but I need to know whether or not official notification has gone to the school division with respect to Transcona Collegiate and its renovation program, and whether or not that project will commence before the end of this school year, or, at least, some announcement will take place with respect to that project so that the school division and school staff, et cetera, will know whether or not that facility will be under some renovation work during the summer months and perhaps into the fall.

\* (1620)

**Mrs. McIntosh:** Mr. Chairman, yes, I think we are on the wavelength but just for extra clarification, the actual highest priority for Transcona is the Transcona Collegiate, but of the elementary-middle years portion, the second would be Anola. So Anola is the first, if you are talking about the elementary-middle years, which I think is what you were meaning. Their first actual priority is Transcona. So we are understanding each other correctly. Sometimes people reading are not as sure as we are that we understand.

The Transcona-Springfield School Division got a letter—well, they should have it—official communication went out over my signature regarding Transcona Collegiate being highly recommended under the aging buildings project. We expect that within the next six weeks, they should have, through the PSFB, a formal communication to me on that. It was highly recommended and they are doing their assessment now. That should be completed, they expect, before the school year is out, like sometime within the next six weeks that they would be able to confirm that. They

cannot formally confirm it until the assessment has been done, but it looks as if that will occur. But I have to be careful saying that in case something strange comes up in the assessment which is not anticipated. So a short answer to your question, they should be able to receive confirmation, we expect, before the academic year is complete here.

The school division has to determine how it wants to deal with student numbers, with program offerings and grade groupings at Transcona Collegiate right now, and those are some factors that will impact on the nature of the Transcona Collegiate project. So they have to—well, they do not have to, but they are going to be doing some consultations in the community, and after they have done that and they have done their own internal dialogue, they will have recommendations that are specific for the Public Schools Finance Board, and the Public Schools Finance Board will then be able to formalize its decision and recommendations to me.

So there are just those few little processes, and they are all in a stage of completion right now, this process really that is required in the next few weeks.

**Mr. Reid:** I appreciate when the minister says it could take a couple more weeks or a few more weeks to move this process along. I do not understand, though, when the minister references that there is an assessment process that has to take place. Is that an assessment of the condition of the structure itself, Transcona Collegiate, or is there some other assessment process that you have that needs to occur with for which I may not be familiar? Perhaps you can explain that process to me.

**Mrs. McIntosh:** The member asks a very good question. It is a process that has been ongoing for some time. They are in the final stages of the assessment. The preliminary indication is that this project appears to fit all the criteria. They have been assessing it for some time. What has happened now as we get to the end of the process is that the school division has now identified some things. For example, they have indicated they are going to move from being a Senior 2 to a Senior 4, to a Senior 1 to a Senior 4 and they have just completed, at the end of March, a review that they had done—this is the school division now I am talking about—in terms of program offerings and grade

groupings. But the building itself is clearly recognized as an aging building and just the process that has to be gone through necessitates those final pieces of information coming so the assessment can be properly done. That is in its final stages now.

I think the information is either with the PSFB or on its way from the Transcona School Division in terms of those things. They have a couple more meetings left on this type of, how the accommodations are going to be needed in the schools, what type of student is coming in, the groupings they are going to be requiring in the school and so on.

Those are little pieces of information needed to finalize the assessment properly. If they know exactly what is needed in a newly renovated building, then those will form part of the project criteria for the planning. I am trying to think of the word they call it when they go out to do the drawings and so on.

**Mr. Reid:** The minister is right. It is my understanding that the meetings have already occurred with respect to the reorganization for the school division. I know my wife is participating in that process as the chair of the junior high for which the Senior 1 will now move into the high school, Transcona Collegiate. So it will be an S1 to S4.

There has been some discussion I believe with respect to the facilities itself. Perhaps the minister can provide some guidance on this for me. I think there is a request for a multipurpose facility. As the minister well knows, and I have raised in this House during members' statements, having attended the production of Anne of Green Gables put on by the local school division through the Transcona Collegiate, and what a success that particular program was. The type of facilities that really stretched the ability of the students, the staff and the parents to put on that type of a production, wherein they had to utilize an elementary school that was not really set up for that type of drama or that type of multipurpose.

I am wondering whether or not it is within the responsibility of the Department of Education or the Public Schools Finance branch or perhaps some other branch of the Department of Education where support can be lent to development or construction of a facility,

a multipurpose facility, within that particular grouping of schools, because you have an elementary school, a junior high and a high school within the same block area complex, whether or not there can be a multipurpose facility set up.

*Mr. Chairperson in the Chair*

I am quite worried after what I saw, and I say this quite guardedly since it is on the record here, quite concerned that the multipurpose facility that was being utilized for that particular drama production can lead some to question whether or not there is a fire hazard, fire regulation hazard, with respect to the utilization of the current facilities in the elementary school and whether or not it would be more appropriate to have productions like they have put on in another facility.

\* (1630)

I think that may be at least one of the reasons why the school division may have requested a multipurpose facility. Perhaps the minister can advise whether or not that would be within the area of responsibility for her department and whether or not a request that may have gone forward would receive positive approval.

**Mrs. McIntosh:** Mr. Chairman, staff had indicated to me some of the things they look at in terms of the process that I would like to provide to the member in answer to one of his earlier questions, and then I will get to his current one.

The projects, they are subject to preliminary assessment by the PSFB, board project leaders who review rationale for requests, current and projected enrollment trends, cost estimates, number of years that a project was requested by the school division as its highest capital priority, condition of building particularly as it applies to health and safety, adequacy of proper instructional spaces to deliver the department's educational programs, and solutions and what alternatives were considered by the school division.

With regard to asking for multipurpose space, I think it has been determined from staff's assessment to date that multipurpose space would be part of the approval of this project, and that multipurpose space, of course,

then would be there for multifunctions which is the whole concept with multipurpose space.

**Mr. Reid:** So if I understand the answer correctly then, with the renovation project that is going to take place in Transcona Collegiate, there will be a multiuse facility or space attached to that particular project, and if so, will it form part of the existing building or will it be a new structure that is added on to the existing building?

**Mrs. McIntosh:** I am advised that those are exactly the kinds of discussions that are going on as they do the final assessment, and they have made some determination. They know it is an ancient building. It is a candidate for modernization and upgrading. They are looking at the needs as identified by the division.

They have made a preliminary determination that a multipurpose room would be a valuable asset to this building. They are talking about how that comes into existence, what it will look like, et cetera, et cetera. That is what they are currently in the process of doing. So it is premature for them at this point to try to second-guess the end result of those dialogues.

I will find that out, I suppose, when they come with their final recommendations to me in the normal course of things, but this is the process they go through with each and every request. They cannot jump over any of the steps if they want to be fair and just and thorough. They need to go through them all.

The question you are asking is one that they are all currently asking with each other as they try to determine how to go about meeting these needs.

\* (1640)

**Mr. Reid:** Then might we expect then that if approval, as you say, is going to be given to, or notification is going to be given to the school division in the next six weeks with respect to the renovation under the Aging Buildings Program, would we expect then that negotiations would take longer than this six-week period and that that project for the multipurpose area would be delayed and given some consideration in the future, or will it form a part of the decision that is being made, the final decision being made with respect to the renovation of the existing structure?

Do you know whether or not that would be made, an announcement would be made at the same time as you announce the renovation project commencement for the existing structure? I am talking about whether or not the multipurpose area will be part of that decision.

**Mrs. McIntosh:** The decision will encompass all the issues, and once that has been indicated to the school division they can have an architect then engaged to design the approved project. So the architect, you know, he would have guidelines about how many square feet and all that kind of stuff, but the PSFB does not do the actual designing. They will approve money for aspects of replacing or building or renovating or whatever it is they are doing, and then the division engages an architect to do the actual design. But the decision that the PSFB will relay to the school division will encompass all of the issues involved in that aging building to modernize it and so on.

**Mr. Reid:** Okay, so then because the minister has already said that the renovation of the aging building portion will likely occur this year, this fiscal year, and the announcement will go out within the next six weeks, then the multipurpose program will be attached to that particular project, and then because through discussions that I have had with people within the school division—and I am not saying on the board itself—there has been some concern that there has been a stalling of the process because of some debate on whether or not the multipurpose area should form part of the renovation project. If I understand what the minister is saying here today, that will not be the situation here at this time and that the project will go ahead. Am I understanding correctly on that?

**Mrs. McIntosh:** I want to be clear here that what we are talking about are anticipated outcomes, because the final decisions are still in the process of being made.

So I am expecting, because the PSFB has indicated that this project will be a go, and that they will be able to confirm that within the next six weeks, and that as they redo this aging building that their expectation at this point is that it would include multipurpose space. The actual details surrounding that, they are in the process of discussing with school division officials in terms of details on that, and while that is anticipated, it has not yet been formally concluded.

So when you say so this will happen, I have to say it tentatively appears that that will happen. I am just erring on the side of caution. Does the staff wish to add anything to that, that they feel would be—staff indicates that they cannot guarantee that construction will start or when it will start because that will depend upon the architect and the approval of design by the school division, et cetera. We just want to make sure we do not overstate our—[interjection] Mr. Chair, I just wanted to clarify something else as well.

The member referred to what he hoped were not unnecessary delays, and staff here advise me this project has taken some time and there have been—it has taken longer because of a whole series of discussions surrounding some of the issues connected with the school, but none of the delays were anything that anybody could do anything about. They involved having to meet and discuss, meet and discuss, on some of the issues surrounding this particular aging building. They were not surrounding whether the multipurpose room would be built now or later or anything like that, but it is just that there were a lot of meetings on various issues in this particular project which did cause it to move a bit slower, I think, than all the parties would have liked.

But I think they are now at the stage where they have most things cleared up as they are now able to indicate as they have when they expect to be able to notify the division officially.

\* (1650)

**Mr. Reid:** I thank the minister for that information. I take it then by the comments that in concept that the Department of Education is supportive of the multipurpose facility as part of the improvements to the Transcona Collegiate. Is there a particular stumbling block here? Do you have limitations or do you have numbers or size, and size square footage, for example, that the department would limit a particular project to? Is there some criteria that you have established that may be under some consideration or discussion or debate with the school division now that has to be resolved before that particular project can go forward?

**Mrs. McIntosh:** Mr. Chairman, yes, we have space guidelines, et cetera. We tabled them I believe in '96.

They are available. We have guidelines and criteria for all manner of things involved with construction in schools, including space guidelines. That does not mean that schools are restricted to that space. We have a couple of examples of schools that have been built recently where the Public Schools Finance Board has provided the money for the building, and then the community has decided they wanted some extra thing and they have gone and they have raised money through a variety of sources to, in one case, put on a supersized gym.

I think two schools have opted for what I call supersized gyms, and they have raised the money through the community and industry donations, et cetera, for that; but the PSFB has provided the money for the standard-sized gym and those types of things, so the PSFB has the standard guidelines which most divisions use. Occasionally though, some divisions will decide they want an enhancement. They are quite at liberty to do that, but there would not be extra dollars provided for those kinds of enhancements, i.e., they would pay for a regular-sized gym but not an oversized one.

**Mr. Reid:** The criteria are known and I guess the school division trustees would probably be well aware of that as long with their administration. I did not know whether or not there was some issue in dispute with respect to the criteria that the department uses versus what the school division was requesting for their particular project which I believe has been on their request list for a number of years now. I did not know whether that was an issue that was holding it up with respect to something that was perhaps larger than what the Public Schools Finance Board was prepared to consider. Can you tell me: is that a bottleneck for that area, for that particular project?

**Mrs. McIntosh:** Mr. Chairman, the PSFB advises that the configuration of classrooms, the grades and types of classrooms, the utilization of facilities in the division were the main factor that slowed things down because they had to know if they were going to be looking at a building that would be accommodating certain groups of kids or not, and the division was doing a, did you say the west?—the west end review, and so they wanted to make sure that was done before they started designing the buildings, so that was the thing.

From the beginning the school board has been quite clear on the space guidelines that the PSFB abides by, and also I understand in looking at any possible enhancements, we are aware that if they were looking for the supersized gym-type scenario—I do not think that is what they were looking for, but they would need to source other funding then that might fall outside the parameters of what the PSFB is permitted to provide.

So I think the main thing that slowed things down was trying to decide what kinds of students and grades were going to be in that school utilizing the space. That I think is pretty well resolved, or soon to be.

**Mr. Reid:** That reorganization is, from the best of my knowledge, now concluded in that the S1 is now going to move from John Gunn Junior High into Transcona Collegiate with the next school year. So that reorganization, I am sure the department has probably been advised of that already. So that study has concluded.

I just wanted to ensure that the multipurpose facility that the school division and the parent councils, et cetera, were recommending be a part of that renovation program for Transcona Collegiate could be considered by the department for this particular budget year. I will accept what the minister has told me here and hope that project can go forward in this budget year, and that we can work through the difficulties between the Public Schools Finance branch and the school division to make sure that project can go forward.

I am quite worried about what I saw with respect to hazards in the facilities that they were utilizing in the elementary school. I know the minister has attended, herself, other plays and productions put on by school divisions. I am sure she would not want to see something tragic occur as a result of what we would consider to be less than safe facilities being utilized. I know the minister takes that responsibility very seriously. So I leave that with the minister, my concerns in that regard, and hope that the project can go forward.

In the short time left, I just wanted to ask the minister with respect to the industrial arts program, which is a part of Murdoch MacKay Collegiate as the industrial arts facility high school in the community: does the

department have any plans with respect to expansion or changes within the industrial arts program? Have any requests come forward in that regard, and is the department giving any consideration to any changes or equipment improvements for that particular high school?

\* (1700)

**Mr. Chairperson:** Order, please. The minister can answer that question when we again resume. The hour now being five o'clock, committee rise. Time for private members' hour. Call in the Speaker.

## IN SESSION

### Committee Changes

**Mr. Edward Helwer (Gimli):** I move, seconded by the member for St. Norbert (Mr. Laurendeau), that the composition of the Standing Committee on Law Amendments be amended as follows: the member for Lakeside (Mr. Enns) for the member for River East (Mrs. Mitchelson), the member for Ste. Rose (Mr. Cummings) for the member for Morris (Mr. Pitura), the member for Pembina (Mr. Dyck) for the member for Niakwa (Mr. Reimer), and the member for Gimli (Mr. Helwer) for the member for La Verendrye (Mr. Sveinsson).

**Motion agreed to.**

## PRIVATE MEMBERS' BUSINESS

**Madam Speaker:** The hour being 5 p.m., time for private members' hour.

## PROPOSED RESOLUTIONS

### Res. 30—Sayisi Dene Relocation

**Mr. Gerard Jennissen (Flin Flon):** Madam Speaker, I move, seconded by the member for Thompson (Mr. Ashton), that

“WHEREAS from time immemorial the Sayisi Dene have lived on the land to the west of Hudson Bay, where the boreal forest meets the Barren grounds; and

“WHEREAS in 1910 the Sayisi Dene, then called the Fort Churchill Chipewyan Band, signed an adhesion to Treaty Five; and

“WHEREAS despite the treaty signing, no reserve was created and the Sayisi Dene continued to live for the most part as they always had with little contact with the outside world until 1956 when, without consultation or agreement, they were relocated to Churchill by Indian Affairs; and

“WHEREAS at Churchill, the Sayisi Dene were unable to hunt and maintain their traditional livelihood, their language or culture, and were forced into lives of extreme poverty and desperation; and

“WHEREAS more than a third of them died during this period; and

“WHEREAS the Sayisi Dene, on their own, moved to Tadoule Lake in 1973 to rebuild their community and deal with the horrendous problems caused by the forced relocation; and

“WHEREAS the Federal Government has never apologized for the forced relocation.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba go on record requesting the Federal Government to apologize for the forced relocation of the Sayisi Dene in 1956; and

“BE IT FURTHER RESOLVED that this Assembly request the Federal Government to negotiate with the Sayisi Dene for the damages caused by this forced relocation; and

“BE IT FURTHER RESOLVED that this Assembly request the Federal Government to re-adjust the Nunavut treaty to take into account the traditional Sayisi Dene hunting and burial grounds North of Sixty; and

“BE IT FURTHER RESOLVED that this Assembly request that the Clerk of the Legislative Assembly be requested to send each Manitoba Member of Parliament a copy of this resolution.”

**Motion presented.**

**Mr. Jennissen:** Madam Speaker, I firmly believe that this resolution is not a partisan resolution, as so many of the private members' resolutions in this Chamber are. Therefore, because this resolution is broad in scope and because this resolution attempts to draw attention to the need to right historical wrongs, I hope all members in this Legislative Assembly will support it.

The story of the Sayisi Dene in Manitoba is not a pretty story, Madam Speaker. It is a story of a paternalistic federal government making unilateral decisions in Ottawa that affect directly the lives of people in northern Manitoba.

The story of the forced relocation of the Sayisi Dene, the Dene from the east, has been well documented. Perhaps somewhat less documented and perhaps less understood, especially by the bureaucrats who set into motion the events which scarred a people, are the continuing costs in terms of human tragedy and despair.

Let us make no bones about it. A once proud and self-reliant people were uprooted from all that was familiar and literally dumped into a holding camp on the Churchill River. Later they were moved to another temporary camp and then to the infamous Camp 10, or later, Dene Village. Tiny, thin-walled houses or shacks were perched next to the graveyard. Dene Village itself was miles away from Churchill or Fort Churchill.

Imagine, if you will, Madam Speaker, the Sayisi Dene people living at Duck Lake in the summer of 1956. Duck Lake is approximately 200 kilometres northwest of Churchill, close to the 60th parallel. It was an ideal location because it was situated on a caribou migration path. Every fall, the Sayisi Dene would kill enough caribou at Duck Lake to provide for their families and for their dogs for the entire winter.

But there would be no traditional fall hunt in 1956. On the afternoon of August 17, 1956, an amphibious military aircraft landed on the placid waters of Duck Lake. Two hours later, with 58 people and 73 dogs aboard, the Canso amphibious aircraft took off for direction Churchill. The long journey of suffering for the Sayisi Dene had just begun.

The forced airlift of the 58 Sayisi Dene to the Churchill area affected all other Sayisi Dene. At least

200 were not in Duck Lake that fateful day. They were on the trap line or at North River or trading. Some came to Duck Lake later to find an empty village. Yes, we know what happened, but we do not know why it happened. Was the undue haste with which the Sayisi Dene were forcibly relocated to accommodate the wishes of the Hudson's Bay Company?

In Volume 1 of the Royal Commission on Aboriginal Peoples, an entire chapter is devoted to the forced relocation of the Sayisi Dene and other First Nations people. The report calls the Sayisi Dene removal tragic and complex. It notes that the federal government took actions without understanding long-range effects or consequences. Consultation, such as it was, took place only after the move. The goals appear to have been, I can only speculate, to assimilate the once-nomadic Dene and end their hunting of caribou; or as the report of the Royal Commission on Aboriginal Peoples states: the real reason for the relocation of the Sayisi Dene might be for government convenience and to make administration of services easier through centralization and/or amalgamation.

The wishes of the Dene people who had lived in the northlands since time immemorial were set aside because bureaucrats and politicians in Ottawa decided they knew better. These bureaucrats either did not know or did not care what the effects of their misguided paternalism would be.

When the people were first dumped on a small strip of land near Churchill with few tents and inadequate supplies, there was an attempt by Ottawa at last-minute planning, but serious mistakes were made, and much of the limited supplies that the federal government finally decided to send did not show up on time or were lost. The Dene were left destitute. Their dogs and rifles were taken away from them, making it impossible for them to even attempt to live off the land.

Earlier Artie Cheekie, then chief of the Sayisi Dene, had pleaded with spokespersons of the Department of Indian Affairs and the Department of Natural Resources. Artie Cheekie said: Our people are here—meaning Duck Bay—because the caribou come here. What is there for us to live on in Churchill? But Artie Cheekie's prophetic words went unheeded. Betsy Anderson, an elder almost a century old, who still

remembers the signing of Treaty 5 in 1910, a treaty between the Sayisi Dene and the Crown of England, said the following about the forced relocation of the Sayisi Dene, and I quote: when the people were informed that they would be moved, many of them didn't understand the reasons behind the move or what was supposed to happen to them. It wasn't what the people wanted, but their wishes weren't taken into consideration.

Here is what Nancy Powderhorn said in a position paper of March 12, 1997, to the House of Commons Standing Committee on Aboriginal and Northern Affairs. She is speaking on behalf of chief and council.

She says: our people are dying because of these horrible conditions, and speaking of death, the genocide that the Sayisi Dene First Nation's members experience because of the stupidity and the total lack of human compassion by the federal government is outrageous and unacceptable by any sense of the world's standards. The conditions that we were forced to live through following the first mass relocation from Duck Lake to Churchill in 1956 are even below Third World standards. We were and we still are the poorest of the poor. History shows that we were dumped on the shores of Hudson Bay, forced to live in one-room paper-thin shacks. We had no economic resources, no running water, no healthy supply of fresh water, no proper heating, and no food. Direct action and inaction by the federal government caused our people to scour the Churchill garbage dump to supplement our diet. Now, let me make sure you have the full grasp of what I just said. We had to eat the garbage from other human beings just to live. That is what I mean by mass genocide. The Sayisi Dene First Nation lost half of its membership. We watched our friends and family members dying around us, and there was nothing we could do to stop it, unquote. Those words by Nancy Powderhorn are strong words, Madam Speaker, but they ring true.

Another example of the federal government's lack of planning was the fact that the Sayisi Dene in Churchill were issued wood stoves but not given any wood because there are few trees in Churchill. The Sayisi Dene were forced to use parts of their houses for fuel to prevent their children from freezing to death in winter months.

\* (1710)

As well, there is another remarkable and recent account of the Dene relocation and its aftermath by Ula Bussidor and Ustun Bilgen-Reinart. This book is entitled *Night Spirits*. I strongly recommend *Night Spirits* to all honourable members in this Chamber and to anyone else interested in understanding the struggles First Nations people have undergone in this country. It is a deeply disturbing, graphic and brave account of the lives of the Sayisi Dene over the past several decades.

The book was rated as one of the best books coming out of Manitoba in 1998. The book chronicles how the relocation from Duck Bay to Churchill was a dismal failure. Supposedly, the people were moved for their own good because the Hudson Bay store at Duck Bay was closing. We know the catastrophic results: the nomadic self-reliant caribou hunters who had survived the harsh northern climate and had built their own complex culture were suddenly isolated and made helpless. They had lived in the North for thousands of years, and they had remained independent and self-reliant. They were a proud people. It took only two decades of life in or near Churchill to virtually destroy the Sayisi Dene. That is a crime for which no one has yet taken responsibility or even offered an apology.

The spiral of violence, alcoholism and death that engulfed so many Sayisi Dene families in Churchill has been powerfully presented in *Night Spirits*. The authors point out in the appendix of the book the tragic statistics. Remember that in 1956 the estimated Sayisi Dene population was between 250 and 300, probably closer to 250. From November 1956 when the Sayisi Dene faced their first hunger winter in Churchill to November 1977, a total of 117 members of the Sayisi Dene First Nation died. That is almost one-half of the population. Madam Speaker, 32 of these deaths were children under the age of two; 54 died violently as a result of horrible living conditions or alcohol-related causes. Some died in house fires; some drowned or went missing.

In the early 1970s, the Sayisi Dene realized that, if they were to survive as a people, if healing were to occur, they must move away from Churchill to their own traditional hunting areas. Only that way could the nightmare be forgotten or at least put aside. They

moved to Tadoule Lake. After nearly two decades of misery and despair, the Dene moved themselves back to one part of their traditional territory.

The caribou hunt has resumed and outwardly life looks normal, but inside the scars remain. The scars of the forced relocation are still there. The pain is just below the surface. Those scars and that pain is what Ila Bussidor calls *Night Spirits*. Ovide Mercredi said: Ila Bussidor's story is about struggle. It is about vision. It is so deeply personal that, once told, her people will enter into a new journey, a healing journey that will involve atonement on the part of the federal government. Canadians will weep; the Dene will heal, unquote. I hope Ovide is right.

As MLA for Tadoule Lake, I visit the community as often as I can. I can attest to the friendliness and the generosity of the Dene people and to the beauty, the stark and elemental beauty of their surroundings. There are challenges to letting go of a painful past and starting a new future. Certainly, the beautiful new school, the Peter Yassie Memorial School, is a bold step in a positive direction. In that school, there is a wonderful blending of the traditional and the modern. The school is administered by the band, and as Ila Bussidor writes, it has become a symbol of hope and regeneration for the people of Tadoule Lake, a resource centre for the entire community.

Many challenges remain however. The young people of the community need more recreational facilities. The winters are long and cold in Tadoule Lake. Poor housing is a particular concern, and the federal government is very slow at addressing this serious issue.

Also, a reliable winter road would be a great asset. This past winter, the winter road was not completed due to warm weather conditions. Negotiations to ship building materials and other goods to Tadoule Lake are ongoing. The cost of living in Tadoule Lake is almost twice that of Winnipeg.

When the Sayisi Dene signed an adhesion to Treaty 5 in 1910, they did so reluctantly. Betsy Anderson, who can still remember that treaty signing, said, quote: The way we understood that piece of paper, the land was not part of the deal. If we had been told that we

were signing away our land for the amount of \$5 a person, there was no way our people would have agreed, unquote.

The Sayisi Dene were promised 160 acres of land for each family of five, a reserve and the right to hunt and trap and fish in their traditional territory. The traditional territory of the Sayisi Dene extended well beyond the 60th parallel, past Nueltin and North and South Henik Lake. Almost 90 years later, the land promised has not yet been acted on. As well, the Dene were more or less left out of the negotiations, creating Nunavut. This affects not only the Sayisi Dene at Tadoule Lake, but also the Dene community of Lac Brochet, as well as three Saskatchewan Dene communities.

This past January, along with my colleague the member for Rupertsland (Mr. Robinson) and the M.P. for Churchill and a representative from MKO, we met with the Sayisi Dene chief and council at Tadoule Lake and later Lac Brochet to discuss the concerns over Nunavut. Time is of the essence, because Nunavut becomes a full-governing entity on April 1, 1999.

I am pleased to tell the Legislature that the federal government has agreed to assist with a meeting of elders, both Dene and Inuit elders, to discuss the Dene concerns over Nunavut. There are tentative plans to hold such a meeting this June in Churchill. We wish both sides well at this important meeting. MKO was instrumental in 1994 in organizing a similar meeting, and that is the preferred way, the traditional way, to have the respected elders of both sides sit down and attempt to work out a mutually acceptable resolution to the problem.

Years ago, the Dene and the Inuit shared much of the disputed territory north of 60. The elders still remember this, and there are many documented cases where the Dene helped the Inuit in a particularly difficult winter and vice versa. There are Dene graveyards and old campsites north of 60. The 60th parallel is merely an arbitrarily drawn line on a map. It cannot be considered the northern limit of Dene hunting, fishing and trapping territory. As well, if there should be development of extracting mineral resources in the area, the Dene have a right historically to be part of that.

Meanwhile, the attempts to get justice for the effects of the enforced relocation continue to be delayed. Perhaps the federal government fears that, in dealing with the Sayisi Dene relocation, they will be forced to deal with more than a dozen other cases. Past sins could come to haunt the federal government. Perhaps the federal government feels that, by ignoring the issue, the issue will go away, but the issue will not go away. It must be dealt with.

For starters, the federal government could apologize to the Sayisi Dene people for the forced relocation to Churchill and its horrendous consequences. Surely we all realize this is a black mark on Canadian history. I want to pay tribute to the Sayisi Dene chiefs and councils of the past and the present, as well as to the elders who have never given up their vision to rebuild the Sayisi Dene First Nation.

I urge all members of this Chamber to join me in supporting this resolution and thus supporting the ongoing struggles of the Sayisi Dene First Nation. Common sense dictates that we should do so. Honour and justice demand that we do so. Thank you, Madam Speaker.

### House Business

**Hon. James McCrae (Government House Leader):** On a matter of House business, earlier I announced that the Standing Committee on Law Amendments will meet on Tuesday of next week at 7 p.m. to consider certain bills. I would like to add to the list of bills to be considered at that meeting: Bills 3, 9 and 17.

**Madam Speaker:** For the information of the House, the Standing Committee on Law Amendments scheduled for Tuesday evening, 7 p.m., the three additional bills are to be added to the previous listing: Bills 3, 9 and 17.

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\* (1720)

**Hon. David Newman (Minister responsible for Native Affairs):** Madam Speaker, it is once again a privilege to be able to rise to speak to a resolution, I think, of great importance, great importance because it

focuses attention on a situation that is, using the very descriptive, detailed words of the honourable member for Flin Flon (Mr. Jennissen), of compelling need for us in the modern world where we are trying to do healing and restorative justice, of compelling need for understanding and of appropriate resolution.

I will be speaking in support of the preamble kind of thinking and in support of the feelings of sympathy and the feelings of regret that this treatment of these very wonderful people was ever allowed to take place, but I cannot support the substantive part of the resolution for several reasons. I intend to go into them in some detail, but because time is not going to permit me, I know that I have discussed this with honourable members on this side who will be speaking to this resolution. They have, because the resolution was brought forward, had an opportunity to read this important book, *Night Spirits* by Ila Bussidor and Ustin Bilgen-Reinart. They have been able to think about and come to grips themselves with the challenge of how you ever contribute to a healing of this unacceptable kind of situation.

So my part is going to be to speak to the solution offered in relation to the traditional lands and hunting grounds. I am going to be very brief on that, and the detail and specifics I will leave to honourable colleagues if they have the opportunity to speak on it.

But, very simply, with respect to the solution to allowing the Sayisi Dene to access north of 60 traditional hunting grounds, rather than imposing or asking the federal government to reopen negotiations in the North or asking the Inuit people of the North to do something which will cause them to feel imposed upon, the approach that we have communicated to the federal government as a government is expressed in a variety of letters to the federal government and is reflected in our TLE negotiations as well, and the position of the provincial government is that land selected by Manitoba bands under the framework agreement should not differ between jurisdictions. That is, claims regarding territory north of 60 should have the same standing as claims affecting adjacent provinces.

There is a ratification vote scheduled to take place on July 24 of this year with respect to the TLE Framework Agreement and approval by the Sayisi Dene of Tadoule

Lake. At that time, if the agreement is ratified—that is, the TLE Agreement is ratified—the band members will be able to select a total of 22,372 acres of land to settle their entitlement. Now, my point is that that land could be in part land within the territory of Nunavut, and just as the Province of Manitoba has accommodated the federal government in that respect for the benefit of aboriginal people, that could likewise be done in Nunavut.

So there is a solution at hand there, and the federal government response to that has essentially been, well, the matter is before the courts. Our position is that that is not a sufficient reason to avoid addressing this by agreement rather than by litigation.

The second point that I want to address, and I will do it in more length, is the issue of apology, and I have some thoughts on this that I thought it would be appropriate to share during this private members' hour that apply to this situation but other situations as well. Madam Speaker, I do not think the main factor in this tragic episode of the history of the Sayisi Dene is whether the federal government acted out of malice or bad faith in relocating the First Nation to Churchill or with respect to the admittedly appalling living conditions they had to endure there for a century or more. Nor does Manitoba in its positions, nor do I as an individual intend to take a stand defending the federal government's decision or the way it was carried out.

Instead, I would like to look at apologies in a different perspective. Throughout the world in recent decades, we have had a number of historical situations that have either resulted in apologies or in strong demands for one. Most recently, the federal government issued an apology to aboriginal people throughout Canada with respect to the residential schools question, and there is no doubt that the record of governments in dealing with our aboriginal people is anything but a proud one. Although we take a positive approach in dealing with northern and aboriginal issues, much of the programming takes account of the legacy of the past concerning administration of our responsibilities to aboriginal peoples.

As I have said in this House and elsewhere, we cannot truly enjoy as a people a high quality of life until

all our citizens can participate fully in society. Our efforts and commitments are to invest the necessary social capital to make this possible, but at the same time, Madam Speaker, we have to ask and consider what apology is the most appropriate instrument or remedy for what happened to the Sayisi Dene and the role of the federal government in that episode.

From my perspective, two or three generations later, we can certainly look back and assert and even agree that injustices were done to the Sayisi Dene in uprooting them from their traditional lands and mobile way of life and planting them in the crude suburban circumstances of the town of Churchill of the day.

We must also ask ourselves if the agents of government who carried out the relocation and their supervisors and political superiors were acting in bad faith or with the intent of inflicting the results that the Sayisi Dene suffered in their years in Churchill.

In light of the knowledge of peoples and the beliefs and understanding of midcentury, are we acting and questioning from the hindsight available to us, or was there a real case of bad faith or violation of accepted fiduciary standards in the Sayisi Dene relocation? This is not to say that we should be silent in light of what happened to the Sayisi Dene and their relocation to Churchill and their years of misery there. Indeed, I believe we should go further. To the extent that governments or anyone diminish the ability of the Sayisi Dene to realize their full potential and practise their chosen way of life, to the extent that anyone forced an interruption of that traditional lifestyle, we as Manitobans and all Canadians should be apologetic and recognize the need for healing for any injustice done.

To turn to another aspect of this episode, Madam Speaker, it is not too late to applaud the Sayisi Dene for having the courage and determination to relocate themselves to Tadoule Lake in 1973 and the determination to retake control of their lives as individuals and as a First Nation.

In obtaining their reserve, in participating in the treaty land entitlement process and in pursuing their goals of reclaiming their traditional way of life, the First Nation has clearly set its sights on being masters and mistresses in their own house. They have

determined to heal, to put behind, though not forget the past and look to the future.

In this regard, the views of the partner of one of the coauthors of *Night Spirits* are instructive. They are worth quoting. To heal together is a very difficult process, but we know it is necessary for our community, because if we do not heal, our injuries will pass on to our kids and our kids will pass them on to their children. People in Tadoule Lake live with such pain, such chronic anxiety that it becomes unbearable. We have to nurture our sense of identity and strength. That is something you do again and again. Everyone has to struggle for it in their own way at their own pace. Only if we can overcome the disruption of our lives caused by this baggage we carry from Churchill will we be able to move forward. Our highest priority has to be soothing the souls of our people.

In aboriginal justice, Madam Speaker, the Ontario crown attorney, Rupert Ross, also an author of note, discovered in dealing with First Nations in northwestern Ontario a pertinent reason for allocating responsibility, a point that is close to the surface in the resolution of the member for Flin Flon (Mr. Jennissen). His book, *Returning to the Teachings*, Ross writes there that the traditional purpose of allocating responsibility was, quote, not to pick out someone for punishment, but to identify issues that needed to be addressed as well as the people whose attitudes and activities had to be reoriented if the issues were to be resolved.

I think we have to look to ways to enable the Sayisi Dene to be masters in their own house and control their destiny. We have to facilitate the healing process that is still going on years after the Sayisi Dene found and established a new home base for their First Nation.

Madam Speaker, as part of our general commitment as a province and specific commitments under TLE, we have to support the efforts of the Sayisi Dene to protect their access rights to their traditional hunting grounds in the future Nunavut, and we are doing that.

Associate Chief Justice Murray Sinclair, speaking to a meeting of elders, policymakers, and academics at Albert [phonetic], Quebec, just over a year ago, gave an eloquent presentation about aboriginal people and justice issues. One thing he said is relevant to the

process we need to establish and follow. Quote: What we need to focus on is how we can establish a process whereby you who are aboriginal and you who are nonaboriginal can continue to come together with a view in mind about how we can do what is right where aboriginal people are concerned. We need to think about that and we need to talk about. End of quote.

What is right, I assert, is not acting as judges of the past, but facilitating the healing of the hurt and injustice and facilitating the development of a relationship of mutual trust, of partnership and of friendship with the First Nations of Manitoba. In other words, let us attempt to work out a position here and solutions with our aboriginal communities in a spirit of trying to reach agreement on issues instead of making judgments and pointing fingers.

Madam Speaker, now is a very good time for such a process to be started. In the next 25 to 30 years, there will be enormous opportunities for aboriginal peoples to contribute to the resolution of many challenging issues in both their own communities and in other communities here and across Canada. As Minister responsible for Native Affairs, I have repeatedly seen direct evidence of this potential in the growing expertise of aboriginal people who have been at the table in TLE and Northern Flood Agreement negotiations. In my present role and in my related experience of more than 25 years of practising law, I have been deeply impressed and indeed moved by the aboriginal commitment to a holistic approach to justice and dispute resolution.

In recent years, Madam Speaker, Manitoba society has been changing to place more values on the wisdom, values, traditions and oral teaching of our aboriginal peoples. The aboriginal tradition places a high value on peace making and healing solutions in restorative justice, not to mention community involvement.

Madam Speaker, we are committed to finding ways to ensure that the past experiences of the Sayisi Dene and the current issues that affect their ability to secure a healthy basis and future for their community can, in fact, be resolved to the satisfaction of all. We will continue in the path of this commitment and work to make it possible for all sides to adhere to a solution that produces this satisfaction.

Thank you, Madam Speaker, and thank you, honourable member for Flin Flon (Mr. Jennissen), for bringing this resolution forward.

**Mr. George Hickes (Point Douglas):** First of all, I would like to commend the member for Flin Flon (Mr. Jennissen) for bringing forward this resolution. In that resolution, there are some positive steps that could be taken for the people from Tadoule Lake now, and I think they warrant the full support of this House.

I disagree with the Minister of Northern Affairs when he says that apology is not warranted. Apology is warranted, if you look at the history and the lives of the Dene people that they had to live through by no choice of their own. The minister showed you the book *Night Spirits*. It is not a very happy book, and I hope it has a happy ending further on down in the future. I would recommend everyone in this Chamber read that book. I guarantee you that it will bring some tears to your eyes. That book is a very, very accurate book.

I say that because Churchill is my home. I was 10 years old, and I remember very, very clearly when the people were moved from Buck Lake into Churchill. They were brought in by planes. As young kids, we did not know what was going on, did not understand what was going on. Even our parents did not know what was going on. They were brought in and unloaded to what we call now the lower dock. It is right along Hudson's Bay. The only source of food that a lot of individuals had was some of the fish that they were able to catch. Some of them were lucky enough to bring their nets with them. They set the nets when the tide was out, and when the tide came in, they caught a few fish. That is what they literally lived on.

\* (1730)

I remember very distinctly because the people were so different than what we were used to seeing in the community of Churchill. They did not look like we did, as Inuit people. They did not look like the Caucasian people that were in the town. They did not look like the Cree who were in town. It was only rarely prior to that that we saw Dene people in the community, and they used to come in with their dog teams to get their supplies. Then they would not stay very long, and then they would head out.

I remember very clearly, very clearly, the individuals who were at lower dock because we used to go, because kids are curious, to look at them. The individuals were dressed in their moose hide jackets and their beads, very, very proud people, stood straight and tall, lot of dignity and a lot of pride. But when you saw the Dene people who left Churchill in 1976, you could not say that was the same people who had arrived to live in Churchill, or in 1973 when they left to go to Tadoule Lake, that was not the same people who arrived in Churchill in 1956.

They stayed there for awhile along the coast, and then they were moved to Camp 10. They built a little settlement for the Dene people, and I do not care who you are, you would never, ever allow that to happen to you. I do not care who you are. They were placed right up on the hill where the water treatment plant now is in Churchill, right on the hill, right up in the rocks, and all you saw from that hill was the Hudson Bay.

I know a lot of you or some you have been to Churchill in January and February and you get that wind whipping off the Hudson Bay at 50 to 60 miles an hour, it is very, very cold. They built little shacks. They were not even real houses. They were just little shacks that were built to southern standards. At the start, the army used to bring wood for the people, but it quickly stopped, and the people who were trying to live there and raise their families, had no firewood.

If you know Churchill, there is not an abundance of trees anywhere. So the people, yes, they did resort to stripping away—they started off with their stairs and then their porches and stuff, just to try and keep their families warm and their children from freezing. You go into those houses—and I have been in many of those houses because I became friends of many of the people, the children who were my age at that time and throughout the years.

I have been in many of those houses, and you go in the wintertime and you saw the wind blowing through the cracks in the doors. You could see the frost on the walls. A lot of the windows were broken, and they just had a piece of plastic over top of them. You go in there and you saw very, very little food in any of those houses. It is a very sad part of Canadian history, but that book is very accurate, very, very accurate.

When you talk about the history of the people moving from Duck Lake to Churchill, we are very fortunate that Betsy Anderson, who was one of the real elders—when I say real elders, she is in her 90s—she remembers all that, and she remembers the signing of the treaties in 1910. If you talk to her, she will even tell you that the understanding of the chief and the people at that time was that they were going into a coexistent agreement. It was not to give away the land and they were going to be moved to Churchill. They thought they were going into coexisting where they would coexist with the white people and live in harmony and there would be no problems. They did not know that they were going to be moved and put under real undue hardships.

The children who were in those communities, their mothers and fathers, they were put into those communities, and there was no employment opportunities, very, very few. They had no resources to continue with their traditional lifestyle of hunting and fishing for their families. It was really sad. It was really, really a sad part of history that I witnessed. I lived with it, because they were my friends.

\* (1740)

I want to name some of them, because I know that some of them are struggling today with their history and they are fighting the demons, and they are trying to overcome a lot of the hurt that they feel. I hope some day that they will be successful. Alfred Sandbury, Sammy Bussidor, Peter Thorassie, Albert Thorassie, Celestine Thorassie, Johnny and David Duck, Joe Thorassie and one individual who will always be remembered for his leadership, commitment to his people, and for having sight of other leaders, was very instrumental in moving the people finally from Dene Village to Tadoule lake, and that is Peter Yassie. Because when they relocated from Camp 10 on top of the hill, that was built right on top of the hill, and right next door was our town graveyard, right next door. The kids would be playing amongst the crosses. That is why it is called Night Spirits. It was right next door to a graveyard.

Could you imagine someone taking you from your land or your place and saying, here, you are going to live right here, and there is your little shack and you have to stay there and you have to live there; you have

no say in it. I do not think we would stand for that. I know we would not stand for that. I do not think there is a member in this Chamber who would stand for it, but those people had to go through it—they had to go through it.

From there, they moved them to Dene Village, which is three miles from Churchill, and most of the people from Dene Village did not have access to cars. When they did get some money to go and get their groceries and stuff, they had to take a taxi, so most of the money was gone right away just on taxi fares. A lot of them tried to walk, and because of the struggle and the hardship, a lot of the people just gave up their total dignity and gave up hope—totally, totally turned into different people. A lot of the individuals got violent, turned to alcohol. The younger generation turned to drugs. It was just on and on and on. Thank God for the leadership of the chief and council and Peter Yassie to say enough is enough; there is enough of our people who have been killed and died in such a violent and tragic way, or else we would have lost a lot more Dene people than sadly happened in the history of the relocation to Churchill.

You know, it is hard to imagine this happening in Canada. When you read that book, I guarantee you, you will think you are reading about another country because you could not imagine any person in Canada being treated in that way. From Camp 10 to the garbage dump at camp is about, oh, it would be about five miles. The Dene people used to walk there, walk there with their children, and they used to stay around the dump, and that is where they got their food, from the town, from the army base garbage dump. You could see they would pick through the garbage, get pieces of meat and stuff. You could go to the dump anytime, and that is where the Dene people were feeding their families. You would see the ones who went there, they would have boxes tied to their backs and they would bring whatever food they had for the rest of their families. That is how sad it was. And this is in Canada.

Do not tell me that those people are not owed an apology. I think the least they are owed is an apology from the federal government who had the unforgivable foresight to move the people from their traditional hunting and fishing lands, because the Dene people

were like the Inuit people. That is my people that they are referring to when they talk about the Keewatin Inuit because the Keewatin Inuit go up to Arviat, Whale Cove, Baker Lake, Rankin Inlet. That is where all my family is from, and that is where most of them are right now.

Yes, the Dene and the Inuit, they stayed away from one another. They had respect for one another because you had to have respect for one another if you wanted to survive in the wilderness. If you are not willing to help thy neighbour, you will not survive in the cold and the harsh winters of the North. You just will not because you cannot do it alone. If you ever have an accident or get hurt, you need someone. If someone comes along, they should be willing to help. That is the way it is in the North.

Then when they moved them to Dene Village—and it is ironic because right next door to Dene Village was what was set up as Camp 20. That was the Inuit village, so there, again, the sharing. That is why when my colleague says that the traditional hunting lands—even under right now that was negotiated with lawyers and with probably some of the Inuit leaders of Nunavut, I think the proper thing that should have happened was that there was the elders from the Inuit side, the elders from the Dene side to meet together and say, okay, which is traditional land? We know it is yours and we know it is ours, but how can we best share this so that we all benefit or how can we continue sharing this?

I am sure that the elders in their wisdom would have been able to come with a solution, but now the boundaries of Nunavut have been drawn, and the Sayisi Dene are trying to change it now after the fact, which is going to be very difficult. It would have been much easier if it had been done beforehand in conjunction with elders from both sides. That would have been the proper thing to do.

So when we talk about those kinds of histories when the Dene moved to Tadoule Lake, Peter Yassie was very instrumental in that. Peter Yassie has passed away now, God bless his soul, because he was one of the real youthful leaders who had a vision with the recommendation of the elders and carried it through. When the people went, first of all, to look for a place,

when they first found Tadoule Lake, my brother John, who was always a close friend with Peter Yassie, was part of that expedition that went out and relocated the people at Tadoule Lake. They stayed friends, very, very close friends for years, so my brother Johnny knows the real history of Nunavut and the traditional hunting lands, which are now being debated by the Inuit and Dene people.

That is why I was glad when my colleague the MLA for Rupertsland (Mr. Robinson) went to Rankin Inlet to meet with my brother, because my brother is now the mayor of Rankin Inlet, and with his council and to suggest and try and get the elders to meet again and to try and come up with a resolution that would be approved by both sides.

I think that is crucial that happens because in the old days it was nobody owned the land. It was, if you needed it, you used it; you took what you needed and that was it. The Inuit and the Dene people were very nomadic people because you had to follow the caribou to exist.

I am sorry I have run out of time. I have more to say, but thank you and I hope you will support this resolution.

**Mr. Peter Dyck (Pembina):** Did you want to have leave to continue?

**Mr. Hickes:** Leave to continue? Sure.

**Madam Speaker:** Is there leave for the honourable member to continue? [agreed]

**Mr. Hickes:** I just wanted to add that, when they did move to Tadoule Lake, Peter Yassie, as I said, had problems of his own, fighting the demons, but he did a lot to overcome it.

He worked for the Pan Am Airways in Churchill at the rocket site as an autobody man. He went through an apprenticeship and got it, and finally he got his pilot's licence. He used that and his plane to transport the people and to bring supplies to the people. Everything was for the people, for the people, and I am really, really honoured and proud to say that, yes, Peter Yassie had always been my friend. He had been a

friend of the family's and eventually became chief for many, many years of the Dene people and was the chief when he first started to build up the Dene Village.

There is a lot of work to be done there, as my colleague was saying with Tadoule Lake. Yes, they have to try and overcome a lot of the hurt and a lot of the problems that they are carrying today. I know that the elders are working with the community and some day, some day I hope that they will be able to deal with that in a real positive way.

\* (1750)

Dene people are very proud people and rightfully should be, and they have a very bright future ahead for the children that are growing up in Tadoule Lake. The children need to know and to grow up with that strong dignity and that hope that I as a 10-year-old saw when they first relocated the Dene people. I saw them on the beach of Hudson Bay for the first time with their traditional moose hide coats and the way they were dressed and the way they stood tall, and I am sure that is going to come back.

But we as governments, provincially, federally, must do all we can, whatever we can, to assist the Sayisi Dene people, to open the door to a brighter future for all Sayisi Dene and especially the children who are the future, and I am sure could have a very positive future with our assistance and our support. Because I know that they have asked for it, and I hope we will be there to assist them when their needs ask us of that. I think it is only right that we do that. So, Madam Speaker, I thank you for allowing me to say a few words. Thank you.

**Mr. Dyck:** I listened to the points of the member for Flin Flon (Mr. Jennissen) with great interest. It is obvious that he has deep feelings about the episode of the Sayisi Dene, their battle to overcome the tragedy of relocation to Churchill more than 40 years ago and their efforts to secure their future through access to their historic, traditional hunting grounds on both sides of the 60th parallel.

Madam Speaker, I was just absolutely intrigued and listened with great interest to the member for Point Douglas (Mr. Hickes) for giving us a glimpse into his

life and the things that he has experienced and the things that his people have experienced. It is also with interest that he pointed to the book, *Night Spirits*.

It is a while ago that I was in discussion with the members from our local library. In my discussion with them, I asked them which book they would really like to have. This is before we even knew of some of the comments that were going to be made here this afternoon. They indicated that they would like to have this book for their library. I have had an opportunity to page through it and to read from certain parts in the book. Certainly, it is very reflective of the things that the honourable member for Point Douglas has drawn to our attention here this afternoon.

I guess on the other hand I just need to look back and I would not have to look back that many weeks, and we find out, and the member pointed this out in the House here several weeks ago about some of the incidents that have taken place at a hockey game, about some of the comments that were made there and the threats that were hurled at people. The sad part of that is that some of these injustices still do happen today.

Madam Speaker, it is unfortunate that people are and treat each other this way, that they treat each other in a very negative way. I guess I have always had a philosophy, and I know that most honourable members I would think would adhere to that, that we are all created equal in the sight of God, and we should therefore treat each other that way.

So as we go through the book, as we go through and listen to the comments that the honourable member put on record here this afternoon, it is absolutely right that injustices were dealt to the Dene people. In the beginning, World War I, there were internal government discussions concerning the relocation of the Sayisi Dene. In 1925, the Department of Indian Affairs considered a proposal to relocate the Dene to Reindeer Lake. This proposal was dropped when the Anglican bishop of the Diocese of Keewatin intervened as he objected to them being moved to the Catholic community.

In the mid-'50s, the Sayisi Dene utilized a number of locations as a home base. The main locations included Little Duck Lake, Churchill and North Knife River.

From 1953 to 1956, the Hudson's Bay Company, Manitoba Natural Resources Game Branch, and Indian Affairs discussed the need to move the Dene from Little Duck Lake as a solution to a perceived problem.

Many reasons have been cited for the relocation of the Sayisi Dene in 1956. Written documentation is almost nonexistent, but based on the number of meetings held between the Hudson's Bay Company, Manitoba Natural Resources Game Branch, and Indian Affairs in the early '50s leading to the relocation, the available evidence suggests three possible reasons for the relocation.

The first one is that the Hudson's Bay Company wanting to close its post at Little Duck Lake. This Hudson's Bay Company post had originally been established in 1929 at Caribou Lake and was relocated to Duck Lake in 1941. The Hudson's Bay Company had indicated to Indian Affairs that they would be closing the post in September of 1956. It was abandoned when the Dene were moved.

The next possible reason was the caribou crisis. Concern was being raised by the provincial Game branch that the caribou herds were in decline due to overhunting by the Dene. The basis of overhunting was supported by pictures of large numbers of caribou being taken. This fact is disputed by the Dene, as they claim that the caribou were taken when appropriate and then stored under snow in order to provide dog food and emergency food during the long winter. The Dene also cite major forest fires which, they claim, contributed to the decline.

Then the next one was that Indian Affairs wanted band members to be integrated into the broader society. The long-term goal of Indian Affairs at the time of relocation was to centralize the Indians near a town where they would no longer depend upon the land for their sustenance and be provided with housing, clothing, schooling and social services. This goal was a change in the approach to Indian Affairs, as they had previously tried to keep aboriginal people away from the questionable benefits of civilization.

In July of 1956, discussions between the Little Duck Lake band and Indian Affairs took place regarding the relocation of the band members. Whether the band

agreed to the move is not clear, but it has been shown that the decision to move them had already been made. It is believed that one of the promises made was that the new Indian housing material would be provided at North Knife River. The Dene also claim that canoes and hunting and trapping equipment were promised.

Now, the first stage of the move began in August of 1956 when most of the band members were airlifted to Churchill with little room for personal supplies and property. A few others made the trip overland and were able to bring some hunting and trapping supplies, and I think that is consistent with what the other honourable member was talking about. The second stage involved the transporting of band members by boat or canoe from Churchill to the North Knife River. North Knife River was chosen with the idea that they would winter at North Knife River and then migrate back to Churchill for summer employment.

Madam Speaker, the building materials for houses never materialized, nor did the canoes and the hunting and trapping equipment. What supplies did arrive were left on the beach, and the tide took most of them away. Housing consisted of repaired cabins and log buildings made by axe with what stunted trees were in the area. In addition, the Sayisi Dene who relied on a caribou hunt for both clothing and food were unable to carry out this hunt as the caribou do not migrate in this region.

After a winter on a diet of macaroni—

**Madam Speaker:** Order, please. When this matter is again before the House, the honourable member for Pembina (Mr. Dyck) will have eight minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. Tuesday next.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 14, 1998

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