



Fifth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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| LAMOUREUX, Kevin | Inkster | Lib. |
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| WOWCHUK, Rosann | Swan River | N.D.P. |
| <i>Vacant</i> | St. Boniface | |

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 29, 1999

The House met at 1:30 p.m.

Mr. Clerk (William Remnant): I must inform the House of the unavoidable absence of Madam Speaker, and therefore, in accordance with the statutes, call upon the Deputy Speaker to take the Chair.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Ben Sveinson (Acting Chairperson): Mr. Deputy Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

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

Motion agreed to.

MINISTERIAL STATEMENTS

Flooding Compensation for Farmers

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, I have a ~~statement~~ for the House, copies for members of the opposition.

As you know, farmers in Manitoba, primarily in the western region, have been severely affected by unusually high amounts of rainfall this spring which has left their land, a significant portion of the province's crop land, unseedable. While every farmer understands the uncertainty of Mother Nature, the amount of rain this spring is far beyond what has occurred in recent memory and far beyond what the land was able to drain away. We in Manitoba are becoming accustomed to extremes in weather,

but that does not mean their impact is any less severe or any easier to deal with.

The number of acres left unseeded means a reduction of income and livelihoods not only for farmers but for entire communities that rely on farming for their very survival. Mr. Deputy Speaker, this means we are facing a financial shortfall in the province of \$250 million in economic activity, and that has serious implications for everyone in the province and for the sustainability of our continuing growth in that region.

With the deadline for seeding under crop insurance having passed, we are now in a better position to determine the severity of the crisis. By the end of the month we will have detailed reports back on unseeded acreage. For the moment, we are working on the basis of one and one-quarter million acres unable to be seeded. Let me also say that that is despite the best efforts of our farmers who not only have worked hard to get their own crop in but also have helped friends and neighbours plant theirs.

Last night, at a meeting in Brandon, we met with the representatives of the Rural Disaster Recovery Coalition made up of members from the Keystone Agricultural Producers, the Association of Manitoba Municipalities, Manitoba Chamber of Commerce, Brandon Chamber of Commerce, Brandon Economic Development Board, Manitoba Cattle Producers Association, Canada Association of Agri-Retailers and the Canada West Equipment Dealers Association to discuss an assistance package which we believe will provide a level of certainty and comfort to farmers and business people. We estimate the program will cost Manitoba taxpayers over \$63 million if the federal government does not participate.

* (1335)

Mr. Deputy Speaker, we have proposed a payment of \$50 per unseeded acre, half of which would come from the AIDA program and the

other half from the other provincial sources of which we hope the federal government will cost-share. For those producers who grow forage, we are proposing a \$75-per-acre payment to re-establish the forage cover which has been washed away or rotted. The program also includes a \$25-per-acre payment for unusable pasture and hay land and makes the Custom Seeding Program we announced earlier retroactive to June 1. We are basing the package on what was made available in 1997 to farmers in the Red River Valley and do not understand why the federal government would not be prepared to offer the same level of support as it did in the valley.

In addition to the programs I have already outlined, I have also instructed my ministers to approach the federal government to join in a comprehensive approach to addressing the problems similar to the joint federal-provincial agreement that was entered into in 1997. The program could include assistance for weed control, loss of applied fertilizer and chemicals, lost value of seed inventory, a Business Start Program, and an expansion to the existing DFA to provide assistance for seepage and mould.

We are acting now on our own because farmers unable to plant their crops need and deserve to know they will be able to pay their bills and support their families. We are trying to provide some level of comfort that the government is there to support them, and we will worry about obtaining federal commitments later. Thank you, Mr. Deputy Speaker.

Ms. Rosann Wowchuk (Swan River): This issue has been before this House for some time now, and we continued to raise the issue in the House and encourage the government to bring forward some kind of announcement. Certainly we, last week, had discussions on a joint all-party committee looking for a collective agreement that would help farmers rather than look for ways to make this a political issue, but certainly when we have issues like this, such as the disaster that we are facing in the southwest part of the province and in other parts of the province, Manitobans have to pull together and ensure that in another part of the province families do not suffer because of nature's disaster that has struck them.

Over the past few weeks we have met with farmers, we have met with municipal people and farm organizations to talk about this particular issue and look for ways that we could find solutions to it. Certainly with the announcement that we have today of funding that will be offered to farmers, that gives some comfort to farmers. There is a lot more work that has to be done. Certainly the federal government has to recognize their responsibility in this situation rather than ignore it as they seem to be at this time, because the announcements that the federal government has made certainly are not going to get money into the pockets of farmers who are going to need it in the next few months.

We are pleased that the government responded to the calls to have the unseeded acreage program retroactive, because there were those farmers who were taking the initiative themselves to try to meet the deadlines and get their crop in prior to the announcement, and it is only fair that those be covered. As I say, there is still a lot of uncertainty and a lot of programs that were offered in the Red River Valley that are not available here, and we will continue to work with the government and offer our support in any way we can to ensure that Manitobans are treated fairly across the province, not have one standard for those that are in one particular flood and people who face another not have it addressed.

The one issue that I believe has to be addressed more thoroughly is the mental health supports for people who are facing these situations. Certainly there is some support in the offices that have been opened, but I believe the government could do much more and look at the suggestion that we have put forward to reinstate the rural stress line and give access to services to not only those people who are facing that particular crisis but in other parts of the province.

I believe in all of this we are ignoring the whole issue of low commodity prices and high input costs, which is another whole issue that government has to address. But in the short term, this will help, and then we have to look for much longer term solutions.

* (1340)

ORAL QUESTION PERIOD**Flooding
Compensation for Farmers**

Ms. Rosann Wowchuk (Swan River): As we just heard, Mr. Deputy Speaker, the government has made major announcements with respect to the farm crisis, a commitment of \$25 an acre in advance from AIDA and an additional \$25 that will come from separate sources to be negotiated. I would like to ask the Minister of Agriculture: given that the AIDA agreement with the federal government says that the federal government will contribute the whole cost of AIDA in 1999, can the minister tell this House if in fact the government will have to pay the whole cost of the \$25 payment from AIDA and then Manitoba will pay that back retroactively in the year 2000? What is the implication of that going to be on future budgets?

Hon. Harry Enns (Minister of Agriculture): Mr. Deputy Speaker, first of all, allow me to express my appreciation, on behalf of all too many farmers, for the announcement made this morning by Premier Filmon. I just want to express my appreciation as Minister of Agriculture for the support that my colleagues, my government have shown the farmers of Manitoba during their time of need. I do extend that certainly to the opposition members who have in this instance shown us a willingness to support these efforts, which is going to be critical in the coming months as we negotiate with Ottawa their responsibility in covering some of these costs.

My officials are speaking directly with the officials of the Minister of Agriculture from Canada. Many details have to be worked out. As the honourable member for Swan River knows, the administration of the AIDA program in Manitoba and Saskatchewan is being handled by Ottawa, unlike some of the other provinces that have the administration in provincial hands. So there are a number of logistics that have to be worked out as to how these will actually work out in the final solution to the problem. We have made a commitment that we will try to flow some of these monies by mid-August or late August. Certainly, hopefully, my expectation is on, around, or before September 1.

Ms. Wowchuk: I would like to ask the Minister of Agriculture again: given that we do not have a hundred percent participation in crop insurance and given that the \$10-an-acre payment with custom seeding is based on crop insurance figures and administered by Crop Insurance, can the minister indicate whether those people who are not in crop insurance are going to still qualify for the unseeded acreage and any of the other payments? Are they going to be disqualified because you do not have crop insurance records on them?

Mr. Enns: Mr. Deputy Speaker, I am very pleased to be able to indicate that the program is inclusive. It includes all unseeded acreage, whether they are covered within the Crop Insurance Program or not. We are fortunate that in Manitoba upwards to 85 percent of the crop land is indeed covered by crop insurance, but to answer the question, it is all inclusive. I am also very pleased to indicate, as is indicated in the release, that we are moving back the date of the custom seeding allowance to June 1. We recognize that when that program was announced, in some instances some deadline dates for some specific crops had already passed by June 15. We also recognize that a considerable amount of activity took place with respect to custom seeding earlier than the 15th of the month.

I know that that was well received last night in Brandon. I am indicating that that program, again, is all inclusive. One does not have to be in the Crop Insurance Program to be acknowledged in these programs.

Ms. Wowchuk: Given that during the Red River flood we had announcements much more quickly than we have had from this disaster and given that we have been asking the government many times now when they are going to negotiate programs such as JERI and programs through the distance assistance program, I would like to ask the Premier why he said at his press conference: we are going to press the federal government on all of these programs.

What have you been waiting for? Why have you not been pressing them up until now to get these programs into place to assure farmers that they are going to have the same kinds of supports that they had during the Red River

flood rather than having the stalling that we are having this time around?

* (1345)

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, it did not take the member for Swan River long to fall off her high horse. The member knows full well that we have been pressing the federal government. I made the statement three or four weeks ago that we would pursue every single program that was provided under the 1997 flood of the Red River, and we have been doing exactly that.

My comment was simply with respect to the fact that the federal government has not responded, and so we have to continue to pressure them on every one of these issues that has been raised by the Minister of Agriculture (Mr. Enns), in some cases by the Minister of Government Services (Mr. Pitura) responsible for the Emergency Management Organization, and by myself. Every one of these issues has been laid before the federal government previously, but we have no response. So, obviously, we will continue to pressure them.

Minister of Justice Premier's Action

Mr. Gord Mackintosh (St. Johns): Mr. Deputy Speaker, to the Premier who has been going to bat for his Justice minister. Yesterday in Estimates the Justice minister gave his report on how he had breached the confidentiality of the so-called gang hotline and said that at a briefing meeting on May 25, staff revealed to him that the line was not confidential and reported my calls to him not to prevent internal abuse, as he first said, not as a technical glitch, as he then said, but the information was given to him to deliberately use for the political purposes of preparing for questions in this Legislature.

My question to the Premier: what is he going to do with the Justice minister who, and of all ministers, never so much as questioned the appropriateness of collecting and then deliberately using this confidential information, not until he was caught?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, the member for St. Johns thinks that it

is quite okay for him to play politics and utilize and abuse a system that is put in place for the assistance of ordinary Manitobans who have serious issues to deal with. He thinks it is quite fine for him to abuse it, but he does not think it is right for the minister to expose his abuse of the gang hotline and other government services that are put in place legitimately for the use of Manitobans, because he sees nothing wrong with that. I am sure that no instruction from me would make him a more honest man.

Mr. Deputy Speaker: The honourable member for St. Johns, with a supplementary question.

Mr. Mackintosh: Would the Premier, who gives away when he cannot deal with an issue by his answer, tell us what he is going to do about a Justice minister who writes in one of today's papers: "There was absolutely no 'tracing' of numbers"—everyone but the minister understands that is untrue—and that it was all innocent. When the minister gladly tucked away the confidential information, never questioned it and sat on it for three weeks until he could use it for political purposes, who can trust these people?

Mr. Filmon: Mr. Deputy Speaker, talk about the pot calling the kettle black. We are supposed to trust the member for St. Johns who abuses a public open line that is there for the use of people who have a legitimate concern with government and abuses it for his own political purposes, and we are supposed to say that is the right thing to do. Well, I do not accept his ethics.

Mr. Deputy Speaker: The honourable member for St. Johns, with his final supplementary question.

Mr. Mackintosh: It is too bad the Justice minister never called that line to find out it takes five months to get a call back.

Mr. Deputy Speaker: Order, please. I would like to remind the member, he is aware that there are no preambles to his supplementary questions. The honourable member for St. Johns, to carry on.

Mr. Mackintosh: How can the Premier himself say on radio on Friday that the breach of confidentiality of the line was "something that

Mr. Toews did not know because he had just taken it over from the City of Winnipeg Police," when the minister did know, he knew for 25 days, almost one month, and did nothing until he was found out? He made no attempt to ensure confidentiality. How can we trust anything he says?

* (1350)

Mr. Filmon: Mr. Deputy Speaker, you are right to remind the member for St. Johns of the rules of this House, but as a former Deputy Clerk here he believes that the rules are only to be abused by people like him.

Mr. Deputy Speaker, the member opposite knows, and he grins because he thinks that he has made a good, cheap political trick out of this. The public is not fooled by it. They know precisely where he is coming from on this issue, and they know precisely about how serious his concerns are about issues like this.

Gang Hotline Discrepancy in Comments

Mr. Dave Chomiak (Kildonan): My question to the Premier is: how does the Premier explain to Manitobans that yesterday in Estimates the Minister of Justice (Mr. Toews) said that he knew about the breach of the confidentiality of the line for a month, and yet the Premier went on public radio saying that his Justice minister had just found out? How does the Premier explain that obvious discrepancy?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, clearly the Justice minister had indicated earlier that they had taken over the line earlier and that the information with respect to the 9-4-5 situation had come up more recently and has since been corrected.

Minister of Justice Premier's Action

Mr. Dave Chomiak (Kildonan): Mr. Deputy Speaker, can the Premier try to explain how it is when the Minister of Family Services (Mrs. Mitchelson) heard about a breach of the line, the breach was rectified and the matter was dealt with, yet his Minister of Justice not only sat on

this information but had a briefing note and used it for political purposes in this House? How does the First Minister contrast that, and how can he continue to allow this Justice minister—in fact, how can he continue to defend this Justice minister?

Hon. Gary Filmon (Premier): Obviously, Mr. Deputy Speaker, the member for St. Johns (Mr. Mackintosh) was using his information for pure political purposes and playing political games by phoning in what was the gang line. This is all about politics, and the members opposite can continue to play it all they want, but Manitobans are much smarter than they are.

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

Mr. Chomiak: My final supplementary to the Premier is: can the Premier explain, if this is all about politics, why the Minister of Family Services (Mrs. Mitchelson) immediately corrected the line and did not carry out political activities, and yet his Justice minister had a briefing note, carried out political activities, and in fact the Premier went in the hallway and said what the minister did was wrong? Will the Premier not recognize that what happened under this Justice minister, revealing confidential information, is wrong for the province and has done innumerable harm, Mr. Deputy Speaker, to all, to the justice system in Manitoba? That is a Justice minister who did that.

Mr. Filmon: Mr. Deputy Speaker, I said before and I will repeat that the Justice minister's actions were inappropriate. They have been corrected, and the only harm that has been done has been to the reputation of the member for St. Johns (Mr. Mackintosh) for playing games with a serious issue.

* (1355)

Point of Order

Mr. Steve Ashton (Opposition House Leader): On a point of order, Mr. Deputy Speaker, the Premier actually, in his last several comments, has broken a number of rules in regard to parliamentary language, and I was checking. He

used the term "cheap political way." In fact, that is unparliamentary, Beauchesne Citation 489. He has been attributing motives. I find it ironic; he is doing this when his own Justice minister said, and I quote: "I know that he is checking up on the gang hotline"—this is the member for St. Johns—"and that is good to see that the member from the opposition does that." So not only is the Premier not being parliamentary, he is not even being consistent with his Justice minister. Even his Justice minister, after doing inappropriate things, understood that the member for St. Johns was doing his job.

Mr. Deputy Speaker: We are going to take the matter under advisement. I will get back to the House with that matter.

Urban Shared Services Corporation Business Plan

Mr. Tim Sale (Crescentwood): Mr. Deputy Speaker, in Philippe Cyrenne's study of the frozen food fiasco, he has made it very clear that there are serious problems with the accounting, serious problems with the capacity, serious problems with economies of scale and costs. It is extremely clear in a reading of the report that the claimed savings are not there.

I want to ask the Premier today whether he will take seriously the risk to Manitobans of having 460 personal care home beds under construction without kitchens, having two of our most important hospitals, Health Sciences and St. Boniface, supposedly committed to a system whose own management has said it cannot provide meals to those hospitals. Will the Premier not now act and take over responsibility finally for this mess, put it on hold until there is a business plan, until the Auditor has reviewed the whole situation, Mr. Deputy Speaker, and Manitobans can know for sure that there is going to be decent, nutritious food for all those in all of our health facilities?

Hon. Gary Filmon (Premier): It is very interesting. I took these questions as notice yesterday from the member for Crescentwood and had my office phone the Centre for Policy Alternatives, which produced the report. They tell us that the report is not available publicly because it has some typos in it and it is being

redrafted, and yet it is in the hands of the NDP party in the House. So one has to wonder about the production of this report and the NDP's hand prints all over it so that they have it before it is available for any public review.

As I indicated yesterday, Mr. Deputy Speaker, I will take that as notice on behalf of the Minister of Health (Mr. Stefanson), and obviously we will need to have a copy of the report to review before we can make any response to this kind of question.

Long-Term Care Patients

Mr. Tim Sale (Crescentwood): Mr. Deputy Speaker, will the Premier, who might want to know that we received our copy the same time as the press received their copies—I am surprised that he is unable to get a copy given that the media all had copies of it. It was distributed widely yesterday, is my understanding. It is surprising that he is not able to find it. I will be glad to ask CCPA to ship over a copy for him if he has any difficulty getting one. I am sure they would be glad to do that.

Mr. Deputy Speaker, Dr. Cyrenne also raises the question—

Mr. Deputy Speaker: Order, please. The honourable member—

Mr. Sale: This is a new question, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is this a new question?

Mr. Sale: It is a new question, yes.

Mr. Deputy Speaker: The honourable member for Crescentwood, on a new question.

Mr. Sale: Mr. Deputy Speaker, would the Premier agree with the observation of Dr. Cyrenne that, in particular, patients in long-term care facilities are in real jeopardy because they are not there for a short stay? They are dependent on this food for the rest of their life. Would he agree with members of USSC's board who in private have acknowledged that this facility ought not to serve long-term care patients?

* (1400)

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, obviously we have had the system in place in Riverview Health Centre, which is a long-term care facility, for more than a year, and in fact the satisfaction rating at Riverview is considerably higher than it is in normal hospitals. So I think making blanket statements like that are conclusions that the member opposite would like to draw for his own purposes but are not necessarily valid.

Mr. Deputy Speaker: The honourable member for Crescentwood, with a supplementary question.

Mr. Sale: Will the Premier, given that clearly the information is in his hands, now finally release the amount that was mortgaged, the mortgage rate and all of the other financial details that are clearly in his possession so that this House and this province may know the true costs of this fiasco?

Mr. Filmon: The member opposite is wrong; the information is not clearly in my hands. It is not in my hands at all, Mr. Deputy Speaker. As I said yesterday, I will take the question as notice on behalf of the Minister of Health (Mr. Stefanson) and have him respond appropriately when he returns.

Manitoba Telecom Services Conservative Party Donations

Mr. Steve Ashton (Thompson): Mr. Deputy Speaker, MTS is having its annual meeting today, and what is interesting is that once again the government will be there with its golden share. We are not sure if it is Jules Benson this year. Once again, people, I think, given especially the lockout situation facing MTS employees, are going to ask some very serious questions about the government's conflict of interest given the fact that MTS has donated \$6,204 to the Conservative Party and MTS Mobility, \$1,438, not to leave out Bill Baines, the president of MTS, and Tom Stefanson, who gave \$500 and a thousand dollars apiece.

I want to ask the Premier how he can explain to the people of Manitoba, given the fact

he has four representatives on the board and the government holds a special share, that this government is now kicking back money to the Conservative Party in the form of \$6,000, money that is coming directly, Mr. Deputy Speaker, from the people of Manitoba.

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, I remind the member opposite that many of his government's appointees in the '80s, the New Democratic government of the Pawley-Doer era, the deputy ministers used to kick back money to the NDP, and many of their appointees to boards and commissions and Crown corporations used to kick back money, as he puts it, to the NDP. He did not find that inappropriate. It was the incestuous relationship, of course, that ultimately brought down the New Democratic Party, because their very Crown corporations that they were politically manipulating became a big millstone around their neck that defeated them in 1988.

Mr. Deputy Speaker: The honourable member for Thompson, with his supplementary question.

Mr. Ashton: Mr. Deputy Speaker, will the Premier answer the question? How can he justify MTS donating \$7,642 to his campaign fund when in fact the same MTS still has four members on the board appointed by the government and the government still holds a special share? How does he justify the ratepayers of MTS giving money to his political party?

Mr. Filmon: I repeat, Mr. Deputy Speaker: they had their own appointees giving money back to the NDP party; people who they gave jobs to fed back a tithe to the NDP party. That is the kind of incestuous relationship that prevailed under the New Democratic Party. They had their member for Kildonan (Mr. Chomiak) going to people who were suppliers to their Crown corporations. He had the list of suppliers, and he was raising money from them as the New Democratic representative. They did not see anything wrong with that incestuous relationship. These are the kinds of things that they did that they somehow think today are correct and all above board, but they lost because of the way in which they manipulated or attempted to manipulate the Crown corporations of this province.

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

Mr. Ashton: Mr. Deputy Speaker, will the Premier recognize that under the NDP we had a publicly owned phone company that did not donate money to political parties? Will he now explain how he can justify having MTS, the privatized MTS with government members on the board, now giving money to his political party? If he does not understand that is wrong and unethical, it shows how little he has learned from the Monnin inquiry.

Mr. Filmon: Mr. Deputy Speaker, what the New Democrats did, they had one of the members of their Crown Corporations Council, the now member for Kildonan (Mr. Chomiak), go with a list of people who were suppliers to the Crown corporations and put the arm on them, twist their arms to give donations to the party.

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

Point of Order

Mr. Dave Chomiak (Kildonan): Mr. Deputy Speaker, the Premier has been wrong so often in this Chamber, I am sure he does not want to continue to be wrong as he has in the Monnin inquiry, as he has in the justice matters. The Premier has not only got the facts wrong, but he has in fact got the dates wrong. So I think the Premier better check his facts and his dates before he makes any kind of accusations or aspersions about anybody in this House because the Premier is dead wrong. He is dead wrong, inaccurate.

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

Mr. Deputy Speaker: The honourable First Minister, to continue with the answer.

The honourable member for Thompson.

Mr. Ashton: I believe I had asked the First Minister a question, how he can justify the \$7,642 from MTS going straight to his political party, and I think, after the point of order, we would all appreciate an answer from this Premier on a very serious matter that affects a lot of people in this province.

Mr. Filmon: I would like to know how the member for Thompson justifies the \$27.5 million that his government blew on the MTX fiasco that was paid for by the ratepayers of Manitoba Telephone System that drove up our rates in this province for telephones because of the political actions of the New Democratic Party when they were running the telephone system.

Bone Density Scans Waiting Lists

Mr. Deputy Speaker: The honourable member for Osborne.

Some Honourable Members: Oh, oh.

Ms. Diane McGifford (Osborne): Mr. Deputy Speaker—

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please. I would like to remind members I have recognized the honourable member for Osborne to put a question, but if the honourable members want to carry on discussion we will not be able to hear the question.

The honourable member for Osborne, to carry on.

Ms. McGifford: My questions are for the Premier. In September of 1997, in response to an unconscionable one-year waiting list, this Premier promised additional funding for bone density testing which is central in the diagnosis, treatment and prevention of osteoporosis which particularly affects women. Now we learn that the breast care fiasco has reoccurred, this time with bone density testing.

So I want to ask the Premier today if he could explain how shutting down the bone density testing at the Winnipeg Clinic, with only one machine operating and functioning at St. Boniface, will fulfill his promise of cutting waiting lists for bone density testing.

* (1410)

Hon. Darren Praznik (Acting Minister of Health): I can just tell the member that most of her information is not quite correct. I just remind her that the Minister of Health (Mr. Stefanson) and the Minister of Education (Mr. McCrae) opened a bone density program in Brandon that will accommodate some 4,000 individuals. I think the information currently being put out by the Winnipeg Clinic with respect to lists is blatantly wrong, but I will take that question as notice, and the Minister of Health will give the exact information to the Assembly later.

Mr. Deputy Speaker: The honourable member for Osborne, with a supplementary question.

Ms. McGifford: I would like to ask the Premier how a 14-week waiting list at St. Boniface with one machine functioning in the city of Winnipeg will fulfill the promise that he made to the women of Manitoba in September 1997. Contrary to what the Minister of Highways said, his information is wrong.

Hon. Gary Filmon (Premier): When there was a women's conference that brought in speakers from all across Canada here in our province two years ago this spring, 1997, it was pointed out at that time by one of the speakers at one of the seminars—and it is too bad that the member opposite did not attend; she might have become better informed—that we had a waiting list of 19 months at that time for bone density scans. So now that the waiting list is down to 14 weeks, it is definitely showing the tremendous progress because of the tremendous investment that we are making, and we are doing thousands and thousands of these bone scans that we were not able to do before. That is the progress that we are committed to, and it will continue to come down under this government because we are taking action on issues like this.

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

Ms. McGifford: I would like to ask the Premier if in shutting down the Winnipeg Clinic's machine and only operating one machine at St. Boniface when two were promised, is his plan to increase the waiting list and return to that 19-month waiting list?

Mr. Filmon: No, Mr. Deputy Speaker, that would be the NDP way of doing things; that is not our way of doing things.

Bone Density Scans Waiting Lists

Mr. Dave Chomiak (Kildonan): Mr. Deputy Speaker, I would like the Premier to explain, and perhaps this explains, this accounts for so much that we see in Health, how it is, with a 14-week waiting list for bone density scans, the province has ordered Winnipeg Clinic to shut down the alternative, the other bone density scanner in the city of Winnipeg. How is it that poor planning by this Health department would shut down the only other bone density scanner when there is a waiting list of 14 weeks?

Hon. Darren Praznik (Acting Minister of Health): Mr. Deputy Speaker, first of all, we just indicated, if members would listen, that another bone density was announced for Brandon, and secondly, remember what was happening at the Winnipeg Clinic. They were extra billing, in contravention to the Canada Health Act. Is the position now of the New Democratic Party that the Canada Health Act means nothing?

Some Honourable Members: Oh, oh.

Mr. Deputy Speaker: Order, please. Let me remind honourable members that the clock is ticking.

Mr. Chomiak: With a new question, Mr. Deputy Speaker, to the Premier (Mr. Filmon) or the former minister or the former minister: can the government explain, the government that funded that Winnipeg Clinic operation until recently—can the government and Premier explain why it took eight months from the time the member for Brandon raised the two-year waiting list in this House for the Premier to then go and announce that he would do something

about waiting lists, and why are they building up the waiting lists again?

Mr. Praznik: Mr. Deputy Speaker, just, again, how wrong the members are in their information. It was the Manitoba Clinic, not the Winnipeg Clinic, that the Ministry of Health bought a number of scans on. The Winnipeg Clinic purchased their own machine, have been providing the tests and charging Manitobans for the tests, contrary to the Canada Health Act, and I gather now the NDP support two-tier medicine.

Mr. Deputy Speaker: The honourable member for Kildonan, with a supplementary question.

Mr. Chomiak: Mr. Deputy Speaker, can the Premier or the minister explain why it is in Estimates the minister said last week that they would be reducing the waiting lists to virtually no wait, and yet, as of June 29, there is a 14-week waiting list for bone density scanners? Can they explain that?

Mr. Praznik: Mr. Deputy Speaker, first of all, look, from 19 months down to 14 weeks for an illness which is a long-term issue of determining bone density to provide for calcium. We are not talking about MRIs. We are not talking about CAT scans where the need is immediate. Fourteen weeks or less are within a very acceptable realm, and it is coming down and will as the Brandon operation continues.

But it is obvious from the questions that the members opposite have confused the Manitoba Clinic with the Winnipeg Clinic that has been operating contrary to the Canada Health Act and billing Manitobans for the service. I gather today they support that extra billing.

Gang Hotline Discrepancy in Comments

Mr. Gord Mackintosh (St. Johns): To the Premier, and further to his answers earlier in Question Period. Aside from the breach of confidentiality of the gang hotline, aside from the fact that the messages were not retrieved on this gang hotline for periods of five months, the Premier said on open-line radio on Friday that the breach of confidentiality was, and I quote: something that Mr. Toews did not know because

he had just taken over the line from the City of Winnipeg Police.

Would the First Minister now admit that the Justice minister knew for 25 days, did nothing until he was caught, and what the Premier said on open-line radio on Friday was a one big, bald-faced you know what?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, we all know what the member for St. Johns is.

Mr. Deputy Speaker: The honourable member for St. Johns, with his second supplementary question.

Mr. Mackintosh: Can this Premier just come clean and apologize for having said that the Justice minister did not know about the breach of confidentiality when he know all along, for 25 days, or will the Premier instead distance himself from his Justice minister and just admit maybe that the Justice minister misled him? Is that his defence?

Mr. Filmon: As I have indicated, what the Justice minister did was inappropriate, and that matter has all been cleared up. The members here just go over and over again for their own political purposes. If this is all they have to deal with, if this is what they were screaming for nine months: Let us back into session; we have all these issues we want to talk about; we have all these ideas we want to talk about; let us at them; we have so many different areas that we want to cover.

Is this all there is, Mr. Deputy Speaker? Give me a break.

Mr. Deputy Speaker: The honourable member for St. Johns, with his final supplementary question.

Mr. Mackintosh: Does the First Minister not understand the seriousness of the Premier of the province of Manitoba telling Manitobans something that was patently untrue in the face of information that was entirely contradictory? Does he not understand how this is a matter of his credibility, the credibility of this government, no small matter? Will he fess up and confess

that he made untrue statements, Mr. Deputy Speaker?

Mr. Filmon: Mr. Deputy Speaker, it was absolutely true that the Minister of Justice did not know about the possibility of tracing those calls from an internal system until after he took them over from the Winnipeg Police Service, and that is exactly what happened.

Simplot Plant—Brandon Explosions—Safety Report

Mr. Leonard Evans (Brandon East): Mr. Deputy Speaker, I would like to ask the Premier or perhaps the Acting Minister of Labour a question pertaining to the safety issues at the Simplot ammonia plant in Brandon. I had previously asked the minister responsible for a report updating the situation. He had not at that time received any information from his staff. I want to ask the Premier and the government whether they have received any reports or information yet from the appropriate officials respecting the details of the very serious accidents that occurred, not only the last few weeks but last fall as well, which have indeed caused a lot of concern and serious anxiety in the city of Brandon, not only in Brandon East but in Brandon West as well.

Hon. Glen Cummings (Acting Minister of Labour): On behalf of the Minister of Labour (Mr. Radcliffe), I will take that question under notice and indicate that I know he is pursuing the information that the member has been asking about with continued vigour.

* (1420)

Explosions—Independent Inquiry

Mr. Deputy Speaker: The honourable member for Brandon East, with his supplementary question.

Mr. Leonard Evans (Brandon East): I thank the acting minister for that information.

I would ask him if he could also reply to this question or take it as notice, whether the government has received any correspondence or any communication from the City of Brandon

respecting the establishment of an independent inquiry that could be jointly sponsored by the city and the Province of Manitoba.

Hon. Glen Cummings (Acting Minister of Labour): Mr. Deputy Speaker, I will take that as notice.

Mr. Deputy Speaker: Time for Question Period has expired. No? Do we have 15 seconds left? I am sorry.

The honourable member for Brandon East, with one final supplementary question.

Mr. L. Evans: Has the government familiarized itself with the availability of expertise in the field of ammonia plant safety, and is the government aware that the American Institute of Chemical Engineers has volumes and volumes of material on the safety performance of ammonia plants and that they have, indeed, expertise that could be made available to the government, to the city to conduct this independent inquiry?

Mr. Cummings: Mr. Deputy Speaker, on the question of whether or not we could bring in American experts, I will take that as notice on behalf of the Minister of Labour (Mr. Radcliffe).

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

MEMBERS' STATEMENTS

Natural Disasters—Government Action

Mr. James Downey (Arthur-Virden): Mr. Deputy Speaker, on behalf of my constituency and the constituency of western and other parts of Manitoba that have been devastated this spring by the tremendous amounts of unusual rainfall and the problems which have resulted because of that, whether it is devastating forest fires in northern Manitoba, whether it is major floods in the Red River Valley or whether it is prolonged results of excessive amounts of moisture such as we have seen in western Manitoba, I want to acknowledge the Premier (Mr. Filmon) and my colleagues in their very affirmative response and their positive response to people in need.

I think that is a true hallmark of this government, that when it is a demonstrated need when people are in a situation where governments are the only thing that they can look to for support in desperate times, that this government has been there. I thank the Premier and my colleagues for their acknowledgement and their contributions to the support of my community.

I think it is also important to note that it is extremely important as we approach Canada Day that the Canadian government look with some generosity on all the parts of this country in an equitable way and they truly come forward with the kind of support that is meaningful and hits the mark so that the people of this country truly can have faith in a country that is so great.

I acknowledge the support that this cabinet and this caucus have given to the region, which was badly needed. Thank you.

Credit Unions

Mr. George Hickes (Point Douglas): Mr. Deputy Speaker, I am pleased to rise today to highlight some of the advantages of our strong credit union systems here in Manitoba. Manitobans are turning to credit unions as a viable alternative to the banks. Manitoba credit unions are owned by Manitobans. They are responsive to our needs because credit unions are co-operatives. As the advertising says, member-owned, member-driven. In fact, there are 391,000 Manitobans who are members who use the services of the credit unions they own.

Manitoba credit unions returned almost \$13 million to its members in 1998 in the form of patronage refunds, shared dividends or cash simply for doing business with credit unions. This is \$13 million that likely would have left the province. Manitoba credit unions are a local success story. At the end of 1998, the Manitoba credit union system held assets worth \$4.75 billion, holding \$307 million in equity. The number of members of Manitoba credit unions has increased from 280,000 in 1983 to nearly 400,000 today.

There are 163 credit union locations in Manitoba, twice as many as any other financial institution in the province. In 53 rural com-

munities, the credit union is the only financial institution providing financial services to area residents, organizations and businesses. On top of these important facts, Manitoba's credit unions had a payroll of \$64 million in 1998. Credit unions operate differently from the country's banks. As vital parts of Manitoba communities, putting people first translates into benefits for all Manitobans through employment and community support. Thank you, Mr. Deputy Speaker.

Economic Growth

Mr. Gerry McAlpine (Sturgeon Creek): It gives me great pleasure to rise today and sing the praises of the Manitoba economy. Just yesterday the Toronto Dominion Bank Financial Group predicted Manitoba is expected to lead the West in growth in 1999. The Toronto Dominion Bank Financial Group says Manitoba's economy will record growth of close to 3 percent as the province benefits from a strong expansion in its diversified manufacturing sector.

The transportation, equipment and food processing industries are expected to have another banner year, with the latter benefiting from the upcoming start-up of the Maple Leaf Foods hog processing plant in Brandon. The tourism industry will also benefit from the Pan Am Games being held in Winnipeg and around the province this summer, and Manitoba will continue to boast the lowest unemployment rate in the country of less than 6 percent. The Toronto Dominion Bank Financial Group recognizes what many other independent financial organizations have said, that the Filmon government's sound fiscal management policies have cultivated an environment that invites businesses to succeed. The Filmon government believes the way to achieve a strong economy is to provide responsible, predictable leadership, remove barriers to economic growth, keep taxes competitive and look for strategic opportunities which build upon the province's natural strengths.

Consecutive surplus budgets, no major tax increases and a plan to pay off the province's accumulated debt all serve to send the message: Manitoba is open for business. Thank you, Mr. Deputy Speaker.

* (1430)

Maples Personal Care Home

Ms. Becky Barrett (Wellington): Mr. Deputy Speaker, for a week the workers at the Maples Personal Care Home have been locked out by management. They were locked out. Even though they were at the negotiating table, at the bargaining table, were prepared to continue negotiating in good faith, management locked them out.

This privately run, for-profit organization, whose ownership is looking to make its profits on the backs of the workers and at the risk of the health and well-being of over 200 residents, is not bargaining in good faith, is bringing in scabs, is bringing in replacement workers. They are not prepared to pay a living wage, a decent wage to the workers that have spent, in some cases, decades working with those residents at the Maples Personal Care Home, but they are prepared to pay \$15 an hour to the scab replacement workers who are coming in to the Maples Personal Care Home. This labour dispute is all about people's lives. It is about the lives of the workers who want to go back and provide the care, seven days a week, 24 hours a day, that they have provided for years for these 200 residents, and it is about the quality of life, never mind as well as the health and safety of those residents.

If you walked the picket lines, government members, the way that I have over the last week, the way that the member for Kildonan (Mr. Chomiak) has, you would know the desperate situation that the patients, the residents and their families are in because of the greed of the private owners of this personal care home.

I would like to ask the Premier (Mr. Filmon) and the government members not to hide behind let it take its course but to take an active, proactive role to end this despicable lockout before the lives of the residents and the workers are even put more in jeopardy. Thank you.

ORDERS OF THE DAY

House Business

Hon. Darren Praznik (Government House Leader): At this time I understand that His

Honour the Lieutenant Governor will be entering the Chamber to give Royal Assent to the Workers Compensation bill. I think it is Bill 33.

ROYAL ASSENT

Mr. Deputy Speaker (Marcel Laurendeau): I am advised that the Lieutenant Governor is about to enter the Chamber.

Sergeant-at-Arms (Mr. Mac Allen): His Honour the Lieutenant Governor.

His Honour Peter Liba, Lieutenant Governor of the Province of Manitoba, having entered the House at 2:33 p.m. and being seated on the throne, Mr. Deputy Speaker addressed His Honour in the following words:

Mr. Deputy Speaker: May it please Your Honour:

The Legislative Assembly, at its present session, passed a bill which, in the name of the Assembly, I present to Your Honour, and to which bill I respectfully request Your Honour's assent:

Bill 33—The Special Payment to Certain Dependent Spouses of Deceased Workers Act; Loi sur le paiement spécial destiné à certains conjoints à charge de travailleurs décédés.

To this bill the Royal Assent was announced by the Clerk of the Legislative Assembly as follows:

Mr. Clerk (William Remnant): In Her Majesty's name, His Honour the Lieutenant Governor doth assent to this bill.

At 2:34 p.m., His Honour was then pleased to retire.

House Business

Hon. Darren Praznik (Government House Leader): Mr. Deputy Speaker, I have a number of announcements and things to go through respecting House business over the next few days.

First of all, I would ask if you could please canvass the Assembly to see if there would be a willingness to waive private members' hour.

Mr. Deputy Speaker: Is there leave to waive private members' hour? [agreed]

Mr. Praznik: Secondly, I would like to ask for you, Mr. Deputy Speaker, to seek leave to see if we could set Thursday hours tomorrow, Wednesday, given that Thursday is in fact Canada Day. In essence, that means we will have a sitting tomorrow morning from 10 a.m. to 12 noon.

Mr. Deputy Speaker: Is there leave of the House to sit Thursday hours on Wednesday? [agreed]

Mr. Praznik: Within that time tomorrow, just for members' information, it will be our intention to call—I am looking for the resolution—I believe it is private member's Resolution 35 at 10 a.m. In fact, I would like to so serve notice today.

I would ask as well for leave of the House to have Madam Speaker interrupt the debate on that resolution at 10:55 a.m. to put the question on it if there is agreement to do that. I believe that is Resolution 35 from the member for Rupertsland (Mr. Robinson) regarding Custody of Aboriginal and First Nations Children.

Mr. Deputy Speaker: Is there leave? [agreed]

Mr. Praznik: By way of information, following the completion of that resolution, it is the intention, after discussions with the opposition House leader (Mr. Ashton), that we will be calling bills for introduction for second readings and for debate on second readings for the remainder of the time.

I would also like to announce at this particular time a number of committees that we will be calling. First of all, I would like to call the Committee on Law Amendments for Monday at 10 a.m. to consider at this particular time Bill 26, which I believe is the chiroprodists bill and any other legislation that we will be passing through—I believe it is Bill 20.

Madam Speaker in the Chair

Mr. Praznik: Madam Speaker, just for your information, I am calling the Standing Committee on Law Amendments for Monday at 10

a.m. for the consideration, I believe we have one bill that is ready to go to committee, of Bill 20. I look to the Clerk for confirmation. There will be other bills I believe we will pass through second reading stage tomorrow. It is my intention to have those bills as well go to that committee.

I would also like to announce that the Standing Committee on Municipal Affairs will be called for Monday next at 7 p.m. to consider the municipal amendment legislation, which I believe is Bill 25, The Municipal Assessment Amendment Act. I understand that there are some nine registered presenters, and it would be our intention just to hear presenters for that particular session rather than moving clause by clause as well, so we would like to call that committee so that the Clerk's office can give appropriate notice. Many of those presenters are coming some distance.

I also would like to announce that the Standing Committee on Public Accounts be called for Tuesday next at 10 a.m. I am not calling it formally at this time, but I would like to provide again by way of notice that we are considering calling either the Standing Committee on Municipal Affairs or on Law Amendments for next Wednesday evening to deal with other matters that may not be completed, including the clause by clause of that assessment bill and other matters that may be necessary. So I am not formally calling it, but I am serving notice so members have as much notice as possible in doing their planning.

I would also this afternoon, Madam Speaker, like to ask for leave to sit the following committees in the Committee of Supply. In the Chamber, the Department of Consumer and Corporate Affairs until 4 p.m., followed thereafter by the Department of Northern Affairs. I believe some leaves are required here. In Room 255, the Department of Finance, and in Room 254, the continuation of the Department of Justice.

* (1440)

Madam Speaker: Is there unanimous consent of the House for the Estimates of the Department of Consumer and Corporate Affairs to be considered in the Chamber, and upon completion of those Estimates, then the Estimates of the Department of Northern Affairs?

I apologize. There is a switch from one department to another at a prescribed time. Consumer and Corporate Affairs to be considered in the Chamber until 4 p.m., and then the Estimates of the Department of Northern Affairs to be considered from 4 p.m. to 6 p.m. [agreed]

Is there unanimous consent of the House for the Estimates of the Department of Finance to be considered in Room 255? [agreed]

Is there unanimous consent of the House for the Estimates of the Department of Justice to be considered in Room 254? [agreed]

Committee Changes

Mr. Edward Helwer (Gimli): Madam Speaker, I move, seconded by the member for Pembina (Mr. Dyck), that the composition of the Standing Committee on Law Amendments, June 29, 1999, at 10 a.m. be amended as follows: the member for Lakeside (Mr. Enns) for the member for Assiniboia (Mrs. McIntosh). This substitution was moved, by leave, during the committee held this morning, and the same change is now being moved to update the official records of the House.

Motion agreed to.

Madam Speaker: I believe there are also some announcements regarding standing committees for next week. Municipal Affairs to sit on Monday at 7 p.m. to consider Bill 25. Law Amendments to sit on Monday at 10 a.m. to consider Bill 20 and any other bills that may be subsequently moved to that committee. Public Accounts committee tentatively scheduled for Tuesday at 10 a.m., and Law Amendments committee scheduled for Wednesday evening, 7 p.m.

Mr. Praznik: Madam Speaker, just for your information, to confirm that the House has given unanimous consent to sit tomorrow from 10 till noon and that, by way of business, the first item is the resolution of the member for Rupertsland (Mr. Robinson) with respect to aboriginal adoption, and we have unanimous consent for Madam Speaker to call the necessary questions at five minutes to 11. There may be an amendment, et cetera, but to bring the matters to a conclusion at that time to resolution, then we

will be calling government bills in the order they appear on the Order Paper at that particular time.

Madam Speaker, no other business to be announced, so I would move, seconded by the honourable Minister of Natural Resources (Mr. Cummings), that Madam Speaker do now leave the Chair and that this House resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

Motion agreed to.

* (1450)

COMMITTEE OF SUPPLY (Concurrent Sections)

JUSTICE

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

When the committee last sat, it had been considering item 4.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$470,600 on page 107 of the Estimates book.

Hon. Vic Toews (Minister of Justice and Attorney General): I was on last date responding to some questions that were put to me by the member for Transcona (Mr. Reid). In particular, he raised some issues that I think should be dealt with very clearly and in some detail on the record.

The first issue relates to a particular Crown attorney that he appears to have some concerns about. I want to put some information on the record in defence of that Crown attorney. The Crown attorney referred to was a Ms. Mary Goska, who is responsible for provincial statute prosecutions. Ms. Goska was called to the bar in 1993. She practised as a member of the private bar from 1993 to 1996. In January of 1997, she was hired by the Department of Justice to assist with youth prosecutions. She then applied for and was the successful candidate of a competition and began prosecuting provincial statute cases in July of 1997.

During the past year, in the course of providing opinions on charges and in subsequent court proceedings, Ms. Goska has dealt with a number of significant matters. These matters have been notable by virtue of the nature of the allegations and the resulting dispositions. For example, in the past year Ms. Goska has dealt with a number of prosecutions under The Workplace Safety and Health Act where the circumstances involved either a death or very serious injuries. In all of these cases, convictions were registered and significant fines were imposed.

In *R. vs. Pine Falls Paper Company*, a matter disposed of in January 1998, Ms. Goska was successful in obtaining convictions with fines imposed amounting to \$15,840. I understand that is one of the highest amounts ever registered under that act in terms of amounts of fines.

In the past year, Ms. Goska has participated on the summary conviction review act committee. Most recently Ms. Goska conducted a presentation at the Workplace Safety and Health Branch, and 45 employees of the branch were in attendance. Ms. Goska's presentation included a discussion of the prosecution process, the evidence necessary to sustain convictions under The Workplace Safety and Health Act, defences available to accused persons, the importance of statements and how they are used in court, how the plea arrangement process works, and how judges decide on fines.

I would like to also note that there were comments made by staff from Workplace Safety and Health. One such comment is from Garry Hildebrand, who is the director of Workplace Safety and Health Branch. He writes in an e-mail to Ms. Goska regarding WSH Branch presentation. He states: I just wanted to thank you for speaking to my staff yesterday. Your presentation was thorough and to the point. You did a great job. I appreciated you taking the time. Thanks. Garry Hildebrand, director of Workplace Safety and Health Branch.

I know Mr. Hildebrand. I know of his competence. I have worked with Mr. Hildebrand in the past. Certainly those types of commendations from men of Mr. Hildebrand's calibre speak volumes.

I want to indicate that she has conducted in 1998 seven prosecutions under The Workplace Safety and Health Act. In 1999 she has participated in three prosecutions to date. I am also aware of the fact that when she prepares opinions she is incredibly thorough, certainly the opinion that I have been able to see. In reading it, it speaks volumes of the competence of this particular individual.

Mr. Reid also raised a concern in respect of a case involving Poulin's Exterminators. I recall this case, as an example. I remember it was either in the House or outside of the House where I indicated to Mr. Reid that in fact if he had any concerns about that particular prosecution that I would set up a meeting for Mr. Reid with senior staff.

Now, Mr. Reid has indicated, the member for Transcona—I believe in committee I am allowed to refer to the name—Mr. Reid has indicated his genuine concern about this issue. I simply want to question that concern. I think that he disappointed me, he disappointed my staff, and I think he disappointed the people that he claims to be speaking on behalf of.

I made the request of my staff, and my staff indicates that following at least two telephone conversations or calls to his office, Mr. Finlayson set up a meeting with Mr. Reid for July 15 at 9 p.m. Mr. Reid simply did not attend. On July 16, this matter was discussed. Mr. Reid never returned the calls. He never cancelled the meeting nor did he send regrets after missing the meeting. After that, the department, and I think prudently so, advised that the issue was now with Mr. Reid to contact my office for a follow-up to the issue that was so important, which he was so concerned about, and then he misses a meeting that busy Crown attorneys set up to accommodate him to explain this situation. He missed it for no apparent reason, sent no regrets, no explanation of his nonattendance.

I also want to put on the record an explanation of why that case was proceeded in the way it was. There is a suggestion somehow that the Crown was not careful in this particular case. Well, what I can indicate for the record is that following the incident that Mr. Reid was

purportedly so concerned about yet did not have the common courtesy to call my office, it involved two workers of Poulin's having been exposed to injurious levels of an industrial toxin, methyl bromide.

Members of the Workplace Safety and Health Branch commenced an investigation to determine the cause. Approximately one month later, the Workplace Safety and Health Branch forwarded the preliminary results of that investigation to the Crown attorney in order to seek charges. After some correspondence back and forth, one of the Crown attorneys authorized four charges as against an agent of Poulin's, a director of Poulin's, Poulin's itself and also a charge in respect of failing to co-operate with Workplace Safety and Health investigators.

The above charges were laid, these four different charges, and the Workplace Safety and Health Branch continued its investigation of the matter with the result that on April 26, 1996, a member of Workplace Safety and Health sent a memorandum to the prosecuting attorney seeking additional charges pursuant to the regulations underlying The Workplace Safety and Health Act. On May 17 of the same year, a Crown attorney authorized the laying of 10 additional charges pursuant to the regulations, all as against the corporate entity Poulin's, with the result that there were now 14 charges stemming from the incident itself and ensuing events.

*(1500)

The additional charges were in essence—I will take it, then, these 10 charges: failing to provide proper equipment in respect of one employee; the second one failing to provide proper equipment to another employee, those two charges related to the ventilation system; another two charges in respect of those two employees in respect of failing to provide proper monitoring equipment; then in respect of two other charges but the same employees, again failing to provide proper equipment, this time dealing with protective clothing; then another two charges again dealing with failing to provide proper equipment in respect of the same employees' respiratory equipment; and then another two charges in respect of the same employees failing to provide proper training to

those employees in the handling of methyl bromide.

It should be noted that both counts one and four relate to a failure to co-operate with the Workplace Safety and Health Branch. Counts two and three relate to a failure to notify the Workplace Safety and Health Branch of the accident. Counts five to 12 all relate to essentially the same subject matter, and that is equipment. Counts 13 and 14 both relate to a failure to train workers. The Crown notes that counts five, six, seven, eight, nine and 10, et cetera, are simply duplications of the one charge, the same charge, one each for the injured workers. Essentially, the acts complained of can be halved then from 14 to seven either by virtue of two counts charging the same act against different entities or by virtue of the same act as against two separate victims. In the result, if pleas were entered, it would be for seven acts rather than 14.

In reviewing counts five through 12, all relating to failure to provide adequate equipment, the Crown determined that the ultimate reason for the workers' exposure was that they had no way of knowing that they were being exposed to injurious levels of methyl bromide, so this was, in the Crown attorney's opinion, the best count to proceed upon. The Crown also notes that there were some very serious difficulties in proving some of the counts.

It is all well and good to stand up in the House and criticize the Crown attorney for making a professional decision. It is unfortunate that the member would make those criticisms and then not even have the courtesy to come and see the Crown as to why they proceeded in a particular way. In consultation with representatives of the Workplace Safety and Health Branch, the resolution that was arrived at was the guilty pleas to one equipment count, failing to train and failing to notify. So you have the three counts which essentially encompass the acts complained of.

So at the time of these offences, the legislation provided for a maximum of a \$15,000 fine, and in terms of the levies imposed by the courts, the typical fine ranged from a reprimand to \$1,000. In Poulin's case, the fine on the count

three was \$500, on count seven was \$2,500 and on count 13, \$2,500. The latter two fines are more than double that which the courts traditionally treated as a high end of the range for similar offences.

The other point that one has to remember is that when the New Democratic government brought this legislation in, they said the reason they were bringing it in, the drafter of this legislation, was that they wanted to emphasize things other than prosecutions, and I remember that very clearly. This act was supposed to deal with matters outside of prosecutions, and there was an emphasis that was on matters that would decrease the numbers of deaths and injuries. So the whole focus was not to prosecute but rather to educate. So the sheer hypocrisy of the member for Transcona (Mr. Reid) to stand up and say he is not satisfied with the prosecution results, aside from the fact of the philosophy behind the act which the prior NDP government brought in, and then he did not even have the courtesy to go and talk to the Crown attorneys. So I think I wanted to leave that on the record to clarify very clearly what the situation was in respect of this particular case.

Mr. Peter Dyck, Acting Chairperson, in the Chair

The other point that the member raised which I intend to go into again in some detail is he indicated that there does not appear to be any policies. The fact of the matter is this is a member who chose not to attend a meeting, who chose not to ask questions of my staff, and then in a very broad, general way makes accusations that simply are not borne out by the facts. I know that there are a number of policies, and the policies relating to the Manitoba Crown attorneys are, in fact, public. They are public policy manuals. They set out the policies that guide our prosecutors in their conduct.

I have had a number of them identified, and I think it is very important to put on the record in a substantive way what, in fact, some of these policies are. The ones that I wish to deal with are the code of conduct, the laying of charges, the staying of charges and the philosophy of the Crown in respect of what has been commonly referred to as plea bargaining. I want to talk

about exactly that and what that means, and I would be surprised if no other jurisdiction had a policy on the issue of plea bargaining, given that it is often controversial but a necessary practice in our courts because of the way the police may charge or subsequent facts that come up later on or issues related to the proof of a particular charge.

The first one then is September 1990, the Crown attorneys Code of Professional Conduct. It states: the Crown attorneys first obligation is to act as Minister of Justice and, second, as independent adversary within the criminal justice system and to see that, as far as it is possible for him or her to do so, justice is done and has appeared to be done.

With respect to the public, the Crown attorneys shall: foster respect for rights, freedoms, the law and the Constitution of Canada, conduct himself or herself in a manner consistent with the public interest, attempt to ensure that public money and resources are used in an efficient and economical manner.

* (1510)

With respect to the court, the Crown attorney shall: never misrepresent or fail to disclose something that is material to the court; exhibit respect for the court by (a) attempting to start on time; (b) having available all relevant information; (c) dressing appropriately for the court; (d) addressing the bench in a respectful manner; (e) dealing politely and courteously with court staff; (f) conducting prosecutions in a dignified manner; (g) being as fully prepared for court as circumstances permit and attempt to ensure that court services are used judiciously, for example, not ordering unnecessary transcripts, notification of court cancellation in advance, et cetera.

With respect to an accused person, the Crown attorney shall attempt to ensure a fair trial for the accuse; shall ensure the accused has an opportunity to have counsel represent them or is aware of the existence of the legal aid scheme in Manitoba if he or she is impecunious; proceed with prosecutions as expeditiously as possible; respect the confidentiality of information about an accused person received in the course of his

or her professional duties; not discriminate against an accused person on the basis of race, ethnicity, language, sex, age or religion; be conscious of whether an accused person requires an interpreter and facilitate the provision of one if required; in dealing with an underrepresented accused, not accept a guilty plea unless confident that the accused understands the implications thereof.

With respect to complainants and witnesses, the Crown attorney shall prepare witnesses for testifying in court; employ sensitivity in dealing with complaints; return telephone calls of complainants and witnesses as promptly as possible; endeavour to ensure that witnesses are not kept waiting needlessly or without explanation and cancelled in a timely fashion where not required; where appropriate, explain the outcome or potential outcome of a prosecution to the complainant if requested, for example, cases involving children, family violence, homicide or so on, require extra sensitivity; and, respect the confidentiality of information received from complainants if the information is not material to the charge against the accused.

With respect to defence counsel, the Crown attorney shall deal in a courteous, ethical and professional manner with defence counsel, for example, not take advantage of or consciously attempt to intimidate inexperienced defence counsel; shall not allow personal feelings to interfere in dealings with defence counsel; shall honour all agreements with defence counsel as well as respect agreements entered into by colleagues, the latter being subject to review by the appropriate senior Crown attorney in the event of disagreement; and, return the telephone calls of defence counsel as promptly as possible.

With respect to the police, the Crown attorney shall afford due respect to the recommendations and advice of experienced police officers but recognize that all legal decisions are solely the independent responsibility of the prosecutor; give careful, current and impartial legal advice upon request in a timely way; not become actively involved in the investigation; not recommend or authorize charges which have no reasonable expectation of conviction or which are not in the public interest; bring to the

attention of the appropriate senior Crown attorney any allegation of wrongdoing or improper conduct on the part of any police officer.

With respect to the conduct of a case, in conducting a prosecution, the Crown attorney shall make full and fair disclosure of all relevant evidence as soon as possible or when requested by defence counsel; call or make defence counsel aware of all material witnesses to the incident in question; disclose all statements, documents and exhibits as required to ensure a fair trial; resist pressure to lay more charges than are appropriate or charges more serious than those presented by the facts; never offer personal opinion but rather make submissions based on the evidence before the court; be alert to and report defence counsel to the appropriate senior Crown attorney who allow their duty to their client to override their duty to the court and to the administration of justice.

With respect to colleagues, the Crown attorney shall attempt to foster an atmosphere of congeniality in the workplace that is appreciative of one another's strengths and tolerant of perceived differences; honour agreements made by a colleague; and where disagreement cannot be resolved, refer the matter to the appropriate senior Crown attorney; whenever possible, assist another Crown attorney or relieve them when requested to do so; offer assistance when it appears that a colleague requires such assistance or requests it; ensure that unfavourable criticism of the professional activity of a colleague is made in confidence to the appropriate sources; not speak in a negative fashion about the professional abilities of a colleague to a person inside or outside the department; contribute to the education and professional development of more inexperienced colleagues; not diminish the offer made by a colleague to defence counsel unless there has been a change in circumstances since the making of the first offer or unless the matter has been discussed with a colleague and/or referred to the appropriate senior Crown attorney in the event of disagreement; if unable to attend court due to sickness or other like reason, provide supervisors with as much notice as possible; ensure that the course of a particular matter be clearly outlined on the file in a manner that is understandable by colleagues who deal with the matter subsequently.

In dealing with public attention, the Crown attorney shall take reasonable care to distinguish between public statements made and actions performed as a representative of the Crown and those done as a private citizen; not seek out media attention or provide unsolicited comments to the media or publicly express personal views of any verdict; never disclose confidential departmental information; defer to a superior or supervisor if uncertain how to respond properly to media questions.

Duties to self in the profession: the Crown attorney shall declare any actual or apparent conflict of interest and seek written instructions through the appropriate senior Crown attorney from his or her director; make a continuing effort to improve professionally; always conduct himself or herself in an honourable manner in court as well as out of court; accept that his or her personal life is a private matter unless he or she engages in conduct unbecoming to a representative of the Crown; observe not only the specific rules of the code but also observe the spirit of the code.

I think in terms of that particular policy, that is all I want to say.

In respect of the laying of charges, I think it is also very important, clearly directly related to the issues raised by Mr. Reid, the member for Transcona. This policy statement on the laying of charges, the two full tests for prosecutorial discretion to proceed with or to instruct that charges be instituted is whether or not there exists a reasonable likelihood of conviction and whether it is not contrary to the public interest to proceed. I think that is well recognized in Canadian law as the appropriate test. Moreover, the following policy instructions obtain immediately, and this was dated also February 1, 1990.

Number one, the police have the ultimate right and duty to determine the form and content of charges to be laid in any particular case according to their best judgment, subject to the Crown's right to withdraw or stay the charges after they have been laid. Number two, the following protocol governs the resolution of disputes between police and Crown counsel over the laying of charges: (i) No charge shall be laid contrary to the advice of a Crown prosecutor

until discussion concerning the matter has taken place between the police department and the Crown prosecutor. (ii) If there is no resolution of the disagreement at that level, the matter must be referred to a senior police official of the department who will discuss the matter with the appropriate director of prosecutions. (iii) If following such discussion the police remain of the view that a charge is warranted, the charge should be laid.

I realize that I have much more to say, but my time is rapidly coming to the end. But should questions touch upon this matter, I will continue in respect of the allegation that was made that we have no appropriate training for particular Crown attorneys or no appropriate laying of charges. So the other policies, the one with respect to the staying of charges, is dated February 1, 1990, and the last one on the practice and the published practice, I should state, of the issue of plea bargaining or plea arrangements is dated October 10, 1990. Again, all of these are public, but if need be, I will read those into the record, as well.

Mr. Daryl Reid (Transcona): Mr. Chairperson, I know the minister has been sharing some information with this committee. Unfortunately, I was distracted for a few moments, attending to the business involving Bill 33 and the Workers Compensation widows who are in the building today to see that bill receive Royal Assent. But I do note that the minister has made some comments about the actions of his department and that he has referenced about how the Crown has handled certain cases, Workplace Safety and Health cases that have come before the courts.

I do note that the minister has said that in the past, when he was the previous Minister of Labour, The Workplace Safety and Health Act should be for education and not prosecution. That is a stand that he always took, and it seems like he is saying the same thing here again today. I do note for the record though that the minister perhaps wants to re-evaluate his position with respect to prosecution, considering that Manitoba in the last two years has had—and this is not my information; this comes directly from the Workers Compensation Board. We, in this province, have the highest lost time accident rate

in Canada, and we have the highest number of fatalities per 100,000 workers in this country, as well.

So you can see that your education program is working very, very effectively, and that, of course, you do not want to look at or consider prosecutions as a deterrent. I would think that you would want to, considering the statistics that the Workers Compensation Board has just released to the committee and to the minister, I am sure, who is privy to that information as well. Perhaps, the minister can explain why the Crown, because he said that the Poulin's case was handled very effectively, dropped 11 of the 14 charges or stayed 11 of the 14 charges or plea bargained 11 of the 14 charges that were laid against Poulin's in the first place. Why would you take such a step to lay the charges and then not deem them to be effective enough or interested enough in those charges to proceed with them through the courts and let the courts make a determination on the charges?

* (1520)

Mr. Toews: It is unfortunate that we have to go through this after having given my request to him that, in fact, he could meet with my staff to in fact talk about this particular issue. In fact, he was offered a meeting, and in fact he did not attend. Mr. Reid simply did not attend the meeting that had been set up, arranged with him. He never returned the calls, he never cancelled the meeting, and he never sent regrets after missing the meeting. So, at that point, of course, the department, and properly so, indicated that the issue was now with Mr. Reid. If Mr. Reid, the member for Transcona, was that interested in this case, you would think he would have had the courtesy to attend the meeting, and if he had some conflict, at least send his regrets after missing the meeting. So, after my staff had gone to all the trouble to set up that meeting, I find it quite unbelievable that the member would come in here then and make these kinds of comments as though he has been concerned about this issue in any genuine way.

The explanation as to why pleas were accepted to three counts of 14 relative to the incident on December 19, 1995, are as follows: following the incident which involved two

workers of Poulin's having been exposed to injurious levels of an industrial toxin, namely methyl bromide, members of the Workplace Safety and Health Branch commenced an investigation to determine the cause. Approximately one month later the Workplace Safety and Health Branch forwarded the preliminary results of that investigation to the Crown seeking charges.

After some correspondence back and forth, the Crown authorized four charges as against, No. 1, Mr. Robert Acheson as agent for Poulin's for failing to co-operate with the Workplace Safety and Health Branch investigators; No. 2, Donald Poulin, as a director of Poulin's for failing to notify the Workplace Safety and Health Branch of a serious accident; No. 3, Poulin's Exterminators for failing to notify the Workplace Safety and Health Branch of a serious accident; and No. 4, Poulin's for failing to co-operate with the Workplace Safety and Health Branch investigators.

The above charges were laid, and the Workplace Safety and Health Branch continued its investigation of the matter with the result that on April 26, 1996, a representative of the Workplace Safety and Health Branch memoed the prosecuting attorney seeking additional charges pursuant to the regulations underlying The Workplace Safety and Health Act. On May 17, 1996, the Crown authorized the laying of 10 additional charges pursuant to the regulations, all as against the corporate entity Poulin's, with the result that there were now 14 charges stemming from the incident itself and ensuing events.

The additional charges were in essence, and starting with then count 5, having previously indicated the prior four counts: count 5, failing to provide proper equipment relating to the ventilation system to ensure the safety of one of the workers; count 6, failing to provide proper equipment, a ventilation system to ensure safety of a second worker; count 7, failing to provide proper monitoring equipment to ensure safety of the first worker—that is, the worker mentioned in count 5; count 8, failing to provide proper monitoring equipment to ensure the safety of the second worker; count 9, failing to provide proper equipment, protective clothing, to ensure safety of its worker, the first worker, that is, the one set

out in count 5; count 10, failing to provide proper equipment, protective clothing, to ensure safety of the second worker; count 11, failing to provide proper respiratory equipment to ensure safety of the first worker; count 12, failing to provide proper respiratory equipment to ensure safety of the second worker; count 13, failing to provide proper training to the first worker in the handling of methyl bromide; count 14, failing to provide proper training to the second worker in the handling of methyl bromide.

It should be noted that counts 1 and 4 both relate to a failure to co-operate with the Workplace Safety and Health Branch. Counts 2 and 3 both relate to a failure to notify the Workplace Safety and Health Branch of the accident. Counts 5 to 12 all relate to essentially the same subject matter, and that is the equipment. Counts 13 and 14 both relate to a failure to train its workers, and counts 5, 6, 7, 8, 9 and 10 are the same charges but in respect of each of the injured workers. In fact, the Crown could have laid one charge against relating to both workers. So, essentially the acts complained of can be halved from 14 to seven either by virtue of two counts charging the same act against different entities or by virtue of the same act as against two separate victims. In the result, if pleas were to be entered, it would be for seven acts rather than 14.

In reviewing counts 5 through 12, all relating to failing to provide adequate equipment, the Crown determined that the ultimate reason for the workers' exposure was that they had no way of knowing they would be exposed to injurious levels of methyl bromide so that this was the best count to proceed on.

The Crown also indicates that there were very serious difficulties in proving some of the counts, and it is very well and good to stand up in the House and criticize the professional opinion of someone who has actually got to go in to prove these cases. I think that the member should have taken the time at least to talk to the Crown attorney after the Crown attorney had gone to some difficulty in terms of setting up a meeting, which the member simply refused to attend for his own reasons, whatever they were. If they were valid reasons, he could have at least phoned and let them know.

* (1530)

In consultation with representatives of the Workplace Safety and Health Branch, they both jointly arrived at a resolution which indicated that appropriately there could be guilty pleas to one equipment count, one failing to train and one failing to notify. It should be pointed out that at the time of these offences the legislation provided for a maximum of \$15,000 per count, which, again, was consistent with the NDP philosophy that this was not to be an act where prosecutions were to be stressed, it was more educational. It was our government who changed the maximum fine, I believe now to \$150,000.

In terms of actual levies imposed by the courts, the typical fine ranged between a reprimand and \$1,000, and Poulin's was fined, for count 3, \$500; count 7, \$2,500; and count 13, \$2,500. The latter two fines are more than double that which the courts traditionally treated as a high end of the range for similar offences.

Now, the member says: why would you take the pleas? I was proceeding on the policies. I had talked about the general policies and I also, in answer to the last question, talked about Ms. Goska. If the member wants further information on the expertise and the good work that Ms. Goska has been doing, I can again deal with that as well.

In respect of the whole issue of plea bargaining, I think it is very important to look at the role of that particular practice, which is practised right across Canada and which is a necessary part of the administration of justice but, clearly, given the potential for abuse, it is always important to remember the policy and to ensure that the decisions are made within the general context of the policy.

So the policy that has been established well in advance of this particular case is dated October 10, 1990. This is a public policy, so the member could review this from time to time, but I think it is important to put it into the record.

The policy indicates that in order to minimize public expense, inconvenience to witnesses, and the backlog of criminal prosecutions, Crown counsel should facilitate discussions with

defence counsel with a view to avoiding unnecessary litigation. Such discussions may result in Crown counsel and defence counsel reaching an agreement respecting the charge or charges to which an accused person will plead guilty and/or the sentence that will be recommended to the court. In arriving at such agreements, Crown counsel must balance the rights of the accused, the public interest, and the interests of the victim.

The following principles should govern plea bargaining:

Number 1, the institution of criminal proceedings should involve the selection of the appropriate charge or charges based upon a consideration of the legal requirements of same and the availability of admissible evidence in support thereof. Thus a careful examination of the police investigation reports and the provisions of the relevant charging legislation is required. Crown counsel should not approve excessive counts in an information merely to influence an accused to plead guilty to some of the counts, nor should charges be laid where it is known that the evidence in support thereof is of an unreliable nature or where the jurisprudence clearly indicates that the facts will not support the charges.

Number 2, Crown counsel should only accept pleas of guilty to offences supported by the facts established by the police investigation.

Number 3, a plea bargain may involve acceptance by Crown counsel of offers of guilty pleas to lesser charges or withdrawal of some charges in exchange for guilty pleas to the balance of charges where such agreements are based on proper consideration of the nature and quality of the evidence available in support of the prosecution of a multiplicity of charges which have been laid as a result of a single delict. Now, in fact, that is exactly the information that I have read into the record already. There were essentially three delicts that were pled to and, apparently, that was the appropriate way to proceed. I certainly have not reviewed all of the evidence, but I am going to accept the word of the particular prosecutor.

Number 4, Crown counsel may accept with defence counsel to adopt a particular position on

the matter of sentence. This may involve agreeing to make no recommendation respecting sentence; agreeing to recommend a certain kind of sentence, that is, fine or imprisonment; agreement to recommend a sentence within a certain range, that is, respecting the severity of a fine or the length of a term of imprisonment; or agreeing to recommend a specific sentence such as a fine in a specified amount or a specified term of imprisonment. Other kinds of agreements may be made as well depending upon the circumstances of the case.

Number 4, no agreement should be made on the basis of convenience or expediency. Nevertheless, Crown counsel may enter into an agreement in order to avoid a trial where this is done for the purpose of limiting the backlog of criminal prosecutions. Such an agreement may expose the offender to a lesser penal sanction than he might otherwise face upon conviction at trial, provided the agreement involves a result which is reasonable in light of the circumstances of the offence or offences and of the background of the offender.

Mr. Chairperson in the Chair

Number 6, it is proper for Crown counsel to make arrangements respecting pleas or sentence with a view to avoiding an unsuccessful prosecution. Thus, for example, where deficiencies in the available evidence create a substantial likelihood of acquittal, it is appropriate for Crown counsel to agree to pleas of guilty to lesser but related charges or agree to recommend a less severe sentence than would otherwise be sought provided such agreement does not tend to bring the administration of criminal justice into disrepute. Note that this mode of conviction is no more foolproof than full trial in the courts. There is an overriding duty of fairness in the prosecutor. The accused should not be overcharged or a plea extorted on the basis of a more serious charge which may have a skimpy factual underpinning.

Number 7, though very rare, there are situations where a Crown counsel may properly decide to stay proceedings or withdraw charges on compassionate or humanitarian grounds or in cases where the system of criminal justice would be brought into disrepute by the furtherance of a particular prosecution.

Number 8, Crown counsel should not agree not to appeal whatever sentence the judge imposes in exchange for a guilty plea.

Number 9, Crown counsel should not agree to sanitize or play down certain facts in exchange for a guilty plea. All of the facts relating to the incident which can be proven, which are of significance must be disclosed to the judge.

Number 10, Crown counsel should not agree to withhold information regarding the offender's criminal record in exchange for a guilty plea.

Number 11, Crown counsel should not agree to deal with a matter at a time other than the normal court time in order to avoid media coverage.

Number 12, Crown counsel prosecuting in Provincial Court should not attempt to bind the Crown attorney in prosecuting the matter in the Court of Queen's Bench on matters of plea or sentence. Crown counsel prosecuting in Provincial Court may, however, agree to the committal of an accused to Queen's Bench without a preliminary hearing where defence counsel undertakes that the accused will plead guilty to an agreed charge or charges. In such cases, no agreements can be made respecting sentence by the Provincial Court Crown attorney.

Number 13, Crown counsel should not agree to recommend a specific sentence where it is understood that a presentence report will be ordered. Crown counsel may, however, agree to make no specific recommendation as to sentence or to not recommend a sentence more severe than the circumstances of the offence and the known background of the offender would warrant, even where a presentence report is to be ordered.

Number 14, the judiciary should not generally be brought into the bargaining process. Thus it is generally not appropriate for counsel for the Crown and the accused to make representations jointly outside of court. I assume that that is to the judiciary. Rare exceptions may exist where information critical to the sentencing process should not be subjected to the scrutiny

of an open courtroom. Such situations might include instances where a psychiatric report respecting the accused contained information which could adversely affect innocent people or the accused where there is medical information which should remain confidential, such as the existence of a terminal illness of the accused, et cetera.

* (1540)

Number 15, Crown counsel who are doubtful about the appropriateness of a contemplated agreement should consult with senior Prosecutions staff. In particular, all homicide cases in which a reduction of charge is sought must first be discussed with the appropriate senior Crown attorney.

So those then deal with plea bargaining generally. The staying of charges, which of course is very relevant here as well and I think should also be referred to, is a policy directive dated February 1, 1990, as well. It is headed Staying, Withdrawing or Forbearing to Lay Charges. It indicates statutory and common-law basis for the exercise of discretion to stop or prevent prosecutions as found in the Criminal Code and in the leading authorities of Blasgow and the Queen 1976, 33 CRNS, 227 Ontario; also K. Chasse, The Crown's Power to Withdraw Charges 1976, 36 CR, Criminal Reports New Series 218; also the Queen and Karpinsky 1957, 117 Canadian Criminal Cases, 241 Supreme Court of Canada, and so on.

Public interest factors in deciding to withdraw or stop a prosecution even in the face of evidence which would sustain a conviction include:

Number 1, the triviality of the alleged offence or that it is of a technical nature only.

Number 2, the age, physical health, mental health or special infirmity of an alleged offender or witness.

Number 3, the staleness of an alleged offence.

Number 4, the degree of culpability of the alleged offender, particularly in relation to other alleged parties to the offence.

Number 5, the likely effect of a prosecution on public order, morale.

Number 6, the obsolescence or obscurity of the law.

Number 7, where the prosecution would be perceived as counterproductive.

Number 8, the availability and efficacy of any alternatives to prosecution in light of the purposes of the criminal sanction.

Number 9, the prevalence of the alleged offence and any related need for deterrence.

Number 10, whether the consequences of any resulting conviction would be unduly harsh or oppressive.

Number 11, the attitude of the victim of the alleged offence to the prosecution.

Number 12, the likely length and expense of a trial.

Number 13, whether the alleged offender is willing to co-operate in the investigation or prosecution of others or the extent to which he or she has already done so.

Number 14, the likely outcome in the event of a finding of guilt having regard to the sentencing options available to the court.

The factors which are to be excluded from consideration in determining whether the public interest requires a prosecution include:

Number 1, the alleged offender's race, religion, sex, national origin, political association or beliefs.

Number 2, the prosecutor's personal feelings concerning the victim or the alleged offender.

Number 3, any partisan political advantage or disadvantage which might flow from the decision to undertake or stop a prosecution, or;

Number 4, the possible effect on the personal or professional circumstances of those responsible for the prosecution decision.

Where the prosecutor decides not to undertake or to stop a prosecution by reason of a public interest factor such as those mentioned above, a notation of this decision must be placed in the file relating to the case in question. Where reasons of the public interest and the administration of justice do not demand otherwise and the stay or withdrawal occurs in a court of record, the reasons shall be stated by the Crown prosecutor.

So those then relate to the staying of charges. I have already talked about the laying of the charges in answer to some of the questions that were made earlier.

The other point that the member raised last date, and by inference in his question today again, deals with the code of conduct of a prosecutor. I think it is, again, very important to reiterate the very important standards that a Crown attorney must meet in respect of professional conduct. There are a number of considerations that the prosecutor must take into account. The Crown attorney's first obligation is to act as Minister of Justice, and, second, as independent adversary within the criminal justice system and to see that, as far as it is possible for her or him to do so, justice is done and has appeared to be done.

There are a number of headings that I want to briefly make reference to, first of all, because again the member indicated are there not any policies governing these issues, and if I have an opportunity, I will go through each and every one of the policies in this book, because to infer somehow that the Crowns make these decisions in an unregulated way, in an inappropriate way without recourse to some document I think is doing a grave miscarriage to the administrators in the department, indeed to the Crown attorneys themselves.

There are a number of topics and duties that the Crown Attorney has. They are with respect to the public, with respect to the court, with respect to an accused person, with respect to complainants and witnesses, with respect to defence counsel, with respect to the police, with respect to conduct of a case, with respect to colleagues and in dealing with public attention, also duties to self and the profession.

I want to start by highlighting a number of these. Many of these, I might indicate, in respect of the complainants and witnesses, the heading that I have referred to, have already been codified in legislation, and I think very importantly so, in our victims protection act, but what the policy at page 2 indicates is that with respect to complainants and witnesses, the Crown attorney shall: prepare witnesses for testifying in court; employ sensitivity in dealing with complainants; return telephone calls of complainants and witnesses as promptly as possible; endeavour to ensure that witnesses are not kept waiting needlessly or without explanation and cancelled in a timely fashion where not required; also, where appropriate, explain the outcome or potential outcome of a prosecution to the complainant, if requested. For example, cases involving children, family violence, homicide, or so, on require extra sensitivity.

Also, in this particular case, not only did the member particularly ask to be advised of this particular information, but, in fact, there were numerous attempts to advise the member of the state of affairs. I know that he raised this matter in Question Period, and I indicated in Question Period that in respect to a request that he asked me, and that would have been that he indicated that he wanted to have some information on the use of methyl bromide, the Minister of Environment at the time, the member for Brandon West (Mr. McCrae), indicated that he would ascertain the role of the Department of Environment in this matter and report to him.

The member for Transcona (Mr. Reid) then raised a question to me as the Minister of Justice, and what he asked was: was your department informed by the Department of Environment of this matter? I will table copies of the penalty section that applies to this case. My answer at that time was as follows: Madam Speaker, as the member last indicated that there were a number of charges laid against Poulin's, I assume that the Crown attorneys looked at the best charges in respect of this particular situation.

I indicated and again, quote: I know that the Crown attorney in the particular case has provided me with a briefing, and I would advise the member that if he wants a detailed explan-

ation of the reasons why the Crown took the position they did in this very, very serious case, I know that the Crown or other members of my department would be more than ready to sit down with the member in order to give him the true facts of this situation.

* (1550)

The offer was then, in fact, made to him. I requested my staff to set up this meeting because, obviously, the member, one would think, in raising this question on a serious case, would be interested in the outcome of this. So, in fact, a meeting was set up for July 15 at 9 a.m., and he simply did not attend. The member never returned the calls. He never phoned to cancel the meeting, nor did he send regrets after missing the meeting. The department then simply said that we will leave it to the member to contact. Now he has, I guess, the courage to come up and ask about this case and ask exactly the same questions he was asking in the House over a year ago. Over a year now he has not concerned himself about the case; he has not come to the department and said what happened or why did you not show up at the meeting, when in fact he knows that he was the person who did not show up at the meeting. Perhaps that is why he has not come back to the department to ask about why in fact he did not show up.

I also want to make note that there was a letter sent to him July 16, 1998, which I received a copy of on July 21, 1998, from the then Minister of Environment, the member for Brandon West (Mr. McCrae). A copy of that was also sent to the former Minister of Labour. It deals with the whole question of the December 1995 application of methyl bromide by the employees of N. L. Poulin Limited.

Mr. Reid: It has been an interesting rant that the minister has been on for the last half hour. He has, of course, quoted from a number of documents in front of him, Mr. Chairperson. I think it is only appropriate that when members of the Legislative Assembly do quote from the documents that they actually table those documents. I am making that request here now.

Mr. Toews: They are public documents, and I will get the member copies of those documents.

Mr. Reid: I appreciate that, and I hope that the minister will table all of the documents that he has quoted from here today.

Mr. Toews: They are public documents, and I have no reason not to quote them and table them.

Mr. Reid: I thank the minister for that undertaking. When we were in Committee of Supply yesterday, I had asked questions with respect to training for the individual who, the Minister of Labour says, is a special prosecutor assigned to Workplace Safety and Health cases, but of course this minister confirmed yesterday that the individual is not assigned to all of the cases, that there are other prosecutors handling Workplace Safety and Health prosecutions. I would like to know, because I did ask the question yesterday with respect to training, what training this individual has to lend to further education of how to handle cases like that and the sensitivity of them with respect to the families that are involved, and others in the workplace that are involved in these matters to make sure that individual is current with what would be expected of someone prosecuting Workplace Safety and Health cases. I am wondering if the minister can define for me or describe for me why his prosecutor in the Poulin case because of the seriousness of the case did not ask for the maximum fines. In fact, from my recollection, no one in his department in Prosecutions has ever asked for maximum fines with respect to Workplace Safety and Health prosecutions.

Mr. Toews: Mr. Chairperson, I think that my staff is finding any relevant material on staff training, but I think it is important to specifically talk about the particular prosecutor that the member referred to last date. The suggestion that these are not somehow qualified prosecutors is, I think, a sad misunderstanding of the quality of the type of prosecutors that we have in the department.

First of all, the member has to understand, of course, that the prosecutors are trained lawyers and they are qualified lawyers. This particular prosecutor, Ms. Goska, that he referred to yesterday in charge of provincial statute prosecutions was called to the bar in 1993. She practised as a member of a private firm from 1993 until 1996. She was hired on a term basis

by the Department of Justice in January of 1997 to assist with the youth prosecutions. She applied for and was the successful candidate of a competition. So again we note that there was a competition for a position. She began prosecuting provincial statute cases in July of 1997. This was not simply the hiring of somebody without competition.

During the past years in the course of providing opinions on charges and in subsequent court proceedings, Ms. Goska has dealt with a number of significant matters. These matters have been notable by virtue of the nature of the allegations and the resulting dispositions. For example, in the past year, Ms. Goska has dealt with a number of prosecutions under The Workplace Safety and Health Act where the circumstances involved either a death or very serious injuries. In all of these cases, convictions were registered, and significant fines were imposed. One such case where she was actively involved in and, I think, demonstrates exactly her expertise in respect of provincial statute prosecutions and comparing those then to criminal negligence charges under the Criminal Code, she provided very valuable input in the process of that case, with the result that the prosecutor was successful in obtaining convictions with fines imposed amounting to \$15,840, which, I might indicate, was one of the highest, if not the highest, monetary conviction for this type of a situation.

In the past year, Ms. Goska has participated on the summary conviction review act committee, and I will provide the member with some details about exactly what the summary conviction review act committee involves later. Most recently she conducted a presentation at the Workplace Safety and Health Branch. I might indicate here that 45 employees of the branch were in attendance and her presentation involved a discussion of the prosecution process, the evidence necessary to sustain convictions under The Workplace Safety and Health Act, defences available to accused persons, importance of statements and how they are used in court, how the plea bargaining process works and how judges decided on fines.

It is very, very interesting that the director of the Workplace Safety and Health Branch, Mr.

Garry Hildebrand, who I am also familiar with, having worked with him over the years as a public servant as Minister of Labour, took the time to specifically note about the expertise of this particular individual. In an e-mail to that individual dated January 15, 1999, at 7:52 a.m. which speaks well of Mr. Hildebrand's work habits because that is the kind of person he is, there early in the morning getting the job done. He states: I just wanted to thank you for speaking to my staff yesterday. Your presentation was thorough and to the point. You did a great job. I appreciated you taking the time. Thanks. Garry Hildebrand, Director, Workplace Safety and Health Branch.

So this comes from a person very knowledgeable in the field, recognizing that this particular prosecutor had something very substantive to add to the particular issue. The member says, well, why a particular sentence. Again, he indicated the other day there are no policies on these things. How do Crowns do these things? Implying that they are sort of flying by the seat of their pants. I think to dispel that image, it is very important to go into various policies that relate to sentencing.

The first policy deals with sentencing generally, and that is dated October 10, 1990. Again this is a public document. If the member wants this as well, I will certainly obtain that and table that for him as well and send him copies of that. Policy statement general: when making submissions to sentence, it is important that Crown counsel present a clear, concise statement of facts to the court. It is also advisable to read in portions of victims' or witness' statements if aggravating features are relied on. If the charge is disposed of by way of guilty plea in Queen's Bench, it may be appropriate to file portions of evidence taken at the preliminary hearing. If this procedure is followed, a concise summary of that evidence should be orally placed on the record. In the case of sentencing after a finding of guilt after trial, problems may be encountered on a sentence appeal only. The findings of fact relied on by the court in convicting will rarely appear on the record of the sentencing proceedings. It is important in such a situation for the Crown attorney to briefly summarize the facts as found by the court or such as when the sentencing is postponed for material to be filed

to order a transcript for the reasons for the decision and file them as an exhibit at the sentencing.

*(1600)

I think it is also important to put on record the subject policy related to appeal of sentencing in governing principle. This indicates that an appeal against sentence must proceed on the basis that it is either so inordinately low on its face or that the sentencing judge committed a demonstrable error in principle in imposing sentence. This will depend of course on all of the aggravating and mitigating factors of the case including the offender's background. The appellant has a strong burden of demonstrating that such an error occurred before an appellate court will grant leave to appeal. It is important to detail all factors of the case, applicable authorities and the court's remarks on the forms submitted in order for the reviewing Crown attorney to initially assess the potential success of the appeal. Some factors that enter into a decision to appeal are No. 1, the seriousness of the offence; No. 2, the previous record or character of the offender; No. 3, the sentence given to a co-accused; No. 4, the sentence is illegal; No. 5, the sentence is inordinately low on its face outside any previously appropriate range; No. 6, the position taken by Crown at the sentencing hearing; No. 7, the facts admitted by defence counsel or proved by the Crown at the sentencing hearing; No. 8, the principle of totality; No. 9, whether a plea to a lesser offence was accepted and the reasons leading to that decision; No. 10, time spent in custody awaiting sentences and the reason for this; No. 11, whether the accused was on probation, on parole pending on other matters when the offence occurred, or was reinvolved and convicted while awaiting sentence.

I find it interesting that when one examines the issues that the particular Crown considered in that particular situation is that the Crown in fact extensively considered not only what the appropriate charges were but what the sentence was in relation to other charges that had been dealt with under that act. And remember that one has to ask for sentences that the courts are willing to impose, and, true enough, the Crowns ask sometimes for sentences on the higher range

of what courts are imposing, but the court, in fact, will only impose within a certain range.

I know the issue that we have been dealing with is in the area of drinking and driving which is a particular concern, I know, to many Manitobans, and sentences in respect of offences that carry a maximum of 14 years simply do not receive the kinds of sentences that the Crown certainly has been asking for. In Manitoba, for one reason or another, the sentences in drunk driving established by our Court of Appeal seem to view the six years as a top end of the range when, in fact, in some of these situations, the case is 14 years or indeed even life. I note that the federal government has implemented proposals for higher sentences in those situations and has recommended in the case of death that life sentences be imposed where drinking and driving is involved.

But in this particular situation, the Crown clearly looked at not only the issue of why pleas were accepted to three counts of 14 relative to the incident on December 19, but also outlined in at least a general fashion why a particular offence was dealt with at a certain level. What the legislation provided for at the time was a maximum of \$15,000 per count. Again, I would indicate that our government raised that to \$150,000. In terms of actual levies imposed by the courts, the typical fine ranged between a reprimand and \$1,000. So that is essentially the range in which the Crown attorney is working in, given the ranges established by the court in interpreting the legislation.

Again, one of the other points that the member seems to glide over is that when his government, the NDP, brought in this legislation, they said, well, we want to avoid prosecution. So the whole philosophy behind the act when the member's party brought this legislation in was to avoid prosecutions, and that is an issue then, of course, that a court may take into account. They look at the legislation, they look at the philosophy behind the legislation, and they simply say, well, prosecutions, according to the NDP, are not important in this context.

Now, I think that we have tried to change that by elevating the status of these prosecutions by increasing the maximum on these counts.

But in this particular case, where the typical fine ranged between a reprimand and \$1,000, Poulin's was fined in respect of three counts; that is, count No. 3, \$500; count No. 7, \$2,500 and count No. 13, \$2,500. So what I can say is that the latter two fines are more than double that which the courts traditionally treated as the high end of the range for similar offences.

* (1610)

The Crown attorney was willing to sit down and talk to the member for Transcona (Mr. Reid) in respect of this particular situation. Indeed, I indicated in the House to the member specifically in Hansard in answer to the question that he had brought forward first of all to the Minister of Environment and then to myself, I indicated that the Crown or other members of the department would be more than ready to sit down with the member in order to give him the true facts of this situation. So the member had made the request. I made the offer, and, indeed, I contacted my department in that respect. A meeting was set up with the member for Transcona, Mr. Reid. Mr. Reid simply did not attend and never returned the calls, never cancelled the meeting, nor did he send his regrets after missing the meeting. I think that is unfortunate. Rather than taking up the time of this committee, I think it could have been dealt with in a way that would have been satisfactory to the member in terms of giving even more detail than I have already given.

I would also like to add, in my few remaining minutes, in respect of Ms. Mary Goska, in respect of the training, I want to, in fact, indicate that this particular Crown attorney attends all the Crown attorney seminars and education, as well as noon-hour presentations on such topics as victims rights and victim impact statements, which are available to the Crown attorneys. I believe that some of these other seminars would involve, for example, a discussion on the KGB, which deals with the admissibility of statements made outside of court, and then when the witness recants the statement in court, the use of those out-of-court statements in court as to the truth of the statements made.

There are also often seminars in the department, or at least discussions in the department,

in respect of developments in the Charter law. I know that Ms. Goska is readily available to meet with all client departments, and I think just the statement here from the Director of Workplace Safety and Health, Mr. Hildebrand, indicates not only her willingness to provide these departments with this background information but also indicates the degree of expertise that she has and the expertise for which she is recognized by long-standing professionals in the field. I know that often these investigators are always on the lookout for concerns or issues that they would like to have addressed. I would also indicate, as I have stated earlier, she in fact instructs at conferences now in view of her expertise in these matters.

So I am quite confident that this is the kind of person that we want in the department, that we will continue to provide our Crown attorneys with appropriate training to ensure that they develop in a fully rounded way as lawyers and also in respect of specific areas. I mentioned that she participates in The Summary Convictions Act Review Committee, and that again should be noted that at intervals, the Justice Committee consisting of five persons, lawyers and court officials, who are reviewing The Summary Convictions Act, see if there are legislative changes or enhancements needed. I understand that this is in progress now and demonstrates the level of expertise that this particular individual has. So just having dealt with the issue of Ms. Goska, once again, if there is any other material I can bring forward for the member, I will do so. I will see if my staff has that information available.

Getting back directly to the issue relating to the Poulin's Exterminators case and then applying the principles from the sentencing policy, and also the policy as I quoted quite extensively from the policy on plea arrangements or plea bargaining, why certain pleas were accepted and why it was deemed appropriate that certain pleas be entered in respect of certain case, I think, I have gone on quite extensively, but if the member wants some more information on that, I will certainly do so. I would be more than happy to provide him with any more information. I would venture to say that the department would be willing to meet with him if he is truly concerned about this issue. Given the fact

that he is now delayed in even asking for this information in a period of well over a year, I am somewhat suspect of whether or not he, in fact, wants a meeting to explain some of these very complex decisions.

I know that in Question Period, the strictures of asking questions and of responding, both in terms of the form of the question and in the length of the time of the response, I think, is something that does not necessarily lend itself to the extensive explanation that members are entitled to provide in these types of context. So I would simply say that information has now been made available to him and if he requires any more information, I will be more than happy to see what can be done in order to accommodate him in a reasonable fashion.

Mr. Gord Mackintosh (St. Johns): When we were discussing the concerns of POINTTS yesterday, the minister gave a long-winded response. I just wanted to know if the minister would put on the record whether he accepts the argument of points that they should be able to make representation on behalf of their clients in small claims court or not, and, if so, what steps he will take to enable that?

Mr. Toews: In respect of that particular issue, I thought I was clearer on where I stood on that matter. I know that POINTTS has served the people of Manitoba in respect of the representation in highway traffic cases I think in a very appropriate fashion. I do not recall receiving any complaints about what they have been doing in that context. Their ability to practise in provincial court, representing various people who are charged under The Highway Traffic Act has, in fact, come about as a result of a series of discussion and legislative amendments that allowed POINTTS to do that.

As I recall, in the context of appearing in provincial court, there was an issue that was raised of competence and governance. The competence issue I think relates primarily to the question of what type of training do these individuals have. It was clear that they were hiring people who had quite a bit of information and experience in respect of The Highway Traffic Act charges.

In the final analysis, it was agreed—and this was I think after some consultation with the Law Society who, of course, are the people who directly are interested in this matter in a legal sense—that if, in fact, they were restricted to their involvement in matters that did not involve people going to jail, then the issue of governance could be dealt with by provincial judges reporting these people, if, in fact, there were some concerns about the handling of any particular case.

Mr. Jack Penner, Acting Chairperson, in the Chair

As I recall, then, the matter was resolved I think to the mutual satisfaction of all parties involved. The appearance of lawyers in provincial court for the prosecution of highway traffic matters generally did not involve lawyers other than in cases where there, in fact, was a potential of going to jail or serious repercussions in respect of licence or fines, and sometimes it simply was not cost-effective to hire a lawyer.

* (1620)

So it was seen that POINTTS filled a very evident need in respect of this particular issue. I think I was very pleased to see the Legislature pass legislation that created this exception to what essentially amounts to a monopoly in the governing of the conduct of people who provide legal representation in the courts.

The issue in respect of Small Claims Court, I am not aware of whether the issues are similar to the situation that can be dealt with in the provincial court, but if, in fact, the situation is similar so as to properly allow these individuals to appear in Small Claims Court, I think that the Law Society should explain its reasoning as to whether or not it opposes or is in favour of some kind of a change.

Now, I understand, and I do not have the letter in front of me so I do not want to go too deep into the subject because if I had the letter I could certainly speak at greater length on this issue, but if the Law Society is saying that they have no objection and that it is just a matter of legislation, then I do not know what this government's response would be. Clearly, the protector

of the public interest in terms of the practice of law, as it is in the practice of medicine resting with the College of Physicians and Surgeons, in this case it rests with the Law Society. I do not know why this issue could not be dealt with in a manner similar to that which was dealt with under the topic related to Highway Traffic Act convictions.

So I would want to see what the Law Society has to say about this particular issue, and then I would be in a position to respond as to what my position as minister would be or indeed what the position of government generally would be.

Mr. Mackintosh: POINTTS also makes the argument that they are unable to deal with matters relating to a charge of fail to exchange particulars under The Highway Traffic Act. They have done research which indicates that since 1993, and looking at 150 cases a year, not one person charged had been given a jail term as a disposition. In other words, it appears that there is no likelihood or perhaps even possibility of a jail term.

I am just wondering if the minister has a view as to whether the legislation should be changed to allow for POINTTS to represent clients charged with fail to exchange particulars, noting that they now have jurisdiction to represent clients charged with fail to report an accident.

Mr. Toews: I guess the answer that I gave in response to the last question there would be similar. I would simply want to familiarize myself more with what the jurisdiction presently is under The Highway Traffic Act. I understood generally that even in cases where there was the potential or where it was possible but not likely they might be able to represent them, so I could be mistaken on that point. But I would like to examine very clearly what the jurisdiction is presently of POINTTS, and then ask essentially the question why the act could not be amended to accommodate this. Again, the input of the Law Society I think in that respect would be important. It is not simply that the Law Society's advice would be necessarily accepted because I understand that there was some opposition to the amendments to The Highway Traffic Act which

allowed POINTTS in there at first, but I think if in fact this serves a public need that is not being met presently, then I think that this is certainly something that can be examined in the course of a new legislative agenda.

The Acting Chairperson (Mr. Penner): Item 4.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$470,600—pass; (2) Other Expenditures \$81,000—pass.

Item 4.1.(c) Prosecutions and Criminal Justice Policy.

Mr. Mackintosh: It was raised in the Legislature, issues surrounding the Levreault case, which involved the McEvoy family who lost their daughter to this tragedy. One of the issues I raised was the matter of the plea bargain. I understand it took place. I no longer simply defer to Prosecutions branch policy, and I no longer simply accept plea bargains as necessary in every case. I am concerned that there is a trend of becoming too generous and perhaps worse. I think back to such plea bargains as in the Bauder case, bargains that were reviewed by people, Professor McGillivray, for example. I think of the mother, where facts were bargained away and where there was insufficient examination of the evidence and where the court was essentially misled, because the plea bargaining resulted in a skewed portrayal of the threat of the accused to the court.

* (1630)

I think of the Fabian Torres case. I was critical of the policy there, not just the plea bargain but the delay in the appeal of the conditional sentence, and persons other than myself. In this case the Court of Appeal vindicated my observations and my criticisms of how that matter was dealt with. These crimes were very, very serious. For a government that talks tough, it must account for these occurrences in light of prosecution policy. I understand that the prosecutors have been overworked, under-resourced. They are dedicated and extremely hard-working, and perhaps too much so.

When I heard about the bargain in the McEvoy case, I considered that, first of all, it was not a manslaughter charge laid. We start

with the charge of criminal negligence causing death, and I understand there was a bargain and it was plea bargained down to the dangerous driving section, and eventually to dangerous driving causing death. What I was concerned about was, given the factual situation, there could not have been a lower charge. I think that there should be some accountability as to why this plea bargain was entered into given the nature of this crime, given the statements and admissions by the accused, given the statements by the witnesses. Whether the plea bargain was right or wrong, I am not in a position to make that determination, but I am in a position to ask for accountability and an explanation as to what material element of the offence could not be proven so that it had to be bargained down.

Mr. Toews: There are a number of questions that have been raised in respect of the Levreault matter; it would be inappropriate for me to get into the details, given that that is under appeal. But, again, the member has made a number of misleading statements, I think very deliberately so, that—

Point of Order

Mr. Mackintosh: On a point of order, I call for your intervention. I ask the minister to withdraw that remark. It is clearly unparliamentary. He should know better. It is not becoming of a Minister of Justice to talk like that.

The Acting Chairperson (Mr. Penner): I do not think that the honourable member for St. Johns had a point of order. I think it is a matter of debating the issues in policy. I would, therefore, suggest that the honourable minister continue his answer.

Point of Order

Mr. Mackintosh: On a point of order, the minister said I made misleading comments which I did deliberately so. I ask that you call him to order and ask him to withdraw.

The Acting Chairperson (Mr. Penner): It appears to me that it is a point of arguing the factual information, and therefore is not a point of order. I would suggest that the honourable minister continue with his comments.

Point of Order

Mr. Mackintosh: On a point of order, this Chair can either resign his position, consult with the authorities, before making such a silly remark as to suggest that this is not a point of order. The minister just said that I had deliberately misled the committee, something that has been ruled unparliamentary for so long a period of time I am surprised the Chair would come up with such a ruling.

The Acting Chairperson (Mr. Penner): On the same point of order, the honourable minister.

Mr. Toews: Well, the member knows well what his remedies are if he disagrees with an order of the Chair, make whatever you have to do, but do not start arguing and challenging the ruling of the Chair in an inappropriate fashion. I mean, if it really perturbs the member, I can get on with it. I think that if, in any way, we can agree that, let us even assume that that comment is, in any way, improper. Well, let me say that my comment is that he is misleading this committee to the extent that it is almost deliberate and as close to deliberate as one can get without offending the rule that he is concerned about, and maybe we can proceed at this time.

The Acting Chairperson (Mr. Penner): Thank you very much for both of the comments that I have heard on this.

If the honourable member for St. Johns would have suggested to the Chair that this might be an unparliamentary comment, I might have suggested to the honourable member that I would consider that and ask the minister to withdraw the comment. However, he did not do that, and therefore I stand by my ruling saying that it is not a point of order, that it might have been an unparliamentary comment that was made, but my ruling stands.

* * *

The Acting Chairperson (Mr. Penner): The honourable minister, to continue his comments.

Mr. Chairperson in the Chair

Mr. Toews: Thank you very much. In the House, the member made certain similar allegations and said that our department had somehow

improperly plea-bargained this to an extent that simply was not warranted to the lowest possible offence. He knows full well that the lowest possible offence was dangerous driving in and of itself. The suggestion that he makes that someone could only be convicted of dangerous driving cause death where dangerous driving occurs and there is a death is simply nonsense in law. Just because someone dies in the course of an accident does not necessarily mean that that death was caused by dangerous driving. I am not saying that this is, in fact, the case here—and I do not want to get into the case, because the member full well knows that this is before the courts, and it would be inappropriate to talk about that.

Let us talk about the issue of manslaughter, and again the member knows what our Court of Appeal has said in respect of criminal negligence in the operation of motor vehicles and why manslaughter charges are not available in that situation. In fact, I can tell the member that that case law is about as old as a case out of our Court of Appeal, came somewhere between 1977 and 1979, and it was a case out of Brandon that went to the Manitoba Court of Appeal where the Manitoba Court of Appeal said we do not have an offence of motor manslaughter in our jurisdiction. So, again, the member is misleading this committee, and why would he not, in fact, say that when he, in fact, knows that that is what the state of law is? I would not speak like this—

An Honourable Member: . . . imputing something here, Vic.

Mr. Toews: Well, I would not speak like this if I knew he was not a very learned lawyer who knows what the law is in this area, or at least purports to know what the law is in this area. So the suggestion that he is making is just totally inappropriate.

This is the way the facts are twisted on a daily basis in order for him to score political points. He is not concerned about the issue of public safety. He is not concerned—

Point of Order

Mr. Mackintosh: The minister is losing it again. The loose cannon is at it again. He is

imputing motives, and the minister should accept my questioning for the purposes of accountability by this government, that is, the purposes for which the questions are asked and for no other purpose. He has to accept that, and he cannot be making comments like this; they are unparliamentary. I ask you, Mr. Chair, to draw him to order.

Mr. Chairperson: I do not believe the honourable member for St. Johns does have a point of order. I would rule in that manner, that the honourable member for St. Johns does not have a point of order; it is a dispute over the facts.

* * *

Mr. Toews: The other issue that the member, of course, raised is the issue about Crown staffing and reorganization. One of the—[interjection]

Mr. Chairperson: Order, please. I would ask the co-operation of the committee. The honourable minister has been recognized, and I would ask the co-operation of all committee members. Thank you.

* (1640)

Mr. Toews: Thank you. Before I was being interrupted by the member for St. Johns, I was going to indicate that I was going to address the other issue because I think that his questions in respect of the particular case are inappropriate and, secondly, do not in fact reflect the true facts.

The issue that he talked about, Crown staffing, I think should be dealt with as well. I do not want to leave that on the record unanswered.

In 1996-97, the department undertook a reorganization of the Public Prosecutions branch, and I know that that reorganization involved emphasis on dealing with matters at the intake stage, streamlining prosecutions and also concentrating efforts on more serious crimes proceeding to trial. The overall objectives were, I am advised, to achieve more efficient use of prosecutors and fundamentally different tasks for administrative staff. Also there was an emphasis on greater continuity so that as much as possible a single prosecutor was assigned a file from

screening to completion. Although that cannot be done in every case, that was certainly the emphasis for greater continuity.

There was also a greater emphasis placed on improved case screening at the front end of the process. This reorganization was conducted internally by the department. On September 9, 1997, there was an approval of a plan proposed by the departments of Justice, Family Services and the Status of Women in response to the Lavoie inquiry. The increase in staff to the Prosecutions branch was seven prosecutors and two support staff. These positions are presently filled. On August 10, 1998, there was additional approval, six additional Crown attorney positions along with seven support personnel. Five of the new Crown positions were to be utilized to hire new Crown attorneys in Youth and in Intake, and five support staff were to be used for administrative support in the Intake and the Youth units. There were a number of staff then that was brought into this particular branch in order to ensure that matters were being proceeded with in a timely fashion.

The reorganization of Prosecutions generally is nearing completion. The Family Violence and Youth units are fully staffed. The Intake unit began a larger operation I believe that is in effect as of March 29, 1999, and by May this unit will include prosecutors from the Family Violence unit, the Youth unit and Adult Prosecutions Intake unit.

The review of out-of-custody precharged screening will have grown to incorporate youth charges and post charges as well as pre-appearance family violence offences. All Crown attorneys in Winnipeg have been assigned to units, with the physical moves having been facilitated. Support staff have recently been assigned to the units, and the retaining of support staff is to begin shortly. The trial units have been reassigned circuit responsibilities.

So I think that the suggestion that this government has not been proceeding in a timely fashion to address these particular concerns needs to be fully addressed.

I think it would be helpful for me to deal with some of the issues that have arisen that

reflect directly on the Crown's ability to provide services and the response of the government to these very, very timely recommendations that have been made and how we have responded to them.

The Minister of Justice, the present member for Fort Garry (Mrs. Vodrey), responded to a community request for an inquiry into the deaths of Rhonda and Roy Lavoie. She constructed terms of reference for that inquiry that were sufficiently broad and comprehensive to address a range of issues which then had impact on the funding and the deployment of staff. The report itself from Mr. Justice Schulman led to the appointment of an implementation committee and also, very importantly, to the approval of new funds to carry out the task. Together with the various government departments, the implementation committee have championed the cause articulated by Mr. Justice Schulman and ensured that essential resources, including resources relating to Crown attorneys, were addressed.

I want to indicate that this is an example of the consultative nature of this government in terms of looking at issues like resources. In addition to the elected and judicial officials that participated in this particular exercise, there were 135 Manitobans who were called upon to share their wisdom, experience, and vision in 14 different working groups. Following the recommendations in the Lavoie inquiry report, they set the course for program and policy initiatives in Justice, including some of the initiatives that I referred to that had a direct bearing on the issue of resources in the criminal prosecutions branch.

* (1650)

I think I want to parenthetically note here that while the implementation committee had the privilege of meeting and working with these 135 Manitobans, we know that they are representatives for the many other dedicated individuals in workplaces and communities throughout Manitoba. Certainly our government was heartened to know that their good will and commitment has in fact had a remarkable multiplier effect throughout our province as they take the results of their work back to the colleagues and to their community.

The policy that was of particular concern and then resulted in these additional resources was the issue of domestic violence. I think that in looking at how we approach this particular issue and the resources then that were presented in order to facilitate this particular concern and how that then impacted positively upon the resources in the Department of Justice I think should be noted.

The recommendations, generally speaking, talked about things such as the Family Violence Court unit. The recommendations there were that there should be a court to hear the applications for judicial interim release of offenders charged with domestic violence offences. We have had this discussion in Estimates already, that the judiciary felt that this recommendation was not appropriate and, given that they have the control over the setting of the courts, that they were the ones who determined that all bails should be held in one court. What we then ensured is that there are sufficient resources to deal with bail applications in cases of domestic violence in Winnipeg.

As I understand the process now, instead of simply having one Crown attorney doing this work in the bail court, there in fact are two Crown attorneys, one of them being the family violence Crown attorney. The issue of their training was seen as an important way to reduce their workload and to in fact ensure that they are more effective in carrying out their particular responsibilities.

On December 3 and 4, a seminar was presented at the Crown attorneys conference. The conference which was scheduled for two days was geared solely to domestic violence issues, the cycle of violence, risk assessment and dangerous offenders. I think it is important to note that it is not just more bodies but more training that will assist in reducing some of this workload.

The April seminar which was scheduled did not relate to domestic violence, but the September 1999 session will in fact relate to information on successfully prosecuting domestic violence cases. What this then has the impact of doing is to lessen the need for perhaps additional Crown attorneys by ensuring that Crown attorneys have the most current information and

in fact can proceed in a very expeditious way. I note that in reviewing the dockets on domestic violence bail, those courts do seem to move in a timely fashion in terms of how much time is required in court. Having said that, I recognize of course fully that many of the Crown attorneys, indeed all of the Crown attorneys, work very hard in order to ensure that they are prepared before they go into court.

Again, the other recommendation was that a system should be developed to ensure that Crown attorneys receive copies of restraining orders, nonmolestation orders, peace bonds and affidavits related to domestic proceedings between offender and victim and notification on Child and Family Services. That was Recommendation 27. In fact, now the Crown attorneys continue to have computerized access to restraining orders, nonmolestation orders and peace bonds, as well as, the ability to access the Queen's Bench pockets as required.

I want to also point out that one can look at more Crown attorneys, but we have to also look at whether Crown attorneys are best suited to do a particular job. Therefore, I think that it is important to ensure the appropriate administrative support staff is also available to them in order to ensure whether it is through the Women's Advocacy group or others. So it is very important I think to speak about the additional resources provided in respect of support for the Crown attorneys in doing their job and also then very directly impacting on court services, for example, for victims. I think just in that context, one does not look simply at the Crown attorneys' position. I was just reading a very interesting article that if Ontario had the same number of Crowns as Manitoba does on a case basis, they would have to hire, I think, somewhere literally in the hundreds of positions. So I am not suggesting our Crown attorneys have an easy load. I think that in comparison I know, and I would have to get those statistics to say exactly what they are, but in respect of other jurisdictions, we compare very favourably.

I noted that there is of course in NDP jurisdictions a real concern about the courts there. Indeed there does not appear to be the same level of resourcing in those NDP jurisdictions that we have here. [interjection]

Mr. Chairperson: Order, please. The minister has been recognized for his remarks, and I would ask the minister to continue, please.

Mr. Toews: I note that in British Columbia, for example, and we have to measure our resources against other jurisdictions. We can always do better, but I think it is always important to bear the context of the Canadian justice system in mind when we are doing this. In that context, I think it might be helpful to the member if he looked up this particular article himself from *The Globe and Mail*, Wednesday, April 22, 1998, where *The Globe and Mail* indicates that courts are in crisis, B.C.'s Chief Judge says. And a Mr. Craig McGuinness [phonetic] of the British Columbia Bureau Reporting states, and I quote: British Columbia's provincial court system is in crisis and thousands of criminal cases are at risk of being thrown out over delays, according to a report released yesterday by the court's top judge. Every year, 250,000 new cases come to court and the court cannot keep pace, Chief Judge Robert Metzger says in the report of a provincially appointed committee he heads. Criminal cases are being delayed to the point where we risk dismissal or reduction of thousands of charges, because the court system is unable to meet the accused's right to a trial within a reasonable time. Judge Metzger says B.C. needs a minimum of five new provincial court judges and overhaul of procedures to deal with the backlog. All branches of the court are affected, the report says. Criminal cases are being stayed because of delays in provincial court. Children are suffering because of delays in family court, and debtors are escaping their obligations in civil court.

* (1700)

Now, I find it remarkable that the member comes here and says that he has the answer, and his friends in British Columbia are obviously suffering. If he has shared his answer with his colleagues in British Columbia, why is this occurring? If they have not shared the answer and he just wants to keep it a secret here in Manitoba about he would improve the system, why? You would think that he would share this kind of information with his colleagues in B.C. and the NDP government there.

I know that the member can only criticize, but I would think that he has some positive comments that he would want to make to help the system generally. So we, in fact, have been making positive changes to support our Crown attorneys. The suggestion that there is a staff shortage, I think, is an unfair comment to make in the entire context of what is going on in Manitoba. Just simply compare that to British Columbia where the courts, the chief judge says, are in crisis, thousands of cases are being jeopardized. Some of the changes that will directly go to assisting our Crown attorneys deal with staffing in Women's Advocacy, Child Witness and Victim Witness Assistance.

Since June 15 of 1998 and basically up to date, I would think, the staff changes are seven new positions in Winnipeg: 2.6 new positions in rural offices; two secondments were accommodated; three resignations occurred with new recruitments hired, one reassigned within the unit and three casual term positions were hired with two currently working in the unit. Currently, there are 17 full-time permanent staff, three part-time staff, two term staff and one casual staff working for court services for victims. We have also increased accessibility of court services to victims due to an increase in staff which resulted in earlier response to clients and the ability then to proactively inform victims and witnesses of services available to help them through the court process and to assist women with safety planning.

Traditionally, much of this has been done by Crown attorneys, but in order to ensure that they can focus on other things, these staff who are perhaps more appropriately fitted into this type of work are now being able to do this. I might also point out that a bilingual counsellor was hired to provide French language services, and provincially the program now has six staff of aboriginal descent, one Spanish speaking and one French speaking counsellor. Furthermore, translation services are provided for women who use English as a second language, and transportation costs are being subsidized for bus fares or taxis, if necessary. Babysitting is now being subsidized for people with an identified need.

Staff training, again, is very important to allow staff to have an understanding of the types

of issues that they would be needing. So new staff have received orientations which include review of the organizational charts, direct observation of counsellor interviews, and the introduction to case tracking and the program registries. Also, the new staff are provided with an explanation of what services the Department of Justice provides victims and witnesses in our two programs, and a number of pamphlets from the Public Safety Branch is provided to them.

The quarterly report for court services for victims indicates a number of objectives. For example, in the Women's Advocacy Program, it is indicated that within two days of notification there be an attempt to contact the victim of domestic violence to offer service. In fact this was done by a first responder position, was established in Winnipeg in December of 1998, and within 48 hours of notification generally that a domestic violence incident has occurred—

Mr. Chairperson: Order, please. The minister's time has expired.

Mr. Mackintosh: The minister is just abusing this process, but if he wants to put the puffery on the record, that is fine. I ask the—

Point of Order

Mr. Toews: On the same point of order that the member tried to raise earlier, that he is imputing motives, he should not be imputing motives.

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

* * *

Mr. Chairperson: The honourable member for St. Johns, to continue.

Mr. Mackintosh: The question was on the McEvoy tragedy in the rural case, and I understand there is a sentence appeal ongoing. It is not an appeal on the plea bargain itself. I ask the minister for accountability on this one. What material element of the offence would the prosecution never have been able to prove that required a plea bargain? A very specific question.

Mr. Toews: Just in respect of the issue, I have indicated that that is under appeal and that it would not be appropriate for me to comment at this time on that case. I think the statements that I have made, in fact, make my case, that I should not be making any further comments.

Mr. Mackintosh: It is not good enough that the minister makes a charge that I am misleading in any way, and then not be accountable for a plea bargain that was entered into. As I reiterate, the charge of dangerous driving causing death, in my view, and if he has other information in this factual situation and in light of the evidence that is known, is the lowest they could go, then why, in the interests of the reputation of the administration of justice and to send a strong message for justice, would that bargain have been arrived at?

Again, I do not know if it is right or wrong. I am just waiting for an explanation. I know the Prosecutions branch and the prosecutions policy have not been the subject of public scrutiny in the past in this province, but we have had to start that scrutiny. Indeed, I think one of the benefits of that is at least we got the attention of the minister, after getting the attention of the public to the fact that the Prosecutions branch needed additional supports from this government. I do not think the additional supports that were necessary were only staff related, although I know the Association of Crown Attorneys carried that forward. I think that there are improvements yet needed, but in terms of protocol and directives, I ask, given that the appeal is a sentence appeal, what material element could not be proven?

Mr. Toews: I will take the question as notice. If it is appropriate for me to say so, I will make further comments. I think it is very dangerous to comment on especially the facts that are now the subject of an appeal. I do not want to say anything on the record that would prejudice an appeal by referring specifically to facts.

I know the member does not care about prejudicing trials. He was the one who stood up in public, in front of the media, because he wanted a cheap pop for publicity. He quoted the record of a person who had been arrested on a case and quoted before this person had gone to

trial and outlined the prior record of a person, purportedly knowing that it is unlawful to do so. [interjection] Absolutely. He knows that, but he does not care about the administration of justice. I have to ensure that trials go to court in an appropriate fashion. I will, in fact, ensure that my comments in that respect do not prejudice an appeal. If there is something in addition that I can say, I will. Otherwise, the position of the department will be in court as to why the particular case is under appeal and why there should be a change in the sentence in that particular case.

* (1710)

Mr. Mackintosh: The minister does not understand the role of the opposition. Certainly I know he is trying intimidation tactics. He is more than welcome to try that, but I do not think his comments assist his reputation. I do not think that is in the interests of accountability or justice.

The minister talked about the supports to Crown attorneys. Can he tell the committee whether his Crown attorneys each have access to Quick Law or CanLaw, and how was that access ensured? Do they each have personal computers and are those databases available?

Mr. Toews: I am advised that all Crown attorneys have access to personal computers. In fact, they all have personal computers, and they all access a research program that has been developed specifically for Crown attorneys. It was developed by an Alberta Crown attorney. It is referred to as CLASS and it is right across Canada. I understand that all Crown counsel input into that system. I know that there are negotiations that are being taken for other information systems, but it appears that this access now through their personal computers is what they have at this time.

Mr. Mackintosh: What access do the Constitutional Law branch lawyers have to this database in personal computers?

Mr. Toews: I understand that Constitutional Law also has access to the same system because the research director there is involved in inputting this information into that particular

system, and I know that they also have access to Supreme Court decisions, which is essentially what they rely on, on a day-to-day basis, for developing policies and advancing their cases. If there is any additional access that they have, I can have my staff find out about that and get back to the member.

Mr. Mackintosh: How many new prosecutor positions are now funded this fiscal year over last year at this time?

Mr. Toews: I understand I can give you this information now, that we have five Crowns as of last summer, permanent, five support staff, and three new terms for a total of eight Crown attorneys and five support staff. I understand that as of November of '99 there will be an additional four permanent staff, Crown attorneys, for a targeted unit.

* (1720)

Mr. Chairperson: Is there a willingness of the committee to take a five-minute break, and we will reconvene the committee back here at 5:25 p.m.? [agreed]

The committee recessed at 5:20 p.m.

After Recess

The committee resumed at 5:26 p.m.

Mr. Chairperson: Committee of Supply, back to order. When we called for the recess, I was about to recognize the honourable member for St. Johns. The honourable member for Transcona.

Mr. Reid: The Minister of Justice has made certain statements or allegations here at the start of our hearing process this afternoon. I have gone back and I have checked my records and, perhaps just to refresh the minister's memory and the memory of his staff, because I do keep a diary of calls that come into my office and I do respond to every single call that comes in if I am at the office, I did receive a call from Mr. Finlayson on June 23, right at the end of our legislative session last year.

At that time we were in debate on legislation. I was involved with committees of this Legislature and the public hearing process and did not have a chance to respond to that particular call at that particular day. I did respond to that call later and to another call that I received from the minister's office, Prosecutions office, on July 8. I left a message for the director of Prosecutions at that time, indicating that, yes, I was interested in speaking with him or members of his staff, indicating a willingness to sit down to talk about the issues because the minister said that he would make his staff available as a result of questions that I had raised in Question Period when we were talking about the Poulin's case.

Unfortunately I had to go out of town after that point, and I was away for about a week. I note that on the record that was left for me by my assistant on July 9, the next day, Mr. Finlayson called back and left a message booking an appointment for me for July 15 for a period of time that I was out of town and would be unavailable, and he booked that appointment without consulting with me.

So I leave on the record here that I had called back, I had responded to the calls, and I was unavailable and out of town after that point in time. The appointment that the minister references saying that I had never attended was never confirmed by myself nor by my assistant because I was out of town at the time. So you cannot say that I did not respond to the calls that were not there, and you did not say that I missed the meeting or skipped the meeting or refused to respond because I just was not available when the call came back from your office. I was out of town.

So I do not know why the minister would make that comment with respect to that, but that is what my records show here that have been documented from last year. I put that on the record to correct the statements that the minister has said, saying that I skipped a meeting and did not respond to the calls that came to my office.

Mr. Toews: Of course, since he has referred to that, he has quoted from it, he will table that, and I certainly want a photocopy of that and certainly I would like to see that because he has referred to it.

* (1730)

I can only indicate that is the information of my staff, that a meeting was set up for July 15 at 9 p.m., and the member, whether he was available or not, and let us assume for the moment that he was not available, let us say that he was out of town on July 15 or wherever. The point is that he, according to the notes that my staff have, is that no one called back to say that he was not available. No one called back. The point is, if he really thought this was an important issue, if he was really concerned about his constituents, would he simply say, oh, no one called back, guess it does not mean I want to set up a meeting?

What this clearly demonstrates is that he was not interested in it. He was not interested in it beyond one day, and that my staff attempted to set up a meeting, he did not follow it up. Let us assume, let us assume for the moment that what he is saying is absolutely correct, which appears to be at odds with what the department is saying, but if he really cared about this case, would he not, a week later, two weeks later, maybe a month later, maybe two months later, pick up the phone, call my office, and say, what happened to that meeting? Nothing.

I think that speaks volumes about the member's interest in the particular case involving Poulin's. I stand by my comments in respect of the member's interest in this particular case.

Mr. Mackintosh: Those are unfortunate remarks that given that the member has raised this in the Legislature in Estimates yesterday and today, I think, makes speeches on it, speaks about his concern.

Following the questions about the Prosecution positions, how many positions that have been funded are now filled this year over last year at this time?

Mr. Toews: My staff will prepare that in writing, so that there is no misunderstanding about the positions that are there over this last year or so in terms of any increases.

Mr. Mackintosh: The minister said that there were new positions for a targeted unit. What was the targeted unit he was referring to?

Mr. Toews: Targeted offenders unit.

Mr. Mackintosh: I do not know if this is Mr. Finlayson's position, his ADM's position, but on the managerial line under Salaries and Employee Benefits here and on some other appropriations, there is a relatively significant increase. Here I notice year over year there is an increase from \$80,100 to \$87,400, and I notice on others, not just Mr. Finlayson's, but I notice on other senior management positions there were also significant increases.

I am wondering what formula has been used to increase the senior management salaries.

Mr. Toews: I am advised that management, generally speaking, received the same increase that employees received; that is, 2 percent. Also what might be reflected in there is the cessation of the 2 percent reduction of the workweek program and also a one-day salary accrual.

There are sometimes minor changes right across these lines that reflect themselves on all of the lines, but I do not have any information on that. I also asked staff to check into whether or not there could have been a reclassification. Some of these positions are reclassified from time to time. I am not aware of that particular situation, whether there was a reclass. I do not believe that was the assistant deputy minister responsible for Prosecutions, that salary. I believe that could be the policy director.

Mr. Mackintosh: I notice the director of Public Safety's, I presume, salary has gone from \$83,600 to \$91,600, a fairly significant increase relative to other increases. I am wondering what the explanations are for that as well.

Mr. Toews: I am advised that the position that you are referring to is in O4-2E relating to Public Safety, and the explanation of that is when the director of Public Safety was first created, the department—and I am dealing with 2.(e) now—had to reallocate another position from within its approved complement to accommodate the new function.

The position used was one from the Legislative Counsel's office that had become vacant because of a retirement, and the position

in question was classified as a Senior Legal Officer 3. Mr. Sangster was hired against that position but was classified as a Professional Officer 10, a process known as underfilling in civil service parlance. This classification was assigned on an interim basis because it was recognized that the duties of the position would evolve and change over the first few years of operation.

Since the position was transferred to the Public Safety appropriation, it has been kept at the LE3 level pending the ultimate review and permanent classification of the director position. Once a final determination on classification is made, probably this fiscal year, the change will be reflected in subsequent Estimates. Mr. Sangster continues to be compensated as a Professional Officer 10, a classification having a maximum annual salary of \$69,562.

I would also note in a supplementary fashion that the maximum salary of an LE3 is \$86,300, and the budget summary shows \$91,600. The difference occurs because a number of miscellaneous costs such as provision for maternity leave—I assume that is not for Mr. Sangster—salary accruals and casual staffing have been prorated against all the salaries shown rather than being reported on a separate line or lines. This is done to simplify the Estimates supplement format and provides a mathematically accurate grand total but then may in fact not reflect the perception of the salaries paid to a specific individual.

* (1740)

If the proration had not been done, the managerial salary would have been shown as \$86,300 and the other salaries would also have been lower, but the following lines would have been added. So salary accrual one day 11.8—and this would all be thousands; maternity leave \$9,500; STEP students \$14,000; casual staffing \$58,000. Casual staffing provides flexibility to bring in part-time staff to accommodate variable victim services workloads, sick leave and vacation replacement and the like.

Mr. Mackintosh: Now the real doozie, on the face of it, is in Civil Justice managerial there. I do not know whose position that is, if that is Mr.

Perozzo or who, but what is the explanation for the move from \$46,000 to \$93,200 on that line?

Mr. Toews: Let me try to explain it. As a result of a transfer of Mr. Perozzo whose staff year would have fitted somewhere in there, Mr. Perozzo took his staff year, and they brought in another staff year for the management of that particular situation. That staff year had a \$46,000 level, and in order then to staff that position at a managerial level, that increases it from \$46,000 to \$93,000, so Mr. Perozzo took his staff year as the associate deputy minister to the associate deputy minister position that he holds now and that then required another staff year but the increase in funding in order to staff a management position was necessary.

Mr. Mackintosh: I have heard that there has been some ongoing dispute within the Prosecutions branch about what office, whether it be Winnipeg or Portage la Prairie, should service the Interlake. I understand that there have been some difficulties as a result of that at the prosecution level. Would the minister tell us whether there have been cases that have been dropped by the Crowns due to this dispute?

Mr. Toews: As I understand from the assistant deputy minister, he advises that the Crowns out of Portage la Prairie used to do a circuit into Garden Hill and St. Theresa Point which would be east of Lake Winnipeg in the Island Lake area. The Portage Crowns used to do that, and it was their position, in discussions with the management, that could perhaps be more easily done by Crown counsel out of Winnipeg. So, as a result of a shifting around of responsibilities, in fact, Garden Hill and St. Theresa Point is now handled out of Winnipeg and Portage la Prairie, Crowns have been given other circuit duties. I am not aware, and neither is the assistant deputy minister, of any cases that would have somehow suffered as a result of that change in the delivery of a service by the particular office.

Mr. Mackintosh: Is the Portage Ia Prairie office now servicing the Interlake dockets?

Mr. Toews: I can get the member the information as to what circuits and what courts they service. I am advised that there are additional circuits that they took over. I do not know what

circuits those are, and the assistant deputy minister does not have that information at his fingertips at the moment.

Mr. Chairperson: Item 4.1. Administration and Finance (c) Prosecutions and Criminal Justice Policy (1) Salaries and Employee Benefits \$306,600—pass; (2) Other Expenditures \$136,300—pass.

4.1. (d) Financial and Administrative Services (1) Salaries and Employee Benefits.

Mr. Mackintosh: It is interesting to hear the minister muse in the newspaper a couple of weeks ago that he was thinking about suspending or revoking drivers' licences when fines are unpaid. Now we had this discussion around this table going back a few years I think with the earlier minister, that in fact a computer program—I cannot remember the name of it now—but an information system had been put together. I know it had some problems, but the minister confirmed that in fact this used to happen and that something went awry. If he is considering it again now, it is because something went wrong with the system before. I understood that there was a lack of communication of unpaid fines to the licence suspension people.

* (1750)

Mr. Toews: The information that I can provide at this time is related to that particular question. As the member knows, back in 1996 there were extensive changes made to the Criminal Code of Canada. Those changes not only brought in very controversial sentencing provisions dealing with conditional sentences—which this government has made some very strong statements in respect of—but indeed it made changes in the way fines were enforced and restitution orders were enforced. There has been, as a result of those amendments, an inability to collect in the same way fines and restitution orders that had been made prior to 1996 or the way in which they were made in 1996. In particular, let me deal with restitution orders.

As a result of the federal government changing the provisions of the Criminal Code, the orders of the court in respect of restitution is, in fact, enforced in a civil way. Offenders are no

longer called back to the court nor are they sentenced to pay certain money or do certain things, in default of which they would have to serve some time in a provincial jail. In fact, they now, essentially if a victim in a restitution context has not received his or her restitution, the courts essentially provide the victim with an order and have the victim attempt to enforce that order as a judgment of the court. I think that is unfortunate. It does not allow, I think, for the much more effective collection of restitution orders in the way that it used to. Unfortunately we are limited by the amendments to the Criminal Code which essentially required victims to enforce these restitution orders as civil judgments. It raises all kinds of difficulties when in fact these judgments are made against criminals who have committed some kind of crime against a particular victim. I made my position known to the federal Justice minister recently in respect of this issue and asked her to reconsider this particular policy shift because I think she did not want any victims revictimized in this particular fashion.

So, in the meantime, we felt it was important that the government make changes to the law in order to help individuals enforce their judgments. The way that we would do it would be to withhold the issuance of licences, and so the registrar would have the power to withhold a licence when it came up to renewal. So we are hoping, because we are bringing in the legislative authority to do exactly that, that this will to some small extent—and I want to just get back to the use of that phrase shortly—enable victims to recover fines, or, excuse me, restitution, similarly allow provincial fines also recovered in the same way and other fines.

I might say that when I said small extent, this particular program has been particularly successful in the context of maintenance enforcement. I know that the Maintenance Enforcement Branch has been tremendously successful in the utilization of the registrar's powers to withhold licences in order to ensure that maintenance is paid. That certainly is something that we hope to see implemented in the near future, and I am speaking in respect of the withholding of drivers' licences for the non-payment of restitution and certain fines. So that has never been in legislation before, and that is

being brought, as I indicated earlier, into the House in order to ensure that the legislative authority exists for the registrar of motor vehicles to do that.

Just in respect of the summary conviction fines, which will be also the subject of this legislation to withhold the licences of people who fail to pay these fines, I note that the limited success of this process has prompted us to find new ways of doing business in this respect. I know that with respect to summary conviction fines, the department has been working with two collection agencies over the past three years. The collection agencies' contracts expire March 31, 1999. So, in fact, they have expired, and a proposal has been prepared now and sent to 21 vendors as potential new agencies. I do not know what the status of that particular contract is, but I can inquire in that respect. I know that agencies have collected \$401,000, approximately, over a three-year period. These fines are all over five years of age, and the success rate of 25 percent in respect of these fines is within an acceptable range. It is proposed that a number of other fines will be transferred or accounts will be transferred to the new collection agencies. And, again, I will have to confirm whether that has in fact occurred, and these fines will then, in addition, range from five years old to, I understand, 90 days old. In respect of Criminal Code fines, the new tenders, I understand, are to include Criminal Code fines as well to be sent to these agencies.

Again, I think that the old way of collecting fines was a much more effective way because, if someone did not pay their fine, there was always a default period. The Criminal Code could enforce those, and many people would pay the fine rather than take the risk of going to jail. I remember many times, in prosecuting, you would get a \$150 fine and \$10 a day in default if you defaulted on the fine. So, for a \$150 fine, you would spend 15 days in jail, and, as I understood it back then, you would spend every day of that in jail. So a very effective way of dealing with it.

I had asked the federal Justice minister to consider reintroducing that, and I understand that the federal Justice minister is concerned about not overcrowding our jails with people who have

not paid fines. The question that I have to say, though, is what kind of respect does that generate in the justice system in respect of orders that cannot be enforced by the court. I can continue next day.

Mr. Chairperson: Okay. The hour being 6 p.m., committee rise.

FINANCE

The Acting Chairperson (Mr. David Fourschou): Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will be considering the Estimates of the Department of Finance. Does the honourable minister have an opening statement?

Hon. Harold Gillehammer (Minister of Finance): Yes, I do.

Thank you very much, Mr. Chairman. I do have an opening statement. First, let me say it is a pleasure to be here to work our way through the Estimates of the Department of Finance for my first opportunity and to have long-standing critics who know the Finance department well, like the member for Brandon East (Mr. L. Evans) and the member for Elmwood (Mr. Maloway). I look forward to their contribution as we get into this.

It is my pleasure to present for your consideration and approval the Estimates of Expenditure of the Department of Finance for the 1999-2000 fiscal year. I do have a brief opening statement, after which I will be pleased to respond to any questions that members might have.

The department proposes to spend \$698.5 million in 1999-2000. This represents a decrease of 4.2 percent, or \$30.7 million, under the 1998-99 Estimates. Mr. Chairperson, we have again allocated \$75 million for debt repayment. Public debt service costs are expected to fall by \$34.2 million. Since 1994-95, debt-servicing costs have been reduced by \$116 million annually, or almost 20 percent. Our government is committed to relieving the next generation of the burden of accumulated debt.

Paying down the debt is the only path that allows the redirection of funds spent on debt-servicing to the reduction of tax burdens and enhancement of important public services. Notwithstanding 1999-2000 expenditure reductions, public debt remains the single largest component of the department's spending, representing 69 percent of the department's budget and 7.8 percent of the entire provincial budget. The magnitude of this cost underscores the importance of our government's continuing commitment to Manitobans to balance our books and, over time, to free up these funds to meet the challenges of the future.

Total expenditures for Manitoba's 1999-2000 tax credit programs which include property tax credits, cost-of-living tax credits, pensioners' school tax assistance, political contributions tax credits and the learning tax credit are estimated at \$196.8 million. Of this amount, \$15 million represents the learning tax credit which is part of the Department of Education and Training's Estimates.

Manitoba continues to be the only province in Canada to provide a refundable learning tax credit to encourage students and their families to invest in education and training. The learning tax credit is an integral part of a comprehensive approach to support and encourage more of our young people to acquire post-secondary education in Manitoba. This approach includes enhanced direct assistance to students and recent graduates through loans and bursaries, interest relief, debt reduction, the scholarship and bursary initiative and increased operating support for post-secondary educational institutions.

The Department of Finance's share of total net Manitoba tax credits for 1999-2000 is \$181.8 million.

The department's 1999-2000 Estimates establish the Lower Tax Commission. Our government is committed to reducing the tax burden in Manitoba, and this important initiative will provide the means to consult with Manitobans and identify options for a fairer, more competitive and simpler tax system.

The Office of Information Technology continues to oversee the strategic deployment of

information technology resources across government. The extensive renewal of our information systems that began several years ago is continuing on schedule. Some of this renewal is required to meet the year 2000 challenge that lies ahead, but most is in the form of strategic initiatives aimed at improving access to government services, while streamlining procedures and reducing costs.

The year 2000 issue continues to be the top information technology priority of our government. Our degree of readiness is on target. Government systems are 90 percent compliant, and health care is also working towards compliance. We expect to be fully compliant in both government and health care by October 1999 or earlier and remain vigilant in these efforts.

Barring any unforeseen situations, Year 2000 project costs are expected to come in under the original estimate. Our Y2K competitive bidding process which cuts down the traditional bidding process from several months to as little as 24 hours will be emulated in other critical infrastructure deployments.

While the province fully expects to meet its year 2000 challenge, we must be prepared to handle situations should an unlikely failure occur. Our contingency plan is now being developed and will be scrutinized, tested and completed by the end of June 1999. A full dress rehearsal is scheduled for September 1999. Our centralized approach has earned the province nation-wide recognition, and the Y2K office is called upon to share methodologies and give advice to other jurisdictions.

The Better Methods Initiative recently implemented a government-wide integrated financial and human resource system with an initial deployment to over 1,200 users. The first few months of 1999-2000 have been spent resolving implementation issues typical of a large-scale information technology project and fine-tuning system performance. Following this initial deployment, additional modules and users will be added to the system to maximize the value of our investment in this technology. New modules planned for 1999-2000 include accounts receivable.

Special operating agencies and departmental systems will continue to converge to this standard system in the coming year. The Better Systems Initiative is comprised of a multi-disciplinary team of employees from several government departments. Over the past year, it has been using state-of-the-art computer simulation tools to redesign and streamline existing business processes across a number of areas including taxation programs in the Department of Finance and programs in Family Services, training in Continuing Education, Consumer and Corporate Affairs and Labour.

* (1500)

This coming year, efforts will be dedicated to introducing new systems for the following business areas: Personal Property Registry, Land Titles, Companies Office and business inspections, while further design work proceeds with Taxation and with integrated case management on the human services side of the project.

Following a comprehensive network vulnerability analysis that was conducted this past year, the Office of Information Technology will be establishing an information protection centre, the first of its kind in Canada. As a result of these ground-breaking efforts in assuring the protection of government systems and confidential information, Manitoba has been asked to lead a national committee on information security and is attracting worldwide attention.

As our province moves increasingly towards electronic records and the amount of information available to knowledgeable workers increases at astonishing rates, we must find better ways to store and manage this information. To this end, the Office of Information Technology and the Provincial Archives will jointly undertake a pilot project on enterprise-wide document and knowledge management. Information gleaned from this pilot will be used to ensure the best possible application of technology and business practices to this most difficult problem facing all large organizations.

I would like to also mention some additional activities contemplated by the department's 1999-2000 Estimates of Expenditures. These include, No. 1, the implementation of an

automated, integrated treasury management system to provide more efficient cash investment and debt management and reporting; secondly, continued participation with other provinces and the fuel industry in a national fuel tax uniformity project to develop uniform standards across Canada which will reduce overall administration costs, provide enhanced service and facilitate electronic payment of taxes; thirdly, upgrading of tax information bulletins to assist businesses in the correct application of provincial taxes and to provide enhanced access to the information through the Internet; fourthly, continued participation with other provinces and law enforcement agencies in the Tobacco Interdiction program. Enforcement strategies are continually reviewed and updated to ensure the ongoing protection of tobacco tax revenues.

Fifthly, continued leadership, direction and co-ordination of the special operating agencies reform initiative through the Treasury Board Secretariat. SOAs continue to help governments spend smarter, continuously improve the quality of public services and test innovative management practices.

Sixthly, the department will continue to work with other provinces to impress on the federal government that increased federal support for health, post-secondary education and other social programs is urgently required. Premiers and Finance ministers across the country have called for the federal government to fully restore the cuts it made to fund health social programs. In addition, they have indicated that this support should be provided through existing intergovernmental financial arrangements, namely, the Canada Health and Social Transfer and the equalization program. Over the past year, provincial and territorial Finance ministers have been working together to develop a common approach to ensuring that financial arrangements are predictable, equitable and adequate. The department is also working with other provincial governments to improve the equalization program and to better co-ordinate federal and provincial tax policies.

Mr. Chairman, with these brief opening comments I would be pleased to respond to any questions that honourable members may have. I thank you.

The Acting Chairperson (Mr. Faurschou): I would like to thank the Minister of Finance for those opening comments on behalf of the committee. Does the official opposition critic have any opening comments?

Mr. Leonard Evans (Brandon East): Mr. Chairman, just a few brief introductory remarks. I thank the minister for his overview of the department and highlighting some of the developments and some of the challenges which we all face, which the department faces, and which therefore the people of Manitoba face in terms of federal transfers and so on.

I think I want to state what I have stated in other years and that is Manitoba is very fortunate in having a very high quality civil service. The people of Manitoba are well served by our public servants, and I believe in particular the Department of Finance has been very well administered over its many years, and the minister is fortunate to have an excellent staff. Many have been around for a long time. I know there are some changes, but they have been around a long time and they are well experienced and they have done a good job, so I want to commend again, through you, Mr. Chairman, the departmental staff for the service it is rendering to the people of Manitoba.

Just a couple of comments by way of overview. I think the government has been very, very fortunate, inasmuch as we are living in a time, the last two or three years, of fairly good prosperity, relatively good prosperity, and therefore when you have prosperity and an expanding economy you have increasing revenues. That is very evident if you look at your budget because budget documents giving you historical information. You look back five or six years when the actual revenue level dropped because of lower economic activity. So more economic activity, whether it benefits us through the retail sales taxes or through income taxes, certainly generates more revenue for the Treasury. This, of course, enables the government to do new things or to make cuts and I make that just as a general observation.

One of the reasons, or there are several reasons why we have had a buoyant economy, one of course is a cheap Canadian dollar. For all

kinds of reasons the Canadian dollar is relatively low compared to the American dollar, compared to five or six years ago, certainly, and this low dollar, of course, has enabled us to have expanding exports particularly to the United States but perhaps to some other countries as well. It certainly benefited our commodity industries and it has certainly benefited our manufacturing industries in the province of Manitoba. It is certainly easier for Flyer Industries, for example, to sell its products because of our relatively cheap dollar in the U.S. market.

Another factor has been the relatively low interest rate regime that we have been experiencing. I am not suggesting that it is too low or it is not low enough, it could maybe be a bit lower, but it is lower compared to what it was again back several years ago when I believe it was a restraining factor on business, on the economy generally. The fact that we have, relatively speaking, a lower interest rate climate is good for economic expansion.

Thirdly, I believe the Manitoba economy has certainly benefited from an expanding and growing U.S. economy. It is continually breaking records. All the economists in the United States seem to be on the verge of predicting a downturn, but those who are rather negative on it find that they are wrong. The economy just keeps growing which is great, but nevertheless there has been concern that one of these days we will hit a recession, and, of course, that has been the experience of western economies. We do what is called business cycles with periods of prosperity, then periods of recession and unfortunately, as in the 1930s, a very major depression. But, for whatever reason, the American economy is expanding, and that is providing us with an expanding market for our products and has enabled us to grow therefore.

Then another factor I should mention, sometimes this is not always that positive but it certainly is a factor in our economy and the health of our economy, and that is the state of federal government policies because federal government policies do have an impact on our province. One very clear example is the Crow rate, the abolition of the Crow rate. I am not arguing for or against it. I am simply saying the

fact that it was abolished has an impact on our agriculture. Certainly it is going to contribute to value-added food industries, and that is great, but the fact is that we did have a change at the federal level and it had an impact.

Well, I had mixed feelings on that. On the one hand, I agree; on the other hand, I have some problems because those farmers who have to pay out more by way of transport costs are at a disadvantage. On the other hand, it does provide the value-added opportunities, including pork production, and then the whole issue of free trade. Whether I agree or not is immaterial. The fact is the free trade agreement was brought in, and it does have an impact. The point I am making is that we live within a federal system, and we are impacted by federal policies whether we agree with them or not. Certainly, while we oppose the free trade, we believe in fair trade, Mr. Chairman. The minister is baiting me here. He wants me to make a longer opening statement than I am normally going to. At any rate, we believe in fair trade and agreeing with free trade is sort of like agreeing with motherhood or fatherhood. Free trade in itself is fine. It is the matter of how it impacts on various parts of your economy and the various social groups within your economy.

* (1510)

Mr. Ben Sveinson, Chairperson, in the Chair

At any rate, having said that and having agreed that we have done well the last couple of years in terms of economic growth, I still have to point out that we tend to be in the middle of the pack. We do not always tend to be really at or above the Canadian average in most aspects of our economy. The figures that we have from Statistics Canada and also reported by the Manitoba Bureau of Statistics would show that we are not doing that great in some areas. For example, even though our forecast growth of the economy, the growth of the real GDP, gross domestic product, is supposed to be among the highest in western Canada, it is still below the Canadian average forecast. Indeed in 1997, we were below the Canadian average. According to the Conference Board in Canada, we are going to be below the Canadian average, slightly, again in the 1999.

Our population growth has been very slow. We are now currently ranking six out of 10 as of the latest estimate. That was the January estimate of our population growth, and that has been a continuing problem in this province. I think we have capacity for a greater population, but we do not seem to be growing very fast. The fact is it has been very slow, and one of the reasons for that of course has been the large amount of outmigration that has occurred for some years.

In retail trade, we stand seven out of 10 of the provinces as of the last figures we have from Stats Canada. This is as of March of 1999. We are well below the Canadian average and are seven out of 10. In terms of employment growth, we talk about job creation. Again, we are seven out of 10 provinces. We are near the bottom of the heap, not at the top. And manufacturing shipments, likewise: the Canadian average increase in manufacturing shipments as of March '99 was 6.5 percent; in Manitoba, it was only 1.5 percent. Building permits: the Canadian average increased 1.4 percent as of April '99; Manitoba diminished, declined by 4.6 percent, and we ranked eight out of 10 provinces.

Capital investment: I know we have had some good years of capital investment, but 1999 is a negative year. The forecast is minus 9.3 percent. We rank nine out of 10 provinces in terms of total capital investment. That is both public and private combined. The Canadian average is more or less stable at 0.2 percent, but as I said, we are minus 9.3 percent.

In terms of overall construction work, the Canadian average is 2.2 percent; Manitoba, for 1999, we are at minus 15.4 percent, and we rank nine out of 10 provinces.

At any rate, I guess the point I am making is that, while we are chugging along, we could be doing better in a lot of areas of our economy.

I would just like to make one final remark and that is on the overall—the minister referred to debt and the debt situation. Of course, that gets you back to the whole idea of a budgeted surplus or a deficit or a balanced budget. I want to go on record as reminding everyone again that the

budget that this minister and the last couple of ministers have brought in, the last couple of budgets have been at a considerable cost of program reduction or elimination.

One that really has bothered me over the years is the cut in the children's rural dental program. I thought that was a fantastic program. Even the minister, Don Orchard, agreed that it was a great program at that time, but it was totally eliminated.

Pharmacare: The benefits of Pharmacare have been scaled back considerably, thereby making it more expensive for a lot of people to buy prescription drugs and, unfortunately, in some marginal areas may contribute to people not taking the medicines that they are supposed to according to their doctor's recommendations. Then, of course, there have been cuts, real cuts in education when you take inflation into account, and there have been other factors such as the elimination of the property tax rebate and so on.

So I am just saying, yes, balanced budget, but let us remember it has been achieved at a cost. On the one hand, as I said, we have been blessed with buoyant revenues because of a buoyant economy. On the other hand, we have to realize that over some years there have been some major cuts taking place and restraints, as well, to bring us that.

So, Mr. Chairman, with those few remarks, I would conclude my opening remarks, but then I would like to make a suggestion as to the way we proceed.

Mr. Chairperson: We thank the critic from the official opposition for those remarks.

Mr. Gilleshammer: Mr. Chairman, I listened very carefully to the member for Brandon East (Mr. L. Evans) and his comments, and I would like to respond to some of the things that he has put on the record.

Certainly, I thank him for praising the staff of the Department of Finance. I think that is a very nice gesture on his part, and I will be sure that they see that in Hansard and have an opportunity to read it. It is one area where we

can agree right off the start that the province of Manitoba and this government have been well served by a very professional civil service.

I recently had an opportunity to discuss our province with the bond-rating agencies and with a number of the banking institutions, and that certainly was a common thread that was part of the discussions that I was involved in. They, too, had high praise for the staff and an acknowledgment that they always brought good information to the table and that they did not make any attempt to hide anything but to lay the cards on the table.

An Honourable Member: What did they say about the government?

Mr. Gilleshammer: I think that part and parcel of that, of course, was that the government had made many, many appropriate decisions, and I will get into that in a few minutes. I would not want my colleague from Arthur-Virden to think that I was not going to acknowledge some of the decision making that had taken place.

But the member for Brandon East (Mr. L. Evans) did acknowledge that we do have a buoyant economy, and I like to think that is part and parcel of decisions that have been made over the last decade in government to diversify our economy. The member mentioned that he was not sure how he felt about the Crow rate, but I think one of the side effects of that is that Manitobans have become more self-reliant on selling our product, and the diversification that has taken place in Manitoba helps us to withstand some of the ups and downs of the economy.

In fact, CIBC just reported yesterday that—pardon me, I think I have it here. Pardon me, it was the TD economists who were reporting on the state of the economy in Canada, and they indicate that Manitoba's economy will lead the western economies this year.

An Honourable Member: But below the Canadian average.

Mr. Gilleshammer: Well, my friend from Brandon East sees a dark cloud in every sunny sky. I listened very patiently to him, and I would

hope that maybe he would listen to the other side.

It goes on to talk about Manitoba's economy is the least reliant on resource-based industries among the western provinces and is expected to boast the strongest growth in the West in 1999, which I know the member for Brandon East will see as a good thing.

An Honourable Member: I was Minister of Industry for eight years, and I used to make the same speeches about how nicely balanced it was.

Mr. Gilleshammer: Well, you seem to have forgotten that.

It says: even though Manitoba's agriculture and mining sectors are facing some obstacles, the provincial economy will record growth of close to 3 percent as the province benefits from a strong expansion in its diversified manufacturing sector. Although economic growth in Manitoba will slow slightly, the province will continue to boast the lowest unemployment rate in the country of just around 5 percent.

I think it goes on to discuss the economies of Saskatchewan, Alberta and British Columbia, but this is a very recent forecast from the Toronto Dominion Bank.

The member for Brandon East (Mr. L. Evans) talked about some of the things that have assisted the economy, and, certainly, the lower Canadian dollar is part and parcel of that. It means that we have been able to expand our exports. I think of the buses that are being sold into the United States, furniture, windows and doors and the garment industry. All of those industries have been creating a lot of jobs in Manitoba and have contributed to the fact that we do have a very, very low unemployment rate in Manitoba and, in fact, more people employed than ever before. The low interest rate has also been good for economic expansion, and, hopefully, that interest rate will continue to be low so that members of the business community are prepared to take some risks to expand and to hire more people.

The member talked about the free trade policy. I know the Liberal government in Ottawa changed its mind on it, and I am pleased to see

the member for Brandon East now has a more open mind on that and is on the verge of supporting free trade, that this has been very good for Manitoba.

* (1520)

But he did get into the doom and gloom, and I would like to sort of counteract some of the statistics that he was reading into the record. I mentioned CIBC, and I point out that CIBC economists are urging provincial governments to reduce their debt loads, and the bank observes that the ratio of debt to economic output estimated for the current fiscal year varies markedly from province to province. Alberta has the lowest, and Manitoba has the second lowest at 21.5 percent.

So I think this is something that he should recognize, and I would be pleased to provide him with a copy of this because there are other provinces with debt loads that are much higher. Saskatchewan, for instance, is 28.2 percent, and, of course, Ontario's debt load is 32.7 percent. Most of that can be attributed to that four years of dismal government under Bob Rae.

Mr. L. Evans: Excuse me. I wonder if I can interject there, just for clarification. I am sorry, I did not get it.

Mr. Chairperson: The honourable member for Brandon East, on a point of clarification.

Mr. L. Evans: Yes. What is the percentage of? Is it of total spending or what is it? What is that percentage?

Mr. Gilleshammer: Yes, it is.

Mr. L. Evans: Well, it was not clear, Mr. Chairman. I am not disagreeing; I am just noting these numbers, but I did not know what the percentages pertained to.

Mr. Gilleshammer: You are correct.

Mr. Chairperson: Order, please. I cannot quite go that fast.

Mr. Gilleshammer: Thank you, Mr. Chairman, for restoring order. The CIBC looks at the debt ratio of all the provincial governments and notes

that Alberta and Manitoba have the lowest debt ratio to their expenditures.

Mr. L. Evans: Is this interest on the debt? It is interest on the debt, is it not?

Mr. Gilleshammer: Mr. Chairman, you are losing control here.

Mr. Chairperson: I would ask all honourable members that when they wish to speak, if they could raise their hand, I will do my very best to recognize them as soon as I can.

Mr. Gilleshammer: Thank you, Mr. Chairman. He certainly is distracting me, and I want this to be on the record here. This is the debt to GDP ratio, and we are second in the country. Again, I just want to counteract all of the doom and gloom that he put on the record a little while ago because I know many Manitobans will read this and get an incorrect picture of the province of Manitoba.

I just want to know that the Investment Dealers Association in their analysis, Nesbitt Burns in their budget analysis, CIBC Wood Gundy, the Conference Board of Canada, all had high praise for the budget and for the economy in Manitoba. As I indicated publicly not too long ago, we do value third-party endorsements and analysis, if they are independent. You know, most of the ones have indicated that the Manitoba economy is doing very well. I am being encouraged maybe to cut this a little shorter and get into the discussion, but the analysis that has been provided by these independent observers is very positive, and I would endeavour to get my staff to get copies of this for the member for Brandon East so that he can have a closer look at it.

He also talked about the payment on the debt and I think is a supporter now of paying down the debt a little bit every year. We have embarked on a 30-year program, and now we can indicate in 27 years that that debt will be repaid. I think it is a tribute again to our staff and government policies that we have the discipline to continue on this plan.

The member for Brandon East felt that we had made reductions in the budget. I would

point out to him that our top priorities are health, education and services to families, and in this last budget—and again, I have not had the opportunity to thank him for supporting it and standing in his place and voting for it along with the member for Elmwood (Mr. Maloway)—we did increase spending in health care by 10 percent, a total of \$194 million. I point out to him that, by far and away, the largest part of our budget is devoted to health care, 35.5 percent of our total spending. So there is a tremendous increase there, and the Minister of Health (Mr. Stefanson) has been making some announcements recently on those expenditures. Again, we thank members opposite for their support.

So with those few comments, I am prepared to move on.

Mr. Chairperson: Under the Manitoba practice, debate of Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

Before we do that, we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff present.

Mr. Gilleshammer: Joining me at the table is Kal Ruberg, the Chief Information Officer; beside him, Erroll Kavanagh, Director of Administration and Finance; and, Eric Rosenhek, Comptroller. As well, we have at the side, Dorothy Albrecht, Executive Director, Strategic Planning, Office of Information Technology; Cleo Fletcher, Director of Finance, Office of Information Technology; and, Gerry Gaudreau, Director of Disbursements and Accounting.

Mr. Chairperson: We thank the minister. We will now proceed to line 7.1.(b)(1).

Point of Order

Mr. L. Evans: There have been many departments that we have dealt with where we have had a rather global and flexible approach, allowing us to go from one section to another without necessarily going in any specific order. This accommodates certain members of the

opposition who have a particular interest in a particular aspect of the department. It simply facilitates it and, having done that, to simply pass the entire budget towards the end. This is meant to expedite and facilitate, not to obstruct.

Mr. Chairperson: Order, please. I understand what the member is saying. If all honourable members would let me get that far, we will deal with this thing very quickly.

* * *

Mr. Chairperson: We will now proceed to line 7.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$387,800 on page 71 of the Main Estimates book.

Now, is it the will of the committee to have a general discussion, and at the end of that time we will pass all the lines? [agreed]

Mr. Gilleshammer: Perhaps, as we get into this in subsequent days, if you can let me know where you want to go with your discussions, we can have the appropriate staff on hand.

* (1530)

Mr. Jim Maloway (Elmwood): I appreciate the minister's agreement on that. Actually, that is what we have been doing with Consumer and Corporate Affairs and Government Services for this year and the previous year. It also helps the minister in an effort to not have all the staff here all of the time. Right? We can kind of confine our area of questioning for an afternoon. We do not need everybody here.

I would like to begin, Mr. Chairman, by asking the minister for an outline of what is happening with the Office of Information Technology. He had, in his introductory statement, made comments to the effect that the entire project, that is the way I read his comments, had come in under budget. I was wondering if he could explain to me what the entire project entails, what dates are involved here, and what the figures are to justify the statement that the project is under budget.

Mr. Gilleshammer: Well, Mr. Chairman, the functions and activities that relate to the Office of Information Technology have been part of a

number of departments and a number of budgets over the course of the last few years. When you set out the budget, you estimate what the costs are going to be, and these costs are coming in at a lesser amount than was put into previous budgets. We are very pleased about that.

Mr. Maloway: Mr. Chairman, well, can the minister then give me what the original budgeted projection was? You should pick a date, for example, June '97, and tell us what the projection was at that time for the total cost of the project.

Mr. Gilleshammer: I am informed that at last year's Estimates, the budget line that was indicated for the two years was \$70 million and that we will be coming in under that amount.

Mr. Maloway: What does the \$70 million involve?

Mr. Gilleshammer: The basic make-up of that would be the costs for hardware, software and consulting.

Mr. Maloway: Could the minister then give me the dates which correspond to the expenditure of this \$70 million?

Mr. Gilleshammer: I am told that the project will be completed over three years and completed in probably September of the year 2000.

Mr. Maloway: Those figures are at odds with figures that I have from the Government Services department where just yesterday in Hansard, page 3567, Minister Pitura indicated that the original projections done in June of '97—so he is very specific here: "June of 1997 were estimated at \$143.1 million, plus applicable taxes over 66 months."

Could the minister confirm that Minister Pitura's figures are correct?

Mr. Gilleshammer: In the discussions that we have been having, I have been talking about the Year 2000 project, and I suspect what the member was investigating in Government Services was the desktop project, so we may, in fact, be comparing apples and oranges here.

Mr. Maloway: That is what I am trying to get to the bottom of here. What I would like to

know is what are the costs associated with the whole picture, the whole project, the complete transformation from the old computers to the new computers, the desktop project, and all of the little Y2K projects that have been going on in these various departments?

For example, Family Services was in a situation where they had contracted out some of their IT work, and now I find out yesterday that now they are coming back into the system. They are in here. The questions yesterday and today are simply this: I want to know what the original budgeted amounts were for the whole project, and when the minister answered the question about the \$70 million and I asked him specifically what did it involve, he said hardware, software and consulting.

Now, when I get an answer like that, what I read into that is the consulting means the Y2K work, and if it does not, I would like to know. So that is what I am looking for. I am looking for something where you can say, as Minister Pitura said, in 1997, June, specifically June, \$143.1 million plus taxes over 66 months. That was the budgeted amount for desktop, and that includes so much for hardware, so much for software, so much for consulting. If you want to build in a separate Y2K component, then go right ahead. In that component should include, here are the Y2K contracts that were issued for Y2K development and testing and here is the period of time they are running, here who is doing them, and what department they are working in.

That is what I am looking for. It is not just a figure from him of \$143.1 million and telling me that that is the whole ball of wax; and then 24 hours later I come in here and you tell me it is \$70 million and that is the whole ball of wax.

Mr. Gilleshammer: Well, we would certainly like to help the member get a better understanding of this. You know, when you are in the other department, and I appreciate that you were asking questions there about the desktop initiative and those are the answers you got, the expenditures that were made for desktop. Here we are talking about the Year 2000 project, and I am told that these are completely separate.

Mr. Maloway: It was never the intention yesterday to be talking about them in separate totals, but that is fine. I am happy for the clarification.

So let us deal with the individual projects. Let us deal with desktop first, if you want, then we will go to the Y2K and the software breakdowns.

I am looking for the information that would indicate how much money was originally budgeted and how much was actually spent on the desktop rollout, then on the other software expenses of the government and also Y2K projects. I do not care what kind of projects they are, whether they are just Y2K, rewriting lines of code or whether they are testing programs, whatever they are, just consider it required.

* (1540)

Mr. Gilleshammer: Clearly, the desktop initiative is a Government Services responsibility. If you have questions on desktop, then we are going to have to recall the Government Services department to deal with those. The Department of Finance has been dealing with the Y2K issue, and if you want to pursue some questions along that line, we have the staff here to respond to it.

Mr. Maloway: Well, we are still sitting in Government Services, so I can run back and forth between the two. That is not a problem. Let us deal with Y2K, lots of time. Let us deal with Y2K. How much have you spent? Are you over budget? Are you under budget? How many contracts? Where are they working? Just tell me a little bit about this.

Mr. Gilleshammer: As I had indicated, over the three years, some \$70 million had been budgeted. We are expecting to come in under budget in that area. The Y2K group has been working very diligently to meet the targets and to give assurances that the systems that we have in place in Manitoba are compliant. The reports that I receive from the staff have been very favourable, as well, other jurisdictions, including the federal government, have been working with us to use some of the expertise that has been assembled here in Manitoba to test their own knowledge and to see that their own systems are in place.

I know there has been a lot of media attention given to this issue worldwide. I think we should be pleased and proud that we have taken a very strong position on this and put resources in place to deal with Y2K. The so-called Y2K bug is potentially a problem for older computers, that is pre-1997, and programs from working. I know that in all areas of government and business, there is a major concern about this.

We have, I think, taken a very proactive stance and response to this and tried wherever possible to put in place flexible and sustainable long-term technology solutions, so that we will have a good news story and that the province will be well prepared for any of the Y2K problems that surface. We are being recognized by other third parties, the federal government; the DND, for instance, has rated Manitoba as a low risk. I think a few years ago, a lot of people did not take this very seriously, but starting in 1996 Manitoba did. We are committed to putting in place technology that will stand the test.

Within the Y2K office, we have some 65 projects that staff have been working on. We have been working with quite a number of vendors and are feeling very comfortable. I do not think anybody is going to come flat out and say that they are 100 percent sure of what is going to happen. I have read with interest comments made by Manitoba Hydro, for instance, that they have tested their systems, and they have been manually able to restart them, if that is the term. I think it is important that we give all the comfort we can to Manitobans, that we are taking it seriously, and that we are working on this. We want to put in place systems that are going to bode well for us not only as we approach the year 2000 but well into the next decade. I do not know whether the member wants to talk more about the financial outlay that we have made or whether he wants more assurances that we are doing everything in our power to see that the systems are in place, that they are going to work.

I know that I am encouraged by the fact that we are getting status reports that are quite positive, and that we have targets that we are going to meet and that we can meet. We will

give that comfort to Manitobans, that as far as the government is concerned we have done our best and done all that we can.

Mr. Maloway: The minister referenced reports. Now the deputy ministers are evidently apprised of progress on Y2K every quarter. The last meeting, I believe, was the end of May with the deputies, and I would like to know what the results were of the meetings with the deputies, whether you can provide me with a copy of the report, the last quarterly report, as to indicate whether there were any problems in any of the other departments that you are working with.

Mr. Gilleshammer: I did not bring any reports with me, Mr. Chairman, but again, the member can be reassured that we feel the projects are coming along well, and that while there is still more testing and evaluation to do, we are pleased with the progress to date. All departments have worked hard at this, and the appropriate staff and resources have been put into this project to be sure that when the year 2000 arrives that our systems will in fact be working.

Mr. Maloway: Yesterday in Government Services, while Minister Pitura did not release me a copy of the report, he did suggest I go to Finance to obtain copies, but he did actually read the contents of the quarterly report so he did not give me a copy. He read for me what the problems were and what they were doing as far as Government Services were concerned. I am here now today looking for a copy of this report. If there is nothing to hide, then give us the report. I do not see what the problem can be. We are trying to work together on this project. If there is a problem, then the public and the members of the Legislature should know that there are problems. If there are no problems, then just simply give us a copy of your quarterly report from the deputies, and we can judge for ourselves whether there are any problems in this subject.

Mr. Gilleshammer: I have indicated to my honourable friend that I did not bring any reports with me that I can share with him, but I certainly would indicate that I have to rely on the expertise of the people who have been hired and seconded and put in place, and the people who

are reviewing the evidence are satisfied. I do not intend to become an expert myself in this field but rely on the advice and information that is provided for me. Probably my honourable friend is more conversant than I am in this field, but we will give him the comfort that the people we have put in place to evaluate it are very comfortable with the results they are getting.

Mr. Maloway: If that is the case, then why would not the minister give us the copy of the last quarterly report? When we had the Minister of Government Services (Mr. Pitura) actually read or give a summary of the report that was sitting right in front of him yesterday during Estimates. It is just that for the formal release—and I could actually find you the actual Hansard, exactly what he said if you wish. I have it right here in front of me. He said just in terms of protocol that the Finance department would have to give the okay to release it, but it was certainly not a problem with him. So unless you are hiding something in some of the other departments that are a problem for you right now, clearly Government Services did not have a problem if you were to release their little portion of the report.

* (1550)

Mr. Gilleshammer: Well, I have clearly indicated that I do not have any documentation here with me today to give to the honourable member. I will provide him with information that I have and give him whatever comfort he needs. This tactic of saying if you do not give me something, you must be afraid, that sounds like a schoolyard bully or something. I do not have anything here to give you. Again, my professional staff have assured me that we are making tremendous progress in putting in place systems and programs that will stand the test, and I would ask him to share the same comfort that I have in this respect. At another meeting I will see if there is some more information I can bring with me to share with my honourable friend.

Mr. Maloway: Mr. Chairman, I do not see why the government would want to hide reports, especially if they were positive.

I do want to ask the minister, though—he mentioned 65 projects. I would like to know whether all of these projects were tendered.

Mr. Gilleshammer: They went through a tendering process that relates to the Y2K initiative that was approved by the Treasury Board. I say you have to appreciate that there were some projects that needed to be addressed in a very short term so that we could not have, for instance, a tendering process that might spread over three or four months when we needed solutions quicker than that. So the answer is, yes, according to the processes that were set up by our Treasury Board.

Mr. Maloway: I appreciate that it was certainly time sensitive, and there is probably a shortage of people out there who are available on such short notice who have the capabilities that you are looking for. Having said that though, I assume the minister is telling me that these projects were all tendered. I would like to know though, I would like a list of the projects and the values associated with each, how much money each of the projects were that were tendered, and I would like a list of who got the projects. Is there one company that got more of these projects than another?

Mr. Gilleshammer: I did not bring that information with me today, but I will see what format some of that information is in and pass that information along to my honourable friend when we next meet.

Mr. Maloway: Well, the head of the department is right here. Of the 65 projects, was there any one company that got more of a share of these than another? Are we talking about individual contracts being given out to just individual people, or are we talking about contracts being given out to large companies?

Mr. Gilleshammer: I had indicated that there were some 65 projects that had been pursued by the Office of Information Technology. I am told that within those 65 projects, there would be over 70 different vendors who were involved in the work that was done.

Mr. Maloway: Mr. Chairman, the minister mentioned that the \$70 million includes hardware, software and consulting. How much of that \$70 million would be spent on hardware? Given that we have already spent \$162 million on the desktop program, albeit that is hardware

and software, what sort of hardware was required here, and how much was spent on it specific to the Y2K?

Mr. Gilleshammer: Within government, a very small percentage of that would be spent on hardware; but in the hospital sector, there was a much higher percentage that would be spent on technology.

Mr. Maloway: Mr. Chairman, now that brings up another interesting question. Yesterday, Minister Pitura in Government Services indicated that the \$162 million that has been spent for the government is the amount for the desktop project, hardware and software, but that includes only the 17, I believe, departments of the government. It does not include the hospital authority and other Crown corporations and so on. Your Y2K totals evidently now include the WHA and the hospitals. I know that last year, I think, the head of WHA at a meeting that I was at where he was making a presentation had indicated \$20 million, or some very high number, being the figure that the hospitals were going to have to spend converting themselves over to make themselves compliant. I am trying to get a handle on that. The Government Services figure does not include the hospitals, but you are including hospitals in your Y2K totals.

Mr. Gilleshammer: That is correct.

Mr. Maloway: Mr. Chairman, so this \$70 million then includes the entire government, the hospital authorities. Is that it, or does it include some more Crown corporations and other organizations?

Mr. Gilleshammer: Yes, it includes government and the hospital authorities and the WCA, as well as, a component of contingency planning that involves other levels of government, the Crown corporations and others who would have an involvement and a concern over the Y2K issue. The contingency planning is a component that involves groups outside of government, but the Y2K work that was done is mostly within government and certainly with the RHAs and the WCA. My honourable friend can appreciate that there has been some interaction in terms of contingency planning with the Crowns, with

other levels of government, with the RCMP, with DND, to offer sort of an overall picture of where we are.

Mr. Maloway: Mr. Chairman, and I assume you are looking beyond just the government here. We have the Securities Commission requiring the companies to file. As a matter of fact, just around June 16, we were in Consumer and Corporate Affairs Estimates and I believe the head of the Securities Commission at that time indicated that the quarterly filings required by the companies had just been, you know, with the 15th of June, it had just come in the day before. We have the PUB asking for Y2K reportings; we have the Stock Exchange in Toronto asking as a requirement of the companies that they provide reportings, so the question is: is your department in any way involved with these other bodies as far as their Y2K activities are concerned?

Mr. Gilleshammer: Yes.

Mr. Maloway: Yes, what? Are you requiring them to report to you on a quarterly basis, is it a monthly basis? Is it a verbal report? Is it a written report? Just what is the nature of the involvement?

Mr. Gilleshammer: I am told there is some substantial interaction going on and that they indicate their status on a quarterly basis.

* (1600)

Mr. Maloway: Have there been meetings with the federal Y2K co-ordinator? He was in town here last year and seeking to meet with people in the government, government ministers or anybody who wanted to meet with him.

Mr. Gilleshammer: Yes.

Mr. Maloway: Yes, what? Are they monthly meetings? Are they over the phone? Are they video conference? Just what is the nature of these contacts with the federal Y2K people?

Mr. Gilleshammer: Yes, it is a combination of all of the things that my honourable friend has mentioned and a number of these meetings occur in Ottawa. [interjection] I am sorry. I can repeat

that for my honourable friend, that all of the manners of interaction that the member mentioned are part and parcel of the relationship from the national level. There is frequent interaction and a lot of the meetings occur in Ottawa, as the federal government requires and is interested in knowing how all the jurisdictions are doing.

I am told by a number of my staff that Manitoba has been used as a very positive example of some of the activities that are going on here, and I know that staff have been doing a lot of travelling to other jurisdictions, as my honourable friend can appreciate it has become a very, very important issue as we move into the second half of 1999. I think there has been a good deal of co-operation and sharing of information, not only nationally but also internationally and that a number of the staff from the CIO's office have been recognized for their contribution and sharing of information that we have the benefit of here in Manitoba.

Mr. Maloway: Has the department had any contact with the municipalities to try to determine the extent of possible exposure as far as municipalities are concerned? There has been speculation in some parts of the United States that perhaps traffic lights may not work well, sewage plants, pumps and so on and the like may not work well and that there could be a major exposure in this area, especially in the area of the imbedded chips. I would like to know whether any meetings and activities are going on with the municipalities of Manitoba.

Mr. Gilleshammer: I am told that there have been meetings with the City of Winnipeg, also other councils who have an interest in this. My honourable friend can appreciate that there is a wide difference between the levels of services that are provided by municipalities. We have some municipalities with 400 and 500 citizens in them that do not have traffic lights to worry about or sewage lagoons. On the other hand, we do have major centres where they too have been taking this issue seriously and who have been part of ongoing discussions around this issue, and wherever possible they have been included in discussions with those who are involved with the Year 2000 project.

Maybe I will also take the opportunity to invite the assistant deputy minister for this Y2K project, Colin McMichael, to the front here and have him have the opportunity to make a contribution as well, as we are weathering this barrage of questions from my honourable friend.

Mr. Maloway: Before we go on to more questions, I would like to though confirm the costs then of the entire effort here. We have \$70 million in Y2K efforts dealing with the government and the hospitals; we have \$162 million in Government Services for the desktop initiative, and I must point out that the desktop initiative is \$18.9 million over budget. So what we have in total is \$232 million being put out so far in this effort. Those are the figures that I am working with right now.

Mr. Gilleshammer: Well, I am pleased that my honourable friend is able to attend so many committees. I know I was in here the other day when Consumer and Corporate Affairs was on, and I hear that he was in Government Services the other day, so if he wants to pursue those efforts in Government Services on the desktop initiative that is fine and good. We, in our department, are responsible for the Y2K, and that is the issue that we are dealing with and indicated that over I believe a period of three years, three budgets, there was upwards of \$70 million designated for this project, and at the present time it appears that we are going to be able to live within that budget. If there are questions he wants to pursue on the desktop, I would urge him to do that with Minister Pitura, and we will try and concentrate here on the Y2K issue.

I know that, as a government, we have taken it very seriously, and our staff have, and I suspect the member for Elmwood also sees this as important work.

Mr. Maloway: Well, you know, over the last couple of years I find it quite interesting that when I get into Minister Pitura's department, the same people who are involved in this whole exercise say, well, do not ask me the questions, go see the Finance department. You go to the Finance department, they say: oh, no, go back to see Minister Pitura. I know what it is. It is just the peas and under the shell. The government

sees an election coming up in the next couple of months, and it is concerned about its political hide at this point.

I do not think the minister would appreciate the fact that this government is \$18.9 million over on the desktop project. The minister, as the Minister of Finance for the Province of Manitoba, is responsible for the direction of this government. So for him to say, well, I should go back to ask the Government Services minister about his overexpenditure here of \$18.9 million when I have already asked him about it is ridiculous. We are in the Finance Estimates right now, and I am asking the minister to explain why it is that that project would be \$18.9 million over budget.

Mr. Gilleshammer: Well, in the government Estimates that are brought forth as part of the budget, which my honourable friend was good enough to support this year, they are Estimates of Expenditure. It does trouble me when we have overexpenditures because we do have balanced budget legislation that we try to live within. I know my honourable friend has not been a supporter of balanced budgets. At least he was not when he made his speech on that in the House. I know his party historically has talked about the great advantages of running deficits because deficits stimulate the economy. So his positions are often confusing.

* (1610)

Having said that, we do try to live within our balanced budget and the budget that is tabled at the beginning of the year. During the course of the year, sometimes there are expenditures that come forward that we approve that are over and above the budget, but fortunately, as the member for Brandon East (Mr. L. Evans) and I were talking about before, we have had a very buoyant economy where the government revenues have exceeded our estimates, and we have been able to accommodate those expenditures from within, because we know that members opposite do not like us to run too big a surplus or have a stabilization fund which is too large because they have opposed that as well.

Again, I stress that the Estimates are brought forward at the beginning of the year. We do

encourage departments to stay within those budget lines. From time to time in every department there are overexpenditures that may be because of the flood of the century, or it may this year be because of the serious water conditions in the western portion of the province.

I recall when we first came to government, we had a serious forest fire situation in the North. We had to spend money we did not have at that time simply to do our best to put out those fires. In health care this last year, we had to provide, I think it was, close to \$110 million to that department to accommodate expenditures in health care but still live within our balanced budget. We were able to do that.

If the member wants to get into other departments—I know he has made a valiant effort at this over the last number of weeks to make a contribution in as many places as he can, but, you know, we agreed at the beginning to not go line by line but to have a more wide-ranging discussion so that the member could ask questions on our budget.

I have to say that I am not prepared to get into dealing with questions, the answers which are contained within the budgets of other departments. I would encourage him to go there for those answers and just deal with the expenditures that we are responsible for here.

Mr. Maloway: Mr. Chairman, well, I can appreciate that the minister would like to pass the buck. I mean, \$18.9 million may not be a lot for him, but I think the people of Manitoba would be very concerned if the government estimates \$143.1 million in June of '97 and all of a sudden they find out they are \$18.9 million over budget. I would expect the minister to come clean and recognize the fact and promise to do better in the future, but I guess that is not to be the case.

In terms of his allegations about balanced budget legislation, I want the minister to know at the outset that I favour surplus budgets and always have favoured them I can tell you over the years. I am not a big fan of financial mismanagement, and whether I find it in this government or any other government, I think it is important to point it out.

As a matter of fact, a number of years ago we looked at whistle-blower legislation, and perhaps, had we had that kind of legislation in effect many years ago, we might not have been in the same position that we find ourselves today. So maybe the government should take our advice and pass some whistle-blower legislation. I am trying to help the minister out here. Just because the department overspends \$18.9 million, there is no reason to get really defensive and try to hide under the table and pass it back to say, oh, well, you know it is Frank's problem, right. He is the one who lost all the money and overspent. I would have expected the minister to take responsibility for it.

But let us get and deal with some of the micro questions in this department then, because the expertise is all here at the table today, and I want to get some of these questions done. I would like a list or some sort of indication as to how thorough you have been and what classifications of equipment you have been looking at. I know you have been looking at elevators and you have been looking at VCRs, and I think you are looking at the security system here at the Legislature.

I would like basically an update as to how many classifications of equipment you have looked at, what is your opinion of where we are in terms of the state of readiness. I do not imagine you have been down any mine shafts lately looking at the mining equipment and stuff like that, but if you have been tell me. It would be nice to know.

Mr. Gilleshammer: Well, I am very interested in my honourable friend's comments. He must have been either a total outcast in the 1980s compared to the rest of his colleagues or a shining light in that dismal crew. I do not want to have to read back to him his comments on the balanced budget legislation, which I recall were anything but positive, but it is probably the remake of today's NDP that they are changing.

Mr. David Faurschou, Acting Chairperson, in the Chair

We have looked at equipment used across government, and we have made every effort to deal with all of the issues that would have some

relevance to the Y2K project. It started with an inventory of all of the functions and equipment within government, and there were efforts put forth to classify the level of importance and then to determine how to remedy any of the systems that had some shortcomings. I think we are well on our way to completing the work and will be able to say with some degree of confidence that the responsibilities we have for Y2K in government have been taken care of.

Mr. Maloway: I do not think the minister is providing us a whole lot of information here. Just basically, he is asking us to believe him that the system is not going to collapse next January 1, but I do not know that that gives us a lot of comfort. We want to know specifically what sort of equipment have you been looking at. You have looked at the card system here at the Legislature; you are replacing that, yes or no? I believe you are. I am assuming you have looked at the inventory, the government's elevator system, its electronic equipment. You have gone beyond, I believe—up until a year ago, there was not a big concern about embedded chips. All of a sudden the intelligencia of this business found out that the embedded chips were a big issue, and all of a sudden there was a rush there.

* (1620)

Last year, when I was before this committee, I asked you what you were going to do with the old computers, and you said you were going to send them to the schools, and I thought that was a wonderful idea. Before you were going to send them to the schools, you were going to use them for the Pan Am Games, and I thought that was an even more wonderful idea. Then, what happens when I asked the question yesterday: what happened? They said, well, surprise, surprise, when we tried to give the equipment to the Pan Am Games, we found out that they had an internal requirement that the equipment be consistent throughout, so that idea did not go through. So then what did we do? Well, we found out that we were going to have equipment that was set aside for Family Services, and we did not need that until November, so we were going to use that for the Pan Am Games.

It sounds to me like this is kind of a hit-and-miss sort of approach here, that you guys have

one plan on Monday, and then that does not work out so well, so you go to Plan B on Tuesday and then Plan C on Wednesday. I mean I am sure there are reasons why you are doing what you are doing, but at least try to explain it a little bit.

Mr. Gilleshammer: The member wanted some more specific answers, and I am, of course, pleased to provide him with that. With the elevators that are being used within government buildings, I am told that there are no issues. With security systems, which include the Legislative Building and our other locked institutions, there were some minor fixes, and these have been taken care of. With highway traffic signals, I am told there is no issue and with railway crossings, I am told that there was no issue. So these are some examples of some of the systems and some of the hardware that has been evaluated by folks working within this unit.

Mr. Maloway: Could the minister make a comment about the issue of the medical equipment?

Mr. Gilleshammer: Mr. Chairman, the member asked a very, I think, important question about medical equipment and medical devices, and certainly this is an area that would be on the minds of many Manitobans as we see the tremendous growth of technology in the medical field. A lot of that appears to be very high tech. I am told that there were in excess of 33,000 pieces of equipment that would be inventoried and with just over a thousand of those that there were some issues. Over half of them have been fixed. The ones with issues were about 3 percent of the total number of appliances that were inventoried. All are being tested and all will be remedied by the end of July.

Mr. Maloway: Mr. Chairman, one of the most interesting Y2K solutions that I encountered, and I may have read it in the last couple of months or it may have been on the radio, but the government of China, who are concerned about Y2K with regard to their airline industry, passed some regulations that, effective January 1, all of the CEOs and board of directors and so on of the airlines have to be in the air. So the Chinese government is pretty sure that those airplanes are going to be Y2K compliant on January 1. Does the minister have any plans for January 1

personally that would guarantee that this is going to—I asked one of the chairmen of one of the Crown corporations last year whether he would promise to resign if the system fell apart January 1. That is certainly putting yourself on the line, I know.

Mr. Gilleshammer: Well, you know, Christmas and New Year is a time we like to get together with family and friends. We try to do that every year. We have not made any plans as yet, but that family gathering may be in Manitoba, but it may be elsewhere as well. I would be pleased to share that with my honourable friend when we make those final arrangements.

Mr. Maloway: In the throne speech, I believe the government promised to reduce the size of the government or the size of the civil service by I believe 10 percent over the next five years. I am just from memory now. I believe those were the figures that were used. Just how does he plan to achieve that?

Mr. Gilleshammer: The throne speech did reference that government may become smaller in the future, and I believe 10 percent was the figure that was used. I am also told that over the next five years probably upwards of a quarter of the government staff will be eligible for retirement, so there are possibilities that government going into the future will become smaller. Part of the reason for that, I suppose, is that there has been a lot of technological change occurring over the last decade. If things can be done better and more efficiently, there are possibilities there, but I share the view of the member for Brandon East (Mr. L. Evans) that we have a very highly skilled, trained staff and that any downsizing of government has to be done, I think, with a lot of planning and a lot of consideration for the institutional knowledge that is encompassed within staff and be done in an appropriate way.

The member referenced some of his thoughts and experiences when he served in government in the 1980s. Governments all over the world, I think, have become smaller since those days. Some of it is due to technology, and maybe some of the changes are done because society sees more efficiency and competitiveness as being important in terms of the economy. But government is no longer viewed as the place that

should be there to provide employment for people but rather that there is efficient and effective use of the people that are there.

Mr. Maloway: I thank the minister for that comment. I would like to ask him: what role does he see e-commerce playing in this reduction of the government?

Mr. Gilleshammer: Well, certainly government, I think, is changing with the technology that is available, and it is incumbent on government to make, I think, an investment in technology that will provide better services to our citizens and provide better programs that departments were created to perform.

* (1630)

Mr. Maloway: The department's Office of Information Technology, I suspect, has got studies on e-commerce possibilities. I would like to know just what studies you have at this point.

Mr. Gilleshammer: I am told that this unit of our government has looked at the Gartner Group studies, work done by, I am told, the Giga Group, as well as the Hackett Benchmarking. I suppose if the member wants some further information on that, we could perhaps send that along at a subsequent date.

Mr. Maloway: I have to quit referencing one of my ex-ministers of Consumer and Corporate Affairs who I thought did a very good job while he was there, by the way. I give him lots of praise, but the one area where he fell down was certainly in providing information.

Last year in Estimates, in June, he promised a pile of information, and I got it January 6, six months later. So I am a little leery about promises from this government about future delivery of information, because there is an election coming, and I would expect it would be very easy for the minister to tell me he is going to provide information, then I will get it year 2000 or later.

Having said that, I would ask the minister if it is possible that I could get copies of these three studies that he referenced.

Mr. Gilleshammer: I hate to see my honourable friend bad-mouthing somebody that is not here. If he has had an unfortunate experience in the past, that is too bad. But I will endeavour to see what information we have that we can provide for the member.

Mr. Maloway: Mr. Chairman, it is good to see that the government is studying the area, but I would like to know specifically what ideas, what areas is the government looking at in terms of e-commerce? Feel free to take some time and kind of explain this a little more fully than you have with some of the other answers.

Mr. Gilleshammer: Well, I always want to help my honourable friend understand things better. I balance that with having to do his research for him, but I have indicated that, in terms of technology and future directions, it is difficult to be too explicit at this time exactly where we are going to be five and 10 years down the road because technology is changing very rapidly. I think it is incumbent upon government to keep current. I think we have shown, with the investments we have made across government, that we are prepared to do that.

Mr. Maloway: I would like to know what stage we are at right now. I would expect that the government, if it is not doing so right now, will soon be doing a form of e-commerce as between one department and another. For example, Government Services may provide products to certain parts of the government. The ordering process comes through Government Services. I would expect that procedure probably right now is done on an e-commerce basis. If it is not, then let me know that it is not.

Mr. Gilleshammer: I am told that the Y2K tendering, for instance, was done on the Web, and that Natural Resources is currently working on a proposal that they will be further developing in the near future. So there is some work being done in that area that I think we all need a little time to put in place and to evaluate. But if you are saying that government is going to, more and more, use the technology that is out there that is used by business and industry, I think you are right. Are we going to be a leader? That is difficult to say.

I think, at the present time, we, in this particular unit, have been concerned with any of the remediation that has to be done to systems and technology within the Y2K project. After we get past this period of time, I think government will have the opportunity to explore where it wants to go next in the whole area of technology.

Mr. Maloway: Mr. Chairman, so is the minister saying that outside of those two examples that he has referenced, there is no e-commerce currently going on in the government as between one department and another?

Mr. Gilleshammer: Mr. Chairman, those were two examples that came to mind. I think we are sort of at the front end of some developments and discussions that are going on across government, which maybe it is a little too early to talk about in terms of their status and their potential.

Mr. Maloway: Surely the minister can tell me what the general area or areas are that we are looking at. I mean specifically, what is the department looking at doing in the e-commerce area as between one department and another? He has referenced some areas that they are looking at, but he has not given us the list of what they are.

Mr. Gilleshammer: Well, there is a limited amount of ability between departments, I think, to develop systems on an e-commerce basis, but I think the potential, for instance, within our SOAs is there. Again, if you have an opportunity at the committee stage to have a discussion with some of them, you can pursue some information from the SOAs, but these were the two that came to mind. Again, there is a limited opportunity, I think, for departments to interact on an e-commerce basis.

* (1640)

Mr. Maloway: Well, you know, Finance deals with the special operating agency's financing authority, so which SOAs is he referring to here that are exploring e-commerce opportunities?

Mr. Gilleshammer: I think some of the SOAs report to other departments, but the potential is there for them when they interact, not only

within government, but also within the public domain. Again, there is a very limited ability between departments to use that technology.

Mr. Maloway: Well, then let us take that one step further then. Let us deal with the public. What sort of activity and which SOAs could transact business on an e-commerce basis with the public? Which ones is he looking at right now? What exactly will they be selling?

Mr. Gilleshammer: Probably the best example that I could give you, and I tell you that a lot of this is in the formative stage and has not been fully developed yet, but there is an initiative within Natural Resources dealing with providing maps to the general public. Again, it is in the very early stages of development. So if the member is really saying are we going to be in a position to take advantage of technology going into the future, I would say, yes. Are there a lot of hard examples today of this happening? There are not, but I think staff within government, and particularly those who work with technology, it is going to be incumbent upon them to be as conversant as possible with the opportunities that may exist there.

Mr. Maloway: Can the minister then tell us what company is involved with the Natural Resources' possibility of selling maps over the net?

Mr. Gilleshammer: I do not have that information at my fingertips, but I can get it for him. There are opportunities there to provide some information for Manitobans, and I will get that information for him.

Mr. Maloway: I would expect that after you have spent \$162 million on a desktop computer system, that would be a logical step. I do not think I am leading you anywhere. I think you are already there and you are moving ahead; you are just not telling me how far you are. My guess is that there are a lot of proposals on the table. My guess is there are a lot of long-range plans, some of which may work out, some of which may not work out. [interjection] The member for the Gladstone constituency has pointed out there is an election coming and this government does not want to come up with too many new ideas. They want to save them for

election time. They would not want the opposition stealing any good ideas that they might have, and I would say after 11 years, they have pretty well run out of ideas. At this point they are looking pretty old and tired these days. I think they are looking for a rest.

Anyway, I do want to get to the bottom of this. I want to know just exactly where are we headed with e-commerce. You know, the minister prides himself on saying that this province has been at the forefront of Y2K. I sort of recognize that. I am not 100 percent sure of that, but I think if you are not at the forefront, you are very close to being at the forefront.

It is just logical that if you are spending this \$162 million on computers, it is only just a step from there to be looking at e-commerce. People are looking at Amazon.com and all these other companies that have become highfliers. I am sure the minister and his government are looking to move there as well.

They have a throne speech. They announced a 10 percent reduction in the government. It is not a huge surprise that. You know, how are you going to reduce the civil service by 10 percent over five years if you are not replacing some of those functions with e-commerce? For example, the minister referenced SOAs, but if you have, in the Department of Consumer and Corporate Affairs, people renewing their licence—you name the type of licence—I am sure it is technologically possible for somebody to go on the Net and give their credit card, and they do not have to drive downtown to Land Titles registry or whatever and get their registration done. Then you look federally, and you see that Minister Manley has brought in legislation on the electronic signature, and there you go. Once you have the potential for giving electronic signatures, then you can give your credit card, and you can do a lot of business just directly on the Net.

I know these people are over there. These are high-priced staff you have got here. They are working on these ideas. I just want you to tell me what they are working on.

The Acting Chairperson (Mr. Faurchou): Before I recognize the honourable minister, I

just want to remind members of the committee that relevancy of the commentary to which we are discussing at this point in time. Remarks should be pertinent to the questions that are relevant to the committee.

Mr. Gilleshammer: Thank you, Mr. Chairman, for bringing him to order because I did think he was wandering all over the place.

Mr. Chairperson in the Chair

The member is really drawing a long bow and drawing conclusions that he should not. We are here at the request of the opposition to talk about the Y2K unit within government. Yes, I do believe I have spoken well about their efforts and indicated that I am comfortable with the direction we have gone. I really think that is where we should be concentrating. If the member is saying government should not be technologically up to date, I think he is wrong. We have to use the technology that is out there. He is suggesting that government is going to compete with private business. I do not believe that that is the case.

Government in my mind has a very limited role in terms of its activities. Certainly as a government we believe in smaller government, more efficient government. My honourable friend represents a party that believes that government should be doing all things for all people. All I have said is that, as we move forward, we should explore whatever abilities we have to use technology to do what government does for the people of Manitoba. His great leap that government is going to take on new responsibilities and new directions is simply wrong.

Mr. Maloway: I mean, if the minister simply reads the description of his Office of Information Technology and what they are supposed to be doing, it is not a great leap to conclude that they are involved. They make a lot of vague statements about what it is they do over there. You do not really have to read between the lines. They say they work with business owners to maximize the business value of IT and all sorts of other statements as to what they are doing. It is no secret that probably governments all over the place are looking at various forms of e-

commerce, and my guess is that they will work within the various departments initially.

As I indicated earlier, they will look at, say, Government Services, and if Government Services is providing products to other departments, it is only logical that with the \$162-million, \$18.9-million-over-budget, brand-new computer system, that one will want, the government will want to get maximum usage out of that equipment. So it is logical that department A will be ordering its supplies from department B over the Internet. What is so complicated about that? That is probably something you would be doing already. You can argue that you want to wait until the year 2000 to start doing that. I can understand that. You have got other things to chase down right now on the Y2K issue. I can understand that. Surely that is what you will be doing. A step from that will be providing services to the public as a form of e-commerce.

* (1650)

As soon as the legislation is in place allowing for the electronic signature, the legality of the electronic signature, legislation may be passed right now, as far as I know. It know it was introduced this spring in Ottawa. Once that happens and the critical mass is in place, then what you are going to see is governments and businesses right across the country, as they have been moving over the last couple of years to an e-commerce environment, are going to be overcoming the problems associated with it and moving ahead.

The government invested \$1.2 million a couple of years ago in an ill-fated Internet shopping mall. It turned out to be a disaster for other reasons, not because the idea was not good. The ManGlobe project, the minister will recall how that disaster unfolded, was a brain-child of his government and some others in the business.

But the fact of the matter is that there was an independent, private company right here in Winnipeg that was operating a private Internet mall without a cent of government money. It is just that the one they got mixed up in was run by political friends and acquaintances and cost the public a bunch of money. But right in that

exercise, the minister will know that while that project was a failure, there were other successful projects going on at that time, and he knows that that is basically where things are moving at this point.

So clearly with all this great fanfare of this Office of Information Technology, surely there would be some information, some more concrete information that the minister can provide us as to what this government is planning to do in the area of e-commerce. There have got to be more concrete examples than what he is telling us here with a little project in Natural Resources, especially since the government is touting all its new websites and the fact that it is moving ahead with technology. So there has got to be more to this.

Would the minister give us a better explanation of how he sees e-commerce developing over the next year as between the government and the public?

Mr. Gilleshammer: The member is saying: can you look into the future and indicate what technology it is going to be doing in five or ten years from now? I find that very difficult to do. The government does involve itself with the public and always has.

I know last night I was at a meeting in Brandon where the Department of Agriculture was there to talk about agricultural conditions in the Westman area. Historically, farmers, producers have relied on government for information and technology. There have been staff right across the province who have assisted producers in helping them to examine their herd, make decisions on whether they should expand or not, giving them advice on what to plant, what chemicals to use. I think that is going to continue, although certainly chemical companies, fertilizer companies are developing their own expertise and giving that same advice. Now, there is that competition which has existed for the last two decades whether producers out there access that information from one source or another, but government has historically been there for those people and provided the best historical advice that they possibly can. So, you know, the member is asking: what does the future hold? It is difficult to say in terms of

technology. In fact, there are old stories about producers waiting for some government rep to tell them what to plant. Then they would do the opposite and they were right more often. The reliance on government has been there by members of the public for a long time.

You have a Department of Natural Resources which has been in the business of selling camping spots and hunting licences and that for a long time. If the member is suggesting that should be done by other sources, I am not sure where he is going with this. Other departments like Highways have been responsible for selling registrations and driver's licences and that sort of things. If technology is going to change that for the better, then so be it. I am not sure where the member is coming from, but maybe he wants to remain in the past where technology is not used and you can have scores of people doing that work that technology can do much faster. He might be like his colleague from Transcona (Mr. Reid) and long for the steam engine to come back because it provided so many jobs on the railway, but that is probably not where technology is going. It is incumbent on government, I think, to look at opportunities to use technology to provide the traditional services that they had for the public.

Mr. Maloway: Since desktop computers, small computers, have come in since about '82, '83, around there, people have been talking about paperless offices, right? What a joke. We have more paper than we ever had before. We have computers coming out our ears and we have more paper. Page 50 of the Finance department annual report talks about reduced paperwork. By now, with all the equipment we are buying and so on, we really should be.

Some of the companies, I think insurance companies, claim to be paper-free at this point. I think Dell Computer, with their new on-line buying system for computers, claims to be a virtual company or they claim to be paper-free. The entire company, right, is like that. I do not know whether the minister has read up on some of the books on this area, but that is certainly what is happening in business. Some companies are basically turning themselves into virtual companies, are getting rid of the bricks and the mortar element of the buildings involved in the

company, and they basically just exist on the Internet. They are becoming, well, supposedly they are paper-free.

I would like to ask the minister just what this government is doing to cut the carnage of killing the trees and so on and getting to a paperless government.

* (1700)

Mr. Gilleshammer: Well, that is certainly a change that is happening. When I go to the bank, I still like to talk to a real person, you know, just visit with them.

An Honourable Member: That is the steam-engine approach.

Mr. Gilleshammer: No, no. I do recognize that things are changing there and that you can access your bank account from foreign lands and that sort of thing. But we have a saying in government that it takes time, and it is going to take time for us to probably use less paper. But I expect that when we are in our next mandate and the one following that, probably we will use less and less paper as time goes on, but, you know, old habits die hard and we still produce a lot of paper.

Of course, the technology of the machines we have now, they just keep on producing it, but in our lifetime, I think you will see a reduction in paper. It is not something that I think governments can mandate.

Mr. Maloway: But the fact of the matter is the government is using more paper. Companies are using more paper than before, so what steps is this IT department taking to reduce the amount of paper? Let me give you an idea here. I mean, it is an old idea. The companies have been looking at storing documents, you know, scanning in your documents and storing them on the hard drive of the computers. What have you been doing in that area?

You bought a bunch of equipment last year and a bunch of servers. Presumably, you are looking into this idea of not producing so many documents and being able to transfer the documents electronically between one desk and

another and not having to print out hard copies every time you turn around.

So, presumably, you can point to some significant reduction in the use of paper, say, 10 percent, 20 percent, and if you cannot, then you should have some kind of plans to reduce the amount of paper you buy and use.

Mr. Gilleshammer: I wonder if my honourable friend could table his research on the use of paper. He has made the comment that we are using more and more paper. I am not sure he is right, but I know that he has a huge research arm within caucus there and that he would not come here saying those things if it was not true. I wondered if there is more than one study or it is something he could share with us and I could maybe share with my colleagues.

Mr. Maloway: Well, first of all, I am supposed to be asking the questions, and I am asking the minister. If he does not have any plans, then he is in worse shape than I thought. Clearly, this department, this Office of Information Technology, must have some kind of an idea.

Look, the government has overspent by \$18.9 million bringing in these desktop computers, these 7,000-plus computers. Now, clearly, there has to be some savings. They had to do it because of Y2K concerns. I understand that. It is nice to have nice, new computers, but, you know, these computers have to do something, right?

Now, he says they are not doing Internet commerce, right, so they are not doing that. So the question is what are they doing? Are they at least saving us some paper?

Mr. Gilleshammer: Had I known the member was going to go in this direction, I could have brought—

An Honourable Member: We can do it tomorrow.

Mr. Gilleshammer: We can do it tomorrow, okay. We have the ManDocs initiative, which is an initiative to have documents available by computer, and I would be pleased to bring some

more information for the member at our next sitting.

Mr. Maloway: Does the minister have any ideas as to how much of a reduction in paper this ManDocs project will accomplish?

Mr. Gilleshammer: The thing that we are going to measure as we get into this initiative is the savings on the process side, and that is the area that we are primarily concerned with.

Mr. Maloway: Let us deal with voice recognition. Last year the minister will recall that I believe the judges of Manitoba, or maybe it was Saskatchewan—I read it in *Lawyers Weekly* anyway, and I thought it was Manitoba judges, but it may have been Saskatchewan judges and certainly Dave Primmer was there when I asked the question. I asked whether a similar investigation or program might be developed in Manitoba using the various voice recognition programs that were currently on the market, and of course, it is one year later and there are even better programs out.

VIA Voice is one, and Dragon Systems has had a system out that is pretty good for a couple of years now. They have several versions. I know when I was in Las Vegas last November at the Comdex show, there were a couple more programs out that were giving them a run for their money, so this is certainly a developing area. Certainly you think of the judges, that is a fairly good use of voice recognition because they do a lot of letters and stuff like that. There would certainly be a use for that kind of system there, but certainly in government there have to be a lot of applications for voice recognition applications. I would like to know just what has happened in the 12 months since we were last talking about that subject.

Mr. Gilleshammer: I know it is a subject that I have not had the pleasure of discussing with the honourable member in the past, but I am informed that this is reasonably new technology which is being tried in some jurisdictions. The judgment made by staff in Manitoba at this point is that it is not reliable enough in terms of security to be used at this particular time.

Mr. Maloway: Is the minister saying at this point that including the judges that there are no voice recognition packages in the possession of the Manitoba government?

Mr. Gilleshammer: Our people that work with this technology are reviewing it and working with it, but, as I indicated, the judgment at this time is that it is not reliable enough to be widely used.

Mr. Maloway: That is what you said last year too, so I do not know when—

Point of Order

Mr. Gilleshammer: I indicated before I started my answer that you and I have never had this discussion before, and I would ask the member to withdraw that.

Mr. Maloway: We dealt with this matter last year with the government in Government Services. I presume that the departments do communicate, although maybe I presume too much here. I know that all roads go back to this department here, the Information Technology unit. You are pretending you do not know what is going on, but that is not true. Everyone else turns you in. Every department I go to, they say: oh, we know nothing; you have to go to Finance because they are the organ grinder. They tell us what to do and when to do it. We do not do anything without their say-so. Then I come here and you pretend you do not know what is going on. It is not us, you have got to go see Consumer and Corporate Affairs, they are the Mr. Big in the outfit now. Give me a break. I know that this department runs the show and you guys have the answers. I can go to all the other 17 departments I want and they are going to tell me the same thing: go back to Finance.

Mr. Chairperson: Order, please. I think I have to make a ruling on this. The minister does not have a point of order. It is a dispute over the facts. But I do have to say that I do recollect that the minister did in fact say that—anyway, it is not a point of order.

* * *

* (1710)

Mr. Chairperson: I would offer it now to the member for Elmwood.

Mr. Maloway: I would like the minister to give us an update as to what is happening. Has he had any requests from departments interested in the voice recognition software? Just exactly what is going on with that area right now? It is not sufficient to just say, well, we will take a look at it, because they will say that every year.

Mr. Gilleshammer: As I have indicated, there was some interest in the voice recognition technology. It has been examined and evaluated by the Office of Information Technology. The judgment at this time has been that it is not reliable enough to pursue. Not to say that in the future the technology will be developed and changed to the extent that it could be used. Our judgment at this time is it is not appropriate and we are not pursuing it.

Mr. Maloway: I wanted to deal with the whole area of the Y2K compliance warranties that are provided. For example, a couple of years ago I talked to Gateway Computer, about June of two years ago now, and they assured me over the phone that they had spent millions retooling their plant and their products were Y2K compliant. When I asked them for a guarantee, they went out of their way to avoid the guarantee. They would not provide it, right?

At the end of the day I think I had to write it myself on the invoice and fax it off to them and have them initial it or do something like that, but they just would not put anything in writing. I recognize that that is a problem out there, that people do not want warranty that. So I would like to know what warranties, what guarantees do you have in these 65 Y2K contracts that you have out right now? What guarantees? If the thing does not work, then what financial guarantees have you exacted out of the people providing the services?

Mr. Gilleshammer: My honourable friend can appreciate this is an area that I expect there is some uncertainty. We do have a warranty on equipment to March of the year 2000, and we do have a guarantee of compliance to our definition. It is the same as the federal government and other provinces have. I gather that the guarantees

and warranties that we are able to acquire are industry norms that other levels of government and other governments have also been able to acquire, but I do say it is an area of some degree of uncertainty where everybody wants to say: can you give me 100 percent guarantee that this is right or that this is not going to fail?

I do not think it is there, but we have engaged, I think, the best people to overview our systems. I am certainly convinced that we are as well positioned as any government in Canada to deal with the issues.

Mr. Maloway: I wonder if the minister could read me the wording of his warranty? He says it is a standard warranty. It is in his 65 contracts. Could you read me a copy? I assume you have a copy there.

Mr. Gilleshammer: We do not have anything with us today, but I will endeavour to get that information for my honourable friend.

Mr. Maloway: So the minister is getting a copy of the wording of the warranty. I would appreciate that, because there is some wording out there I imagine that are better than others. What I would like also is to know what penalties you built into these 65 contracts. First of all, was it a standard contract did you have for the 65, or did you have different types of contracts and different sorts of penalties?

Mr. Gilleshammer: I am told that the information my honourable friend is looking for is on the web at www.y2k.gov.mb.ca/. You would be able to access all of that information the next time you sit down and check the website.

Mr. Maloway: That wording that one could obtain at that website, is he saying that is wording that is in all 65 contracts?

Mr. Gilleshammer: Yes.

Mr. Maloway: I would like to know what the penalties are in each of these contracts?

Mr. Gilleshammer: I am told that the warranty is in place till March 31, the year 2000, to fix or replace at their cost.

Mr. Maloway: At least there was a penalty clause put in each? A consistent penalty clause, or did it vary with the contract?

Mr. Gilleshammer: I am told that it is a standard contract.

* (1720)

Mr. Maloway: Without seeing the warranty I cannot really make a judgment, but I have a copy of a warranty here that was indicated in an article, and the warranty was criticized by the author. Essentially, the problem with the standard—I guess this was a standard warranty, but they were suggesting that the warranty only covered or basically indicated that that one appliance was Y2K compatible, but that it would not have any warranty in effect for how it interacted with other pieces of machinery. That is what I am wondering about, is whether that warranty they included in the contract deals with how the device interacts with others along the chain.

Mr. Gilleshammer: I am told we have both. That some have a warranty that is for that piece of equipment, and others are of a nature that they are systemwide.

Mr. Maloway: I guess I could judge it better I suppose if I saw it. I would like to ask the minister whether he has any concerns about the time and date instabilities bug or the TD bug.

Mr. Gilleshammer: Mr. Chairman, I know that my honourable friend would like the very technical answer. With the agreement of the committee, I would let Mr. Ruberg answer that.

Mr. Chairperson: Is it the will of the committee to have Mr. Ruberg answer this particular question?

Mr. Kalev Ruberg (Chief Information Officer, Office of Information Technology, Department of Finance): The member refers to the time dilution or the Crouch-Echlin effect and that was discovered by Crouch and then verified by Echlin, and is due to a latency in the 146818 chip I believe, and that is real time clock RTCC mouse chip. That latency causes an algorithm after the year 2000, to actually at random literally provide a wrong date to the machine.

Most BIOSes have corrected this effect by putting in a buffer cache before the real time clock. At that point, then, you do not really care which algorithm you use, whether you are in the 1900 algorithm or the 2000 algorithm. Because of this particular effect, we have reviewed all the BIOSes in our desktop arrangement with IBM, and they are under review. The initial indication is that there are no such errors.

Mr. Maloway: That is the initial indication, that there are no such errors. If you find after the year 2000 that there are such errors, then are there any penalties in the contracts or anything in the contracts that would allow you to get compensation for any damages?

I am thinking here more of the banking business. It would be a much more severe problem with the TD bug, right? So I do not know what applications you have in the government that would be sensitive to this. I imagine payroll would be a pretty big deal if this were to have an effect, but you would be more familiar with the applications or how serious a matter it could be with the government as to how big a claim you could possibly have. But the question is: do you have any provisions in the contract for penalties should this effect happen?

Mr. Gilleshammer: I am told that we have a guarantee of compliance to our definition which is similar to what other federal government and other provincial governments have.

Mr. Maloway: Mr. Chairman, but we are talking about not the compliance on the Y2K issues. I am talking about the TD bug that would take effect after. The problems will surface after the year 2000, yes?

Mr. Gilleshammer: I will let Mr. Ruberg answer again on that.

Mr. Ruberg: On the Crouch-Echlin effect, we are actually testing the BIOSes in our limited number of BIOSes in the desktop so that we can actually put forward the date on those BIOSes and see now what the effect is or whether we have that effect or not. Once we determine that—and that is a very quick determination, that is within the next month time frame—we can take the appropriate step to rectify it.

Mr. Maloway: Mr. Chairman, at what point or when did you start working on this problem of the TD?

Mr. Ruberg: The TD effect was known actually a couple of months ago. We have not really looked at all of that particular issue. We have different issues that we approach on the desktop at different times. On Crouch-Echlin, this is sort of a recent phenomenon, not a phenomenon but a recent priority.

Mr. Maloway: So, Mr. Chairman, then the question is that when you signed those contracts, those 65 contracts for Y2K work, when you signed the original desktop contract, this was long before you heard about the TD bug. So how would that be covered, any losses directly attributable to the TD bug? How would they be covered in terms of a penalty by the suppliers of this equipment?

Mr. Ruberg: I guess I am not a lawyer, but the issue here is we are constantly discovering new issues that come up in Y2K. Some are technical in nature and some are less technical in nature. This one here happens to be rather very technical. The issue of complying or compliancy to Y2K issues is a general one, and it does cover all aspects.

Mr. Maloway: So what you are saying is that the Crouch-Echlin effect then falls under the legal definition of Y2K issues under the contract, so any penalties coming out of the contract then would be covered, whether it was Crouch-Echlin or whether it was Y2K itself.

Mr. Ruberg: I believe so. Again, we would have to seek opinion at that time.

Mr. Maloway: Mr. Chairman, are there any other issues other than—and I am thinking back now to a couple of years ago when Y2K was thought to be only peculiar to computers, and then all of a sudden, a couple of years ago, we discovered embedded chips were a huge problem. Now it is Crouch-Echlin. How many more Crouch-Echlins do we have out there that are sort of hidden under the surface, because you mentioned other issues so presumably you know of some others?

Mr. Gilleshammer: I think it is difficult to predict what other issues will come forward to do with technology, but our commitment would be to stay abreast of them and to deal with them as we become knowledgeable in them.

Mr. Maloway: Well, it is that very reference that Mr. Ruberg made that caused me to ask the question. He said "other issues." I am just aware of the Y2K issues and the Crouch-Echlin effect, but he is the one who mentioned "other issues." So I am just asking right now just what are these other issues that I am not aware of.

Mr. Gilleshammer: I am informed at this time there are no other issues but there is the possibility, as the member has indicated himself, that there are other things that may pop up from time to time, and we will have to deal with them, as will other jurisdictions.

* (1730)

Mr. Maloway: GISMO was incorporated a couple of years ago, and the chief officer there was Julian Benson. We all know that Julian Benson is no longer working for the government. So I am just wondering what the state of affairs is over at GISMO now and who the new chief executive officer is. I believe also that GISMO was to be a temporary structure and that perhaps GISMO is no more, I am not sure. I just wanted to get the update as to what has happened with GISMO since Julian Benson has resigned. Who is the replacement, and what is he or she doing?

Mr. Gilleshammer: My honourable friend is referring to the Government Information Systems Management Organization, and this was formed in 1997. At the present time, staff from the Department of Finance are managing the affairs. I can name the staff, if you like: Pat Gannon, who is the deputy minister of Finance; Eric Rosenhek, who is here today; Don Delisle; and Gerry Gaudreau, who is here today. They are all employees of the Department of Finance.

This was a funding vehicle for the government's technology systems, and it allowed us to transition into new accounting policies for capital assets. So the staff that I have referenced

are currently the ones who are most involved with this initiative.

Mr. Maloway: Is it determined that GISMO will continue in its current form, or is there a plan to change the nature of it or change the structure itself?

Mr. Gilleshammer: It will be wound down.

Mr. Maloway: When will it be wound down?

Mr. Gilleshammer: This year.

Mr. Maloway: Last year I asked some questions about the government's policy, if it has one and I doubt that it does, or had, on the use of the Internet by government employees. I asked several times last year. Well, I say clearly, it did not have a policy. It did not, because it really did not know what was going on. The bottom line is that each department had its own group of computers it had bought from its supplier, a lot of local suppliers, and to be fair, I mean the government did not. I think it took some cases in another province, in B.C. or another province, where they discovered that people were using the Internet improperly while at work and the governments of that jurisdiction formulated an Internet policy that basically said you cannot use the Internet except for this circumstance and that circumstance. I do not know whether it is called Net Nanny or whatever it is. They may have installed some of these Net Nannys in there to make certain that people could not get into the sites that they should not be in on government time. I got a lot of silence from this government on that whole issue, and I think perhaps just an admission that they were looking at working out some kind of a new policy on the Internet. So I would like to know just what has happened over the last year in this use of the Internet by government employees. What is the current policy?

Mr. Gilleshammer: There is an Internet policy and it is available at GWWIPC.gov.mb.ca.

Mr. Maloway: Mr. Chairman, could the minister briefly outline the policy then for the members of the committee? The member for Gladstone (Mr. Rocan), it is news to him, too, and he has been here as long as I have been. He

is busily writing down the Internet site, and I am doing the same. The minister could save us both a lot of time and effort here by just simply explaining what this policy is all about.

Mr. Gilleshammer: Mr. Chairman, we do not have a copy of it here, but I could bring it the next time we meet. When I was informed at 2:30 today that you wanted to have the Department of Finance in Estimates, I assumed that we would be dealing with the Department of Finance on a line-by-line basis and that we would have the traditional scrutiny of the dean of the NDP party going through the budget in a clear-cut, patient, methodical way, but instead the member for Elmwood came bursting into the room and wanted to talk solely about technology. So I would commit to bringing a copy of that policy with me when we next meet and share it with the member for Elmwood and anyone else who is interested.

Mr. Maloway: The fact that the minister is not really even aware of the policy or what is in it would indicate that we are certainly lacking in having an active policy. I mean, what do you expect from the government employees if they do not know what the policy is? The minister does not know what the policy is. I assume that there are some basic tenets that the minister can tell us. My guess is, No. 1, that employees are not supposed to be going onto the Internet into pornography sites. They are not supposed to be going into Internet gambling sites. They are not supposed to be playing video games on the Internet. I mean, there are three quick ones for you. We can probably, if we all sat around here together over five minutes, come up with a whole lot more things that probably would not be allowed. So I just want an assurance from the minister that the government has recognized there was a problem that they let slide for 10 years, they did nothing to solve it, and that they have taken the bull by the horns here and got control of the situation.

Mr. Gilleshammer: Mr. Chairman, I did commit to the member I would get him a copy of the policy. It is a very succinct one that we think is appropriate.

I am surprised that he has such a negative view of the civil service that he would reference

activities that are totally inappropriate. This policy is being put in place across government. It is available to staff of government. It has been brought to their attention by the managers within government, and I can assure you that I have a higher regard for government employees than the member for Elmwood who would suggest such inappropriate activity would be condoned in the workplace or practised in the workplace.

I have committed to bringing it to him, but if he wants to talk about appropriate use of Internet policy, we can certainly do that.

Mr. Maloway: I simply brought it up as an issue last year because there had been a problem in another jurisdiction, and I asked at that time whether the minister could tell me what the policy of the government was. I found out at that time that there was no policy of the government, and they said that they would develop one or they were developing one. Actually, you know, to tell you the truth, I think it probably came with the expenditure of this \$162 million, that it came as part of the new system. That is what I would guess their Internet policy is.

Before, you see, there was no way of—the member for Gladstone (Mr. Rocan) will understand this. I mean, before you had individual departments buying their own computers. Some hooked them up to the Internet, some did not, and they were basically on their own. They did what they could with the Internet. But now you have a central control. That is the difference. You have a central control now.

So by virtue of the fact that you brought that new system in, you essentially control how people are getting onto the Internet and stuff like that. So tell me that that is not the case. I mean, that is the case, right?

Mr. Gilleshammer: Well, I can assure the member that we do have an Internet policy, and government employees have been made aware of it by their managers. It automatically comes up on their screen for employees to see and accept, and we think it is a policy that will work and be accepted by the staff. I have indicated that I would bring him a hard copy of that at our next meeting, and we can deal with it in more detail then.

So he does not have to dwell on the past. The policy is in place. It exists and employees are aware of it.

* (1740)

Mr. Maloway: I do not want to dwell on the past either. I will dwell on the current situation right now. I would like to know just how the current system monitors the use of the Internet.

Mr. Gilleshammer: I am informed that we have a detection system which can monitor site visits and indicate if there is inappropriate use of the technology.

Mr. Maloway: That is the answer I was looking for. Now, I would like to know the name of the detection system.

Mr. Gilleshammer: I am told that staff do not have that here, but we will provide that when we meet at the next opportunity.

Mr. Maloway: So is there a concern? Has there been a concern raised about privacy issues and stuff like that with people who are using the Internet, that they can be traced?

For example, we have had an issue recently with the snitch lines, the gang hotline, and others, that it was discovered through the Question Period process that, in fact, unbeknownst to the people of the province who were promised that people who phoned the gang line could not be traced, in fact there was a tracing system in place so that anybody who phoned through a 9-4-5 number, or a government number internally, was, in fact, being traced.

So, I guess, the question is, I would just like to know how intrusive this is and whether there have been complaints from public servants. For example, the MLAs, if they were to use the Internet under the current system, or anybody who is on this current system, their activities through the Net are being monitored. That is what you just told me, right? So if you could just explain that a little more, that would be helpful.

Mr. Gilleshammer: The staff have told me that they have been very aware and conscious of

privacy issues. What this system does is identify illegal site visits.

Mr. Maloway: How many incidents then have you had over the last year since the implementation of this system where people have gone into sites they are not supposed to, and what has happened? Have there been any situations where people have been reprimanded or laid off or transferred or had action taken against them?

Mr. Gilleshammer: I am told it has been extremely minimal.

Mr. Maloway: So there has been a case or two in the system then of somebody reading the policy and signing onto the policy and then violating the policy?

Mr. Gilleshammer: I am afraid I cannot give you any detailed information. It is something that is currently under review.

Mr. Maloway: Mr. Chairman, the minister knows that in the Y2K business, testing is a really important element, probably the most vital element. I am told that you cannot test these things enough. Some people have tested their systems by simply taking their computer and moving the clock ahead to 2000, and it worked for a couple of seconds, so they say, well, this thing is compliant. But I am told that you are never really going to be sure, because it is possible that people will have a system, the system could be brought down by, you know, your kid bringing an old DOS game in and putting it into your supercomputer and, all of a sudden, your supercomputer just collapses. So much for your supercomputer.

That is a big issue with the business community. I think one down east went and cancelled its long distance telephone service. Their prices were a lot lower than Bell, but they went with Bell because Bell could guarantee they were going to be in business. So there is an interest among businesses out there right now to be chasing down their suppliers to make certain that their suppliers are Y2K compliant. When you think about it, you have spent \$232 million already on this whole effort so that you could have a situation, we would not want to see this, where the government is perfectly operational on

January 1, but the rest of the province is shut down because you cannot operate. You have the best computers in town, but some business that you are doing business with out there has some noncompliant system, and they bring your system down. So the question is: how are you protecting yourself against that happening? I mean, that is kind of in addition to the question about the testing, so take your time and explain how you are testing the system out because you are talking about a full dress rehearsal here, where you say you are 90 percent compliant right now, but I have no idea what that means. I do not know what that means. Does that mean your testing phase? You have testing going on all over the place.

Some systems are further along than others, and then you are going to have a full dress rehearsal in September, but you are not even going to have your systems in, back from the Pan Am Games and hooked up into Family Services by that point in time, so you are going to be doing a dress rehearsal in September without those 600, 800 or 1,800, the minister cannot make up his mind. At various points yesterday he said there were 600 seats and the next page he said there were 800 seats and then he says there are 1,800 seats in Family Services, so that is my point. Can you flesh this out a little bit and give me a better idea of how this testing is going, and what kind of guarantees do you have that you are not going to be impacted by noncompliant systems on the outside? So they are kind of two separate questions, but, man, they kind of fit together.

Mr. Gilleshammer: Well, I can understand with the rambling my honourable friend does, that he gets answers that he does not understand, but what we have done is, I think, employed extremely capable and competent people who are reviewing our technology and our systems, who are in constant communication with other jurisdictions. We believe and others believe that Manitoba is doing exceedingly well in terms of evaluating our systems.

I sense that my honourable friend is one of those people who, in the last months and weeks and days before the year 2000, is going to be out there telling everybody the sky is falling. I really caution him against that because, as a man

of some importance, there is apt to be somebody who listens to him, and I think he would do a tremendous disservice to the public by doing that. But I guess all I can do is assure you that we ask the questions of the people who have been employed, who come to us with exceedingly strong credentials, nationwide, in fact, international recognition for the work they are doing, and we are being assured that the appropriate testing has been done, is being done, and we are comfortable with the results.

* (1750)

Mr. Maloway: Mr. Chairman, before I forget I would like to ask the minister once again whether he would release the latest quarterly reports. He has not released any up until now, but as I told him yesterday the Minister of Government Services (Mr. Pitura) actually read his report into the record, or at least a summary of his report. I would like to ask him now if he would endeavour to release that quarterly report to me.

Mr. Gilleshammer: This is the same question the member asked two and a half hours ago, and I said that we did not have any of that information with us. I did commit to reviewing the information and providing the member with whatever information I am able to give him.

Mr. Maloway: I want to go back to the question I asked before about noncompliant systems and how they will interact or how they deal with the government's supersystem here. What plans do you have to be dealing with, or what is the potential for problems dealing with noncompliant systems after the year 2000?

Mr. Gilleshammer: Well, I have been reassured that we are testing other systems that we interact with and seeing that they are fully compliant.

Mr. Maloway: Mr. Chairman, does the minister recognize that as a problem, a high-risk problem or a low-risk problem? Obviously, if he is testing the systems, he thinks that there is some concern there. How serious a problem is it?

Mr. Gilleshammer: My staff have indicated that it is regarded as a low-risk problem.

Mr. Maloway: Mr. Chairman, now the minister referred to September '99 as his full dress rehearsal. Now is the minister saying that he will proceed with this full dress rehearsal without having the 600, 800 or 1,800 units from Family Services onboard, because they will not be on-line until I think the end of October sometime? If that were the case, it would not give them too much time for testing, right.

Mr. Gilleshammer: I am informed that they will be tested before delivery.

Mr. Maloway: Mr. Chairman, well, before delivery where? These units are going to Pan Am Games first, and then they are being taken from the Pan Am Games sometime into August. They are supposed to be hooked up into the system in Family Services, but they are not supposed to be hooked up until the end of October. If he is talking about a full dress rehearsal, presumably, that is an entire system check, right, but it is going to be done without these Family Services units. Is that true or not true?

Mr. Gilleshammer: I believe the member is wrong. They are tested before delivery, and they will be tested again when they are brought back. The dress rehearsal—and I use the member's words—is a national one, and it deals primarily with essential services such as hydro and others that are deemed to be essential and our ability to deal with contingencies. So the questions that the member is asking about, equipment that will be used by the Pan Am Games, I have already said that these will be tested before delivery and tested when they are brought back and hooked up within our system. There is not a great deal of concern about those machines.

Mr. Maloway: Mr. Chairman, I would like to ask the minister about viruses in the new environment. It seems that people are developing new viruses. Every time you turn around there is a more powerful one, and I guess it is probably a continuous problem. But I would like to know over the past year what sort of experience the government has had with different types of viruses and whether they are coming from the outside or whether they can be introduced from within—I do not know how it works exactly, but whether it can be introduced

from within the system and what the method is for determining what the—see before under the old system when you had that mish-mash of computers, they were not hooked up to one another, right. So if you had a virus, it could only infect so many units and you would limit your exposure that way. But today, now you do have a fire-walled system, but you have a lot of machines hooked up together here, going to be 9,000 and something when Family Services gets on board. So the question then becomes: what is your exposure to a virus? How far can it go before it is stopped? Does a fire wall stop it? I do not know what the answer is to the questions, but you guys are the experts, so what is the answer to this?

Mr. Gilleshammer: The concern to be vigilant and aware of this is a constant concern. I am told that we have an information protection system which is nationally recognized, and there have been a number of instances. The one I recall getting some play in the media was the Melissa virus, which was a number of weeks ago. There were three incidents within the government systems where somebody accessed—whatever—this virus, but our system reacts very appropriately and limits the threat to the system.

Mr. Maloway: Mr. Chairman, are these viruses, now this Melissa virus and others, is the exposure from external sources, or is there an exposure from internal sources like the people who actually work on the system?

Mr. Gilleshammer: I am told it is all external.

Mr. Maloway: So what prevents somebody who is mad at the government or been not happy with their job from introducing a virus into the computer? I mean, presumably they could do it from a different station or there might be ways of doing it. Is that not possible under this new system?

Mr. Gilleshammer: I am told the information protection system will readily identify the virus whether it is internal or external and react appropriately.

Mr. Chairperson: The time being six o'clock, committee rise.

* (1450)

CONSUMER AND CORPORATE AFFAIRS

The Acting Chairperson (Mr. Helwer): Will the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates of the Department of Consumer and Corporate Affairs. Would the minister's staff please enter the Chamber.

Okay. We are on Resolution 5.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits.

Mr. Steve Ashton (Thompson): Mr. Chairperson, I would like to thank the Acting Minister of Consumer Affairs (Mr. Pitura) for filling in. I am also the acting critic so this will be very interesting. Fortunately we have staff that are not acting staff; they are the real thing and we look forward to raising some questions. I thank the minister for filling in at the last minute on this basis. Primarily, we have questions on the rental side, and I appreciate the minister is an acting minister, but we are certainly expecting that the expertise of the staff will certainly move his knowledge of this area which I am sure is pretty significant anyway. I know he has probably studied Consumer and Corporate Affairs quite diligently, and I think you could say he does know something about consuming, but anyway I certainly appreciate his willingness to fill in.

I want to start because it is an area that I often do get calls on, in my own constituency, and I know some people in our caucus will be raising other concerns down the line, and what I wanted to ask initially is what the current experience is in terms of complaints, either from renters or landlords, in terms of what the caseload is, and I would like to get some sense of the last five years or so. In my own constituency, I am getting more calls than I have for quite some time. I do not know if there is any trend that is indicative of that, but if the minister with his staff present could give some indication of the kind of caseload that we are dealing with it would greatly appreciated.

Hon. Frank Pitura (Acting Minister of Consumer and Corporate Affairs): Mr. Chair-

man, I welcome the opportunity to sit in, in an acting role, in Consumer and Corporate Affairs and I really hope to get well educated today in the aspects of residential tenancies. I was just wondering if it would be acceptable with the critic if some of the answers to the questions that he is posing could be answered directly by either the deputy Minister, Alexis Morton, or the director, Roger Barsy?

Mr. Ashton: I hate to sound unco-operative but I think it would be better through the minister. But I would suggest if the minister wants to take items under notice that is agreeable. We certainly understand the situation he is in currently. I know some sections of the committee have done this but the role of Estimates really is not for the staff to be speaking directly and I do not think they want to be in that position a lot of times. So, if there are occasions where it is better taken as notice for the actual minister and in some cases, for example, with this kind of question if that information is not readily available, or detailed information is not available but some general information is available, I am quite prepared to accept it on a written basis.

It could be tabled the next meeting of this committee, and I think there will be at least one more set of meetings with Consumer and Corporate Affairs. So, with apologies to the minister, I suggest we deal with that, but we are more than open in terms of, if the minister takes items as notice, because that may be appropriate with a lot of these questions and we appreciate that.

Mr. Pitura: I am advised that within the terms of the Winnipeg workload that under Parts 1 to 8, which is the basic tenancy disputes and this includes the informal mediations, and Part 9, which is under the rent regulation, the number in 1995 was 6,973 and the number in 1998 was 8,462, for an increase of 21.4 percent over four years. I would also inform the member that these are not the statistics that are gleaned from the annual report.

Mr. Doug Martindale (Burrows): The staff will be aware that The Residential Tenancies Act allows for the branch to take over a building, collect the rent, use the rent for repairs and

return the building to the owner. I would like to ask the minister if this provision of the act has ever been used, and if so, how often.

Mr. Pitura: Again, I am advised that there has only been once in the history under residential tenancies that the receivership aspect of the regulation has been used, and I am advised that that was used in 1994 in the city of Thompson.

Mr. Martindale: I would like to ask the minister why this provision of the act has not been used more often. As the staff will know, frequently it is the same landlords who generate complaints from renters and from MLAs. In my constituency, for example, it is always the same apartment building, and I try to go and visit that apartment building and go door to door every year in January or February when it is very cold to make sure that the tenants have enough heat because in the past there have been problems where people have been heating their suite by opening the oven door, for example. I do not know why it is—I have some suspicions—that we have to continually phone the Residential Tenancies Branch on behalf of tenants and initiate complaints and fax over requests for repair orders for the same bad actor repeatedly.

Now to the credit of the branch, they actually did do a proactive inspection of this building but probably because of previous complaints or even current complaints. In many cases there are tenants who do not complain, who do not know their rights, and I suspect that the regulations of the act are not always being followed. So just to summarize or recapitulate my question, why is this provision of the act not used more often?

Mr. Pitura: Mr. Chairman, in response to the honourable member's question with regards to why receiver-managers have not been appointed more often, I would just refer to The Residential Tenancies Act under which the section to appoint a receiver-manager is: "A local authority or a majority of the tenants of a residential complex may, in writing, request a director to apply to the court for the appointment of a receiver-manager of the residential complex if

"(a) the landlord is in contravention of the obligation to repair under subsection 59(1) with respect to the residential complex; and

"(b) an order has been filed with the director under subsection 59(3)."

With that section of the act, it would be the responsibility of the tenants as a group to petition the director, in terms of the contravention of the obligation to repair, to appoint a receiver-manager. Secondly, it would have to be an order of the Department of Health, which would have to be exercised and not complied with in order to bring in and appoint a receiver-manager. So it is a fairly complex process that brings about the appointment of a receiver-manager by the director.

Mr. Conrad Santos (Broadway): May I ask what is the legal ceiling limit in terms of a person thinking about rent increases this year, this fiscal year?

Mr. Pitura: I was just wondering if the member would clarify his question somewhat specifically.

Mr. Santos: By what percentage can a landlord of a housing complex increase the rent?

Mr. Pitura: Mr. Chairperson, to the honourable member, the annual rent guideline increases over the past number of years have been limited to 1 percent. I am advised that for 1999, the rent increase is limited to 1 percent.

Mr. Santos: Are there any exceptions to that rule?

Mr. Marcel Laurendeau, Chairperson, in the Chair

Mr. Pitura: Mr. Chairperson, in response to the honourable member's question, I will attempt to give him as thorough an answer as possible. Under the rental increase guidelines, I guess you would call it, the landlord can apply for an exemption from these guidelines based on what the landlord would feel would be extraordinary costs that cannot be covered by the rental increase, but the landlord must make application to the Residential Tenancies Branch for approval. If approved, at that point the tenants who are living in that complex are advised and asked to respond. Indeed, they also have the right to object. If that process takes place, then I

believe it comes back to the Residential Tenancies Branch director to make the final order with respect to any increase.

I am also advised that apartments \$970 a month and over, that there are no rental guidelines in place with regard to rent increases. However, even under that scenario, tenants can object to the increase that the landlord is placing on rents. Again, it would come to the Residential Tenancies Branch to arbitrate and to end up with an order.

There are also two other exemptions that I would share with the member. One is that the newly constructed rental accommodations are exempt from rental guidelines for five years, and also reconstructed rental units, often described as rehabs, are allowed to have a five-year exemption. In order for rehabs to take place, the landlords have to make application to the Residential Tenancies Branch with respect to the types and kinds of renovations that are going to take place within the apartment complex before they are granted an exemption by the branch for their rental complex.

I would just add to that that in some cases, if it is just a cosmetic type of renovations to the rental units, it would probably be seen as a nonexemption type of environment, as opposed to some major renovations such as walls and floors, plumbing, et cetera. That would be seen as a major rehab or reconstruction of the area, and then in that case there would be a five-year exemption granted.

Mr. Santos: In terms of time horizons, at what point in time will a landlord make the application for exemption in the case of some kind of renovation that you call rehab?

Mr. Pitura: To clarify for the member, because I was wrong in the one aspect of the rental guidelines for the member, that applies to the rental units that are in excess of \$970 per month. I am advised that the rental guidelines, in fact the section in regard to that, does not apply to those units in excess of \$970 per month. So it is wide open. In other words, there is no regulation, so to speak, that regulates the top end of the rental units.

* (1500)

Now to the specifics of the member's question that a landlord to apply for an exemption status with respect to the rental guidelines, if there are major renovations being completed or being worked on, 20 percent or less of the project has to be completed and that application by the landlord has to be made before they approach that 20 percent level to qualify for the branch to grant them approval for the exemption. So the project has to be in its infancy stages and the landlord would be making application.

I think the logic of it would be if I was a landlord looking at a major renovation on a rental unit that I would be very wise I think to apply prior to my doing renovations with regard to getting the exemption and not wait to be partially done the project because I might be exposing, at least the kind of work that I might be doing, may not in fact qualify me for a five-year exemption. So therefore I think it would be probably in the landlord's best interests to make these applications early before the project work is started.

Mr. Santos: The term "less than 20 percent of the cost of the project renovation" means that as soon as you have 1 percent or less, that is still less than 20 percent and a landlord can apply for exemption already?

Mr. Pitura: Yes, he can apply, but that simply starts him going through the approval process by the branch to gain that exemption when the project is completed.

Mr. Santos: Is the landlord obligated to notify all the tenants as soon as he files his application for exemption?

* (1510)

Mr. Pitura: Yes, the tenants have to be notified prior to the project beginning, and they also have to be advised. I guess the details of the project renovation have to be shared with the tenants as well.

Mr. Santos: What does it mean, Mr. Minister, "to be shared with the tenants as well"? The tenants will have to put in the proportionate share of their own renovation?

Mr. Pitura: Just to clarify for the honourable member that when the landlord is intending on doing major renovation work to rental units, first, prior to 20 percent of the work being completed, the application must be made to the Residential Tenancies Branch. That is simply part of the regulatory process that must be followed, but the landlord prior to that would, in terms of the major renovation work, be obligated to share that information with the tenants that are in that rental unit because obviously the work that is going to be done is going to have an effect on their living accommodation. So therefore that advice has to be given to them prior to this major renovation work being completed.

They are not obligated to pay anything towards the renovation project, but the landlord must advise them that, as a result, for example—and I will maybe be corrected on this, but if I was a landlord who was subject to the residential guidelines right now, that because of the major renovation work that I was doing I was going to have an exemption from the rental guidelines, and the renovations that I am going to have done within the rental units is going to result in a substantial increase in the rent in order to cover the new capital cost, amortized capital cost of the units, therefore I would have to advise the tenants that this was going to take place.

Now the tenants, if they have to be displaced as a result of the major renovation taking place, the landlord has to cover their moving costs up to \$350 for them if they have to live outside of their rental unit for the period of time that it is being renovated. When the major renovation work is completed, the tenants who are within that rental unit have the first right of refusal with regard to their rental accommodation within that unit. If they decide that for one reason or another they would not wish to live there any longer, then they can refuse that offer for the unit, but they do have that first right to come back in and live in that rental unit in a newly renovated rehab, as they are called.

Mr. Santos: In general, the normal duration of the lease agreement or the rental agreement is one year, and under the law either the tenant or the landlord has to notify the other of any kind of intention to renew or to move out. What is the requirement now?

Mr. Pitura: Within this rental unit, this rehab unit, prior to the major renovations taking place, there are fixed-term agreements in place, which is the one-year lease that the member was referring to, that the landlord must provide notice at least three months prior to the expiry of the agreement that it is the landlord's intention not to renew the tenancy agreement with the tenant as a result of the major renovations taking place. The landlord also has to be sure within the auspices of the act to ensure minimum disruption to the tenants.

* (1520)

Mr. Santos: So three months prior to the expiration of the existing annual rental agreement, the landlord will notify the tenant that the landlord is not going to renew the agreement. What about if there is a phrase in the rental agreement about the right to renewal, is there such a phrase in the rental agreement itself that it can be renewed at the option of the tenant?

Mr. Pitura: I am advised that under the lease agreement, under The Residential Tenancies Act, the tenant has an automatic right to renew the lease. So, if nothing happens and the tenant is living in this rental accommodation, at the end of the 12-month period, the lease is automatically renewed to go on to another year. Now the exception to this is, of course, with respect to what we have been talking about with the rehabs. In that case, the landlord has to provide the three months notice to the tenant giving them the notice that the landlord intends to not renew the tenancy agreement. The specific reasons are outlined in The Residential Tenancies Act as to what kinds of specific reasons are outlined in the act that the landlord can use as a reason for termination.

Mr. Santos: So there is an automatic right of renewal built into the contract of the rental agreement. But then there will be circumstances or situations which give the landlord the right to break the lease by not renewing or negating this automatic renewal. What are those circumstances at the moment?

Mr. Pitura: In response to the honourable member's question, the specific reasons that a landlord can terminate a lease agreement or the

fixed-term agreement are one that we have been discussing, which is a major renovation taking place to the rental unit. Another reason is when the landlord themselves want to move into that particular rental unit, or a member of the landlord's immediate family. That is another condition under which termination notice can come forward, three months prior to the renewing. In the case of rental units that are houses, where the property is sold and the purchaser of the property purchases the dwelling on the basis of occupying a dwelling themselves as a family, in that particular case there is a right to terminate the rental agreement under that situation. If the rental property is converted to another use, I am advised that under that last one there are probably very few and far between in terms of the properties that would be converted to another use with respect to the termination.

Mr. Santos: Obviously all these rules are very complex for ordinary tenants to understand. Let us go back to the more basic question. What are the basic statutory laws passed by the province that govern landlord and tenant agreements? Can we have a review of all these basic statutory laws passed by this Legislature? Let us review them.

* (1530)

Mr. Pitura: Mr. Chairman, I am advised that the statutory legislation that covers rental property is The Residential Tenancies Act, and that is the only statute that we have in place.

Mr. Santos: Under The Residential Tenancies Act, there are rules and regulations promulgated by the government, right? Who promulgated these rules and regulations? Who wrote them as rules or norms that would be followed in the interpretation of the statute?

Mr. Pitura: Mr. Chairperson, in response to the honourable member's question with respect to the statute and the act with regard to The Residential Tenancies Act, the act was passed in 1992. Of course, in order for an act in this Legislature—one of the things that this government has done is brought in a review process by which legislation, proposed legislation that is deemed to be necessary legislation by any department of government, comes forward for

review by a legislative review committee. This is a committee of the government which includes cabinet and caucus members. These members look at the legislation with regard to the way the legislation is being drafted and what it intends to accomplish with the legislation.

Secondly, once the legislation goes through that process, and, of course, it goes through this House and becomes proclaimed or assented to, the drafting of regulations take place in order for the legislation to be enacted, and the regulations go through a similar review process with a committee of cabinet. Once those regulations are approved by that committee and subsequently approved by cabinet, then the legislation can be proclaimed and have the regulations attached to it.

Now, this process I think is one of the major steps I think we in this government have taken with regard to trying to refine the legislative process and the regulation process to try to ensure to the public that they are not going to be overburdened by unnecessary regulations.

So regulations are always scrutinized very closely by that committee, and members of the department who appear to that committee with regulations have to be able to justify that they have had adequate consultation with the people who are going to be affected by the regulations. That is a very vital part of this process that we insist upon that consultation takes place with those that are going to be affected. Once that feedback is taken into account and any adjustments made to the regulations in that regard, we also ask the departments to commit to a sunset clause, a review mechanism by which the regulation will be reviewed within a certain period of time. Then they have to bring it back to the committee as a part of that review process so that the regulation does not get left on the books and unattended to for an undue length of period of time, because we found out when our government came into office in this province that many of the regulations that we started to take a look at in the mid-'90s as part of the regulatory review process, that many of the regulations were old and outdated and totally unnecessary, but they were still there on the books and still active, along with the legislation.

We are now in the process of trying to take a look at all the legislation and all the regulations that are there in an attempt to try to ensure that legislation that is active and alive is still being used, and if any legislation is repealed that it gets totally repealed and off the books and the same thing with the regulations.

So I know it is a long answer for the member, but I just wanted to share with him the kind of process that we go through with regard to legislation, the development of legislation and regulation by the province, and to try to ensure that the regulations that are being brought forward by the department, in this case residential tenancies, is a regulation that is not overly cumbersome and unmanageable by the public who are going to be affected by it.

Mr. Santos: Are the members of the House entitled to an up-to-date copy of those rules and regulations approved by committee of cabinet and by cabinet, so they can be at least abreast as to the changes that are taking place in these rules and regulations?

Mr. Pitura: Yes, the regulation development process, once the regulation is approved by cabinet, it becomes a public document, and at that point in time, any member of the public can obtain a copy of the regulations and a copy of the legislation. That is all available through the Queen's Printer and, in fact, I am also advised with respect to, for example, The Residential Tenancies Act, where you have a landlord tenant relationship, that the Residential Tenancies Branch have put together, for the benefit of both the tenant and the landlord, a policy guideline book which interprets the regulations and the legislation so that people who are living in that rental accommodation have a clearer understanding of how the legislation will affect them and what are their rights and privileges under that legislation.

Mr. Santos: Obviously The Residential Tenancies Act is written in broad outlines, broad provisions, but the specific meaning of the act can only be understood in terms of the specific rules and regulations prescribed by the agency to implement the act. These rules and regulations change so many times depending on the reactions of the tenants and the landlords and the

inputs and the problems that they present in this kind of relationship.

What do you mean by the sunset clause with respect to reviewing and changing these rules and regulations?

Mr. Pitura: To answer the honourable member, if the regulation that is drafted as part of the legislative process gets approved, then the legislation is proclaimed and it becomes an active piece of legislation along with the regulation. Certainly in the development of the regulation, the departmental staff who are drafting the regulation must have the public consultation take place.

It is true that when public consultation takes place—and I will just give you as an example the three-month notice for termination of a lease. The public consultation takes place, and generally the tenants that were spoken to and the landlords that were consulted with in this whole process said that that is something we can live with. They say, okay, you can go ahead and use that in the regulation.

However, now the review mechanism in that regulation requires that the Residential Tenancies Branch would bring that regulation back for review within a certain period of time, and they must start developing that review process prior to the actual date, the review date set in the regulation.

* (1540)

So, therefore, they have to go back out to the consumers again for further consultation. This time around, those particular individuals, both the tenants and the landlord, may indeed agree that three months is not long enough and that it should be six months. So they make a recommendation that we should have it six months. So the regulation is then drafted and revised and amended to read six months.

That is how that process works. I also believe that during the period of time where there is a regulation that is drafted, I would say firstly that the staff within the provincial government do a very effective job of drafting the regulations prior to them becoming law.

However, there are some times when a regulation is enacted and one piece of that regulation may not work at all. In that particular case, the department is prepared and willing to come back to the regulatory review committee and to cabinet with an amendment to change that regulation.

So the regulation is very responsive to the needs of the people who are going to be affected by the legislation, and the legislation is written in broad terms because the legislative process takes a lot longer to change, and often by the time the changes take place other changes are required as well.

The regulatory process allows for the more immediate response to changes that is required, and if we are talking about things such as three months versus six months or \$300 versus \$390, or whatever, in terms of aspects of the regulations, it is much easier through the regulatory process to make that change than it is through legislation.

Mr. Santos: The matter of details such as this is taken care of by the rules and regulations change, let us say the amount of deposit, whether it will be increased or lessened, the duration of the notice, whether it is a three months or longer or shorter and any other details. These are promulgated by the regulatory agency which is the Tenancies—[interjection] Yes.

Now, before a committee of cabinet or cabinet itself can have the opportunity to act on these regulations, are these regulations already being implemented?

Mr. Pitura: The simple answer is no. A regulation has to be approved by cabinet and the proclamation date set for the legislation, set by cabinet, prior to the regulation becoming effective.

Mr. Santos: How are the members of this House who are not members of cabinet able to know when and what are those changes?

Mr. Pitura: Well, all proclamations on legislation and promulgation of regulation are usually published in the Gazette of the Province of

Manitoba. But as soon as that is approved and passed by cabinet, it becomes a public document. So at that point in time you are advised of all the changes that have taken place within that piece of legislation and regulation.

Mr. Santos: It becomes public document, there is a time lag there before such public document comes to the public knowledge in the sense that opposition members and backbenchers even in government may not be aware of what cabinet had done because of the parliamentary tradition of cabinet secrecy of its decisions. How shall we be updated if we do not know what is going on inside cabinet chamber?

Mr. Pitura: With the development of legislation, and the member is aware, the legislation that we have before the House right now is the intentions of this government with regard to its legislative agenda. That is basically our role here as legislators, to pass legislation. With regard to the regulation, in some aspects, and I hope the member can appreciate this, if there is a piece of legislation where the regulation identifies that in order to administer the regulation there is a requirement for four full-time equivalent staff to be in place, there is a time lag then required before the department, in particular, is ready to enact on it, because the staff have to be brought in and put into place prior to the regulation and the legislation becoming an effective tool.

Mrs. Myrna Driedger, Acting Chairperson, in the Chair

So in some cases that is a necessary time lag, but in other areas, usually the process that occurs is that the legislation that will be assented to in this spring session of this House, the regulation will then proceed to be developed for that legislation. Now, in some cases, and this is where our regulation and legislative review process is hoping to have a major impact, is the fact that the development of regulation should take place within a certain period of time after the legislation is passed, because there are pieces of legislation, and I am sure the member is even aware of some legislation that was even passed when the New Democrats were in government last that are still sitting on the books that have never been proclaimed because they never had

regulations drafted to support the legislation. You can look back at a number of governments in this province that have had the same thing happen.

So the development of the regulation can sometimes take a few months, it can sometimes take a year. In some cases it takes two years to develop the regulation if it is a comprehensive regulation with respect to an act of the Legislature. So there is that lag time between the time when the legislation is proclaimed and the public are aware that this new legislation is there until the time that it actually impacts the public with the formulation of the regulation.

Mr. Santos: Let us take a concrete example of a specific rule. There is a rule, I believe, that 25 percent of one's total, I do not know if it is gross or net, income is the limit that one can pay for rental costs, let us say, of somebody who is occupying a public housing unit. Is that still the rule, 25 percent, is that total income, net income or gross income?

An Honourable Member: Gross income.

Mr. Santos: Gross income.

An Honourable Member: Whatever is reported to the income tax.

Mr. Santos: Whatever is reported to income tax. Is this rule applicable to both public housing and housing complexes that are operated privately?

Mr. Pitura: No, it is not.

* (1550)

Mr. Santos: Only attached to public housing.

An Honourable Member: Yes.

Mr. Santos: What about the 27 percent? What is that rule?

Mr. Pitura: That refers to family units in public housing, 27 percent. Individuals are 25 percent. Bachelor units are 25 percent.

Mr. Santos: So a husband and wife is a family unit?

Mr. Pitura: If I am correct in my interpretation here, the 25 percent refers to a bachelor unit type of dwelling, and a family unit would be referred to as a multiple person type dwelling.

Mr. Santos: A single mother with a child, is that an individual or a family unit?

Mr. Pitura: I think we are getting into an area here where we are splitting some hairs, because a single mother with a child could well live in a bachelor unit. As well, a single mother with a child could also live in a family unit. If she and her child chose to live in either one, the one would be 25 percent, and the other one of course would be 27 percent. This would be the gross income as reported on their revenue tax forms.

Mr. Santos: I am just trying to clarify what the rules are. How old should a child be before he can be considered as a separate individual and thus become a family unit rather than a dependant of the mother?

Mr. Pitura: With regard to the age at which a person becomes of age, I guess the statutes of Manitoba recognize a person of 18 years of age as being an adult. However, I am also advised that you could have a bachelor unit which says 25 percent of your gross income is the level at which you pay for that particular unit.

I am advised that there could be, in a bachelor unit—just try to visualize this—you usually do not have a bedroom, so to speak. You have an open area. But let us put three double-bunk beds in there, and we can have six adults. All of those adults could be working at full-time jobs, living in that particular unit. They must pay or could pay up to 25 percent of their gross income. It would not take very long for six adults who are working on a full-time basis to realize that living in a bachelor suite they are going to be paying a fair amount of rent per month. So that is the extreme at one end.

It is designed for the people, as the honourable member was mentioning, like the single mother with the child living in a bachelor unit; 25 percent of her gross income would be the maximum at which the rent level would be paid. So it is kind of a variable type of scale going from a very minimum amount of rent

being paid based on the 25 percent to a very large amount based on the number of individuals living in that unit who are generating an income, because all their incomes totalled together constitutes the gross income. I hope that clarifies it for the member.

Mr. Santos: So, in practical terms, these four or six people, all of them making some kind of an income-generating activities, they will not as a result of this policy—even a single bachelor unit, they will be charged 25 percent of their total gross income, all the four or the six of them. So they will not find it acceptable to stay in that little place, and they will be forced to go to some other unit and rent some other unit. Is this applicable to both public housing and a privately operated complex?

Mr. Pitura: It only applies to public housing. Just to draw one more example for the honourable member, if you had a single mom with five children staying in that same bachelor suite with the bunk beds, only 25 percent of her salary goes to pay for the rent. So that is a very economical level of rent to pay in her particular case; of course, the other end of the spectrum was the absurd which I was talking about earlier.

Mr. Santos: Madam Chairperson, it might be economically feasible for the single mother but certainly very inconvenient for all the five kids waiting for the washroom and the toilet when somebody is occupying it or taking a shower, when there are so many people in the same bachelor unit. Is there no regulation or rules concerning health?

Mr. Pitura: Madam Chairperson, just to clarify for the member, the examples I was using are not exactly the correct examples to use. I am advised that under The Public Health Act that there is a minimum space requirement per person in a dwelling, and so therefore there would be a regulation under that act with regard to the number of occupants that could safely occupy a bachelor suite. I think that the honourable member himself would find that most of the public housing units are probably not necessarily overcrowded in terms of the living conditions there.

Mr. Chairperson in the Chair

Mr. Santos: I want to go back to the right of landlord to terminate the lease when there is a plan or a project initiated already and then it affected the duration of the lease of the tenant. Supposing it is right in the middle of the term and the renovation project was initiated by the landlord. Six months in the middle of the one-year lease, the landlord initiated a project. As soon as he initiated, he applies for an exemption. As soon as he applied for an exemption, he notified the tenant that the lease will not be renewed. You have a right to either stay and accept the consequence of this renovation or you move out. That is the legal breaking of the lease, but that is legal. That is according to the rules. How do you solve this inconvenience and these uncertainties in the rental when there is only initiation of the project?

Mr. Pitura: Mr. Chairman, just to quickly answer the honourable member, is that with regards to the lease termination there are two conditions that are in effect. One is that the tenant has the right to stay there until the end of the lease. So the three-month termination notice prior to the end of the lease is valid. The other area that I would advise the honourable member on is that no termination of the fixed-term agreement can take place during the school year. So therefore the lease has to expire at the end of the school year or beyond the school year for the termination of the lease to take place.

Just one little point here. In terms of the practicality of the renovations taking place in a rental accommodation is that if the landlord and the tenants have good communication links between them, they can certainly make arrangements with regard to, well, if you have six months left to go on the lease, the tenant may well be acceptable to that and say, well, I would rather live in a modernized, fixed-up apartment rather than the one I am living in now, so there is agreement to do that.

That is some of the practicality of it. But under the regulations those are in effect, three months prior to termination and no termination during the school year.

* (1600)

Mr. Chairperson: The House earlier today had agreed that at 4 p.m. this section would move to

consideration of the Department of Northern Affairs. So at this time, I thank the honourable minister for sitting in, and we will invite the honourable Minister of Northern Affairs down.

NORTHERN AFFAIRS

Mr. Chairperson (Marcel Laurendeau): Order, please. Will the Committee of Supply come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Northern Affairs. Does the honourable Minister of Northern Affairs have an opening statement?

Hon. David Newman (Minister of Northern Affairs): I do. Mr. Chair, since I became Minister of Northern Affairs in January '97, my office doors have been wide open to all. I have welcomed and delight in meeting a wide range of people and am eager to sit down with representatives from any aboriginal organization that wants to share its views and concerns with me. This is part of the way I have worked as a minister; it is part of the policies of my department and our government. I have appreciated the friendships I have made and the co-operation extended to me when I have gone into aboriginal communities and met with leaders and community organizations. In the past two years I have developed co-operative trust and relationships with many aboriginal leaders and organizations. These relationships, these partnerships have been critical for building solutions to complex issues, issues identified by aboriginal people, leaders and communities as being critical and fundamental for their well-being and their communities' future.

As minister, my approach and Manitoba's approach to important issues has taken several forms. Let me outline some of the key ones. One is reasoned discussion with reasonable people about their issues and their concerns. Another is building and sharing a vision of where we are going and where we should be going and where our partners want to go. Another fundamental point is ensuring that governments and the private sector recognize and appreciate the problems and needs of Manitoba's aboriginal peoples and communities. I have enjoyed talking and working with

aboriginal leaders with a value-driven vision and those who want to move forward.

Our government has worked very hard to fulfill our commitment to building relationships that could lead to ongoing discussions and, where appropriate, formal negotiations. This includes working with organizations, communities and government departments and other governments to break down or by-pass barriers to achieving realistic solutions to current challenges. We have made a concerted effort to ensure that our northern communities are healthy and sustainable through improvements in community infrastructure and helping communities move toward local autonomy.

In addition, we have worked with aboriginal organizations and other levels of government to develop policies, programs and services for Manitoba's urban aboriginal community. In this connection, Mr. Chair, I would like to discuss some highlights in policy and implications of Manitoba's urban aboriginal policy which we announced several weeks ago. Our approach will involve for the first time a partnership of the province, the federal government, the aboriginal community and the City of Winnipeg to develop and implement innovative solutions to aboriginal issues. We believe, as well, that Manitoba is the first province to adopt a policy respecting off-reserve aboriginal people. As the First Minister said in enunciating the basis and purpose behind this policy, quote: No single issue is of more importance to the sustainability of our province in the new millennium than the well-being of our aboriginal peoples. Our government has recognized and is acting on this challenge.

Mr. Chair, the policy involves a fundamental shift in the thinking and practice of the Manitoba government respecting aboriginal programs and services. Traditionally, the approach to community development was that government developed policy, set program limits, rules or guidelines and decided which services would be provided and how. We are shifting to a new approach. It will emphasize community participation and a partnership of governments and community, specifically a new working partnership with urban aboriginal groups in the city. Our policy has evolved out of the work of the Manitoba Round Table on Sustainable Develop-

ment. Both the round table and the government recognize the need to address the needs of Manitoba's urban aboriginal population. Although many aboriginal people in Winnipeg are well established and contributing to the community, many others are not sharing and are not benefiting from our current healthy provincial economy.

After extensive public consultations, the Manitoba Round Table on Sustainable Development issued a report at the end of May of last year called *Toward a Strategy for Aboriginal People Living in Winnipeg*. This proposal for an Urban Aboriginal Strategy contains a number of major recommendations in strengthening aboriginal participation and bringing aboriginal people into the community decision-making process.

At that time, I made a personal and public commitment to have the government promise to respond to the strategy by looking at policy implications and an implementation process. This, I am pleased to state, has been done. The government asked all affected departments to examine the spirit and content of the recommendations and submit implementation recommendations. This stage is now being completed. The government has been given a mandate to proceed and we are ready to move forward. We are now inviting the community and all interested parties to join us as partners in the implementation process. From this invitation, we hope to be able to form a team to work in reasoned, good-faith ways to accomplish long-term goals that will benefit the aboriginal community and all Manitobans. The policy is intended to deal with the challenge presented by the fact that current programs and services for aboriginal people fall short of allowing the aboriginal community to participate fully in Winnipeg's economy and society. We will use the value of partnership to make necessary changes and adjustments in these programs.

We are pleased that our partners are willing to work with us to address the challenges this situation places upon us. We are pleased that they share a recognition that new approaches involving partnerships with the aboriginal community and other levels of government are needed to make the substantial and significant impact required to ensure long-term solutions for

the sustainable development of aboriginal people in Winnipeg. Together we will implement a vision that includes aboriginal people and their perspectives on all local, provincial, national and global efforts towards sustainability of the economy, the Earth's environment, and our social well-being.

With respect to the Urban Aboriginal Strategy, we are committed to the following: first, adopting a holistic and cross-sectoral approach to community development of the aboriginal people; second, developing an action and implementation plan in partnership with the aboriginal community, Canada and the City of Winnipeg, based on key recommendations of the round table report. Those plans would identify capacity within the aboriginal community, and departmental resources and timelines could be identified and allocated, consistent with this new approach to community development; finally, identifying and strengthening initiatives already begun that are consistent with the round table's report.

To implement the policy, the partners will do the following: establish specific objectives for implementation, identify specific measures and initiatives needed to implement the objectives, include appropriate time frames and provide adequate resources. Manitoba is working to establish an Urban Aboriginal Strategy implementation committee which we will invite our partners to join. From this partnership, and the processes in which we will work together, I am confident that we will increase the effectiveness of programs and services for urban aboriginal people in Winnipeg. I also believe we will have the will, the mandate, and the resources to succeed in facilitating the full participation by aboriginal people in the economic and social life of Winnipeg.

Mr. Chair, our government has worked with our partners to facilitate the unleashing of the enormous unrealized potential in the aboriginal community, especially in aboriginal youth and women, that could be used to build sustainable communities for future generations. So what are our objectives, and how have we worked to achieve them?

We have worked to settle long-standing historical matters, such as treaty land entitlement in the Northern Flood Agreement. To date, 13 First Nations have signed treaty entitlement agreements under the framework agreement that was signed in 1997 with the federal government and the TLE committee representing 19 TLE First Nations. Three others have ratified the framework agreement but have not executed their specific treaty entitlement agreements. These are in addition to the seven individual agreements that were signed before the framework agreement. The TLE process is working towards concluding 27 TLE claims that have been validated in Manitoba.

* (1610)

Mr. Chair, the land selection and acquisition process is underway for all the TLE bands that have signed agreements. In total, nearly 1.1 million acres of Crown land are available for selection by the entitlement First Nations, and just over 170,000 acres are available for acquisition through purchase.

This is the land situation to date: 678,182 acres have been selected; 572,393 acres are under review; and 105,789 acres have been transferred to Canada to be designated as reserve lands. Most of this transferred land concerns the four First Nations at Island Lake. Four of the five NFA First Nations have signed comprehensive implementation agreements to settle outstanding arbitration claims and implement the agreement. The combined value of settlements is \$220 million.

Under the terms of the trusts, at least \$125 million will be maintained in the trust for the benefit of present and future band members. The agreements provide for a total of 168,100 acres of land to be transferred to the First Nations. This will become reserve land. In addition, the First Nations will be able to obtain about 4,800 acres of permit or fee-simple land.

Individually, control of implementing the agreements was placed with the First Nation. This is accomplished through a community approval process for agreement related projects, and a requirement that each First Nation report annually to its members on trust expenditures.

To ensure that these trusts will produce benefits for future generations and maintain stability and self-sustainability, there are provisions for long-term preservation of the lands held in trust. The resource company management boards provided for under these agreements have been established. These boards will make recommendations respecting land use and resource management for the resource areas identified under the individual agreements.

We are continuing our efforts to reach an NFA settlement with Cross Lake First Nation. In the meantime, we have established several programs for Cross Lake, in co-operation with Manitoba Hydro and representatives of the First Nation. We will continue to work with the First Nation and develop more programs over time, related to NFA implementation. We expect that resource company management will be a subject of future discussions with Cross Lake. We have worked to develop new approaches and solutions to issues such as child and family services, justice, gaming, revenue sharing and tobacco taxes and revenue rebates and fuel taxes.

Mr. Chair, out of 61 First Nations, there are 29 native gaming commissions representing 31 First Nations. Manitoba is negotiating Native Gaming Agreements with five First Nations. Nine have no on-reserve gaming activity. In addition, between November 1992 and March 1995, Manitoba entered into a video lottery terminal siteholder agreement with 15 First Nations with each of them, and there are now 331 VLTs on reserve land. This program was a major incentive to First Nations to get their on-reserve gaming licence through agreement or group licence with the Manitoba Gaming Control Commission.

The 1998-99 Gaming Control Commission figures show that gaming activity on reserves generated revenues for the reserves of \$12.2 million. This figure is expected to increase by 65 percent to \$20.1 million in the present fiscal year.

Turning to the tobacco tax, '97-98, estimated rebates for aboriginal people were \$7.1 million. Fuel tax exemptions were worth an estimated \$1.6 million. Municipal tax sharing with First Nations and Northern Affairs communities'

percentage of provincial corporation tax was also ongoing.

We have developed partnerships with the business community, aboriginal organizations and communities, and the federal government to facilitate career and training opportunities for aboriginal students and graduates. One such an initiative is the federal-Manitoba Partners for Careers program. This outstanding program has placed more than 550 aboriginal graduates in permanent jobs.

With our federal partners, Human Resources Development Canada, we are increasing funding for this program to increase aboriginal participation in meaningful workplace jobs. This will make possible the placement of about 700 aboriginal graduates a year over the next two years.

We are implementing the Aboriginal Education and Training Strategy. Its goals are to increase the aboriginal rate of graduation from high schools and post-secondary programs and increase employment rates among aboriginal Manitobans. We are working with the private sector, particularly major industries, to increase access for northern young people to opportunities in all economic sectors, including mining, forestry, and Manitoba Hydro installations. Our goal is to increase northern participation in these major fields and integrate the economy of northern communities with these industries.

Initiatives are in place to enable northern and aboriginal young people to participate in training programs leading to job opportunities. One example is the Aboriginal Public Administration Program, which is designed to recruit and introduce qualified aboriginal people, especially youths, to the systems and processes of government. Six persons will be recruited into two-year internship positions. Through a combination of work placements and formal training courses they will become a pool of aboriginal talent that will be made available for permanent positions in Manitoba's civil service. Another example is the Manitoba Hydro internship program, which was scheduled to enroll 20 aboriginal Manitobans in its next phase, which is just getting underway.

I should also mention Hydro's North Central power line, a \$154-million project, cost-shared with the federal government and conducted in partnership with several First Nations in northern communities. It has brought secure electric power to several thousand aboriginal Manitobans, the largest population of remotely located aboriginal people in Canada to be connected in this way. This project has provided community and economic development opportunities.

We are now considering the construction of a road up the east side of Lake Winnipeg. Using the North Central power line as a model, it would be a partnership with the federal government, the private sector, and northern communities.

In Health, many initiatives are under development or implementation or in the consultation stage. Manitoba Health is preparing a comprehensive aboriginal health strategy. It focuses on addressing crisis issues such as diabetes and tuberculosis, co-operation with the federal government, early diagnosis and prevention, and better co-ordination of aboriginal health services.

An extensive multigovernment and community consultation process has led to the development of a Manitoba diabetes strategy emphasizing prevention and early intervention. We are looking for ways to partner with the federal government to reduce the serious rate of diabetes in our aboriginal population.

The province has strongly supported the Aboriginal Health and Wellness Centre in Winnipeg. Physician services, education, outreach, and culturally sensitive service from an aboriginal perspective are offered at the centre.

The Children and Youth Secretariat is co-ordinating the efforts of several departments to reduce the incidence of fetal alcohol syndrome, or FAS, and alcohol-related effects. An FAS strategy is in place to reduce the number of children born with FAS and assist caregivers and service providers in their work with FAS-affected children. The strategy and related initiatives emphasize awareness, early intervention or prevention. One program, Stop FAS, focuses completely on prevention by providing

information and therapy to pregnant women at high risk of delivering an FAS-affected child.

In addition to specific hands-on programming, information materials have been developed and disseminated in a variety of print and electronic formats. Manitoba is working with Saskatchewan and Alberta on the prairie provinces FAS initiative. This involves sharing Best Practices and resource materials, developing joint strategies, initiatives, and the exchange of information through an annual conference.

In Family Services, the department is developing its Urban Aboriginal Strategy on Child and Family Services in consultation with aboriginal groups. This initiative will emphasize building the capacity of the community to care for its members through neighbourhood networks, skill-sharing and co-ordination of neighbourhood resources. The goal is to reduce the number of aboriginal children in Winnipeg in agency care.

In Justice, we have worked with First Nations, individual communities and aboriginal organizations to develop initiatives in policing, court services and community corrections. These initiatives emphasize positive outreach and connections to communities and crime prevention. They recognize and respect aboriginal culture and try to incorporate those beliefs into programs and operations.

We have negotiated policing services agreements with five First Nations and are working on others this year. Among the dozens of community justice committees throughout Manitoba, 17 are based in or serve aboriginal communities. The first committee in Manitoba was formed on Roseau River First Nation in 1976. We financially support the Ganawenimig Safety and Prevention Program of Child Find Manitoba which focuses on measures to assist missing or runaway aboriginal youths. Manitoba Justice has appointed some 20 aboriginal magistrates to provide local decision making respecting certain kinds of cases. One of our oldest aboriginal programs is the Aboriginal Court Worker Program. The court workers in Winnipeg and seven other communities assist accused aboriginal persons before, during and

after court appearances. We have worked with a number of First Nations to set up sentencing circles which provide advice to a presiding judge or appropriate sentences for offenders.

With the federal government, we support the Aboriginal Ganootamaagee Justice Services of Winnipeg which is designed to divert aboriginal adults from the mainstream court system to community-based dispositions of offences. They remain accountable but in a different forum from a courtroom.

Another federal-Manitoba project is the Hollow Water community holistic healing program which focuses on sexual abuse intervention with offenders, victims and their families. It has been very innovative and effective in dealing with the challenging tragic problem of generational sexual abuse.

The province supports the Urban Sports Camp operated by the Winnipeg Native Alliance which offers an alternative to criminal and gang activity for urban youths. Most of the participants are aboriginal. The community is very proud of this camp which, by developing the leadership potential of young people, has greatly increased the self-confidence of participants and enables them to set a strong positive example to younger children in their neighbourhoods.

Manitoba also supports the Salvation Army's Weetamah Youth Initiative which offers recreational facilities and services for inner city Winnipeg young people. This program is also designed as an alternative to gang activity.

In sport and recreation, we have provided support for an innovative initiative, the Manitoba Aboriginal Sport and Recreation Council, to remove barriers and improve access to sport and recreation and promote activities in communities. We also champion the successful efforts of Manitoba aboriginal organizations to have the 2002 North American Indigenous Games staged in Manitoba. As soon as Manitoba was awarded the games, we committed \$1 million to support the preparations which will take place in the next three years.

* (1620)

This summer at the Pan American Games, 10 highly qualified aboriginal young people will take part in an internship program organized through the Aboriginal Single Window initiative which Manitoba supports. The program will enable the participants to learn important points about organizing and running a major festival. This should prove useful for development of skills and experience needed to organize and manage the Indigenous Games.

Mrs. Myrna Driedger, Acting Chairperson, in the Chair

With aboriginal organizations and the federal government, we have also developed several tripartite processes to discuss and build initiatives of concern to specific aboriginal communities. We have a tripartite process with the federal government and Sioux Valley First Nation on negotiation of self-government for this First Nation. Sioux Valley has invited Manitoba to the table, and the province is considered to be making a significant contribution to the development of a self-government agreement.

We have another tripartite process with the Manitoba Metis Federation dealing with a wide range of issues and concerns identified by the MMF and Metis communities. Among them are economic development, education and training, child and family services, housing, children and youth, health and justice. We also have a tripartite relationship with the Aboriginal Council of Winnipeg which includes the Urban Aboriginal Strategy consultations conducted by the Manitoba Round Table on Sustainable Development.

On April 1, 1999, as a result of tripartite negotiations involving two First Nations, new Child and Family Services agencies were mandated to serve each of Peguis and Norway House First Nations. The Winnipeg Development Agreement, of which the province is a partner, has helped to fund a number of aboriginal initiatives in the core area of Winnipeg, including the Neeginan project and the Aboriginal Centre of Winnipeg.

Two fundamental points about all of these initiatives is that they involve aboriginal people in developing policies and strategies and they

respond to concerns expressed by aboriginal people, organizations and communities.

On a bilateral basis, the Assembly of Manitoba Chiefs is a partner in a memorandum of understanding with the province concerning endangered spaces. The AMC also is working in partnership with the Department of Natural Resources in matters affecting elk ranching. In addition, we recently increased aboriginal representation on the Manitoba Round Table for Sustainable Development from two to five. We have worked to increase involvement and participation by the business community in opening up opportunities for aboriginal people.

In government, an aboriginal development consultant for aboriginal economic development, Industry, Trade and Tourism, has enhanced the department's ability to work effectively with the aboriginal individuals and communities and support aboriginal initiatives. As part of an initiative to develop an information base on services and programs available to aboriginal people, the OTA-MISKA manual resource directory describing provincial, federal and private programs of benefit to aboriginal people has been compiled for distribution in government and to the public.

Aboriginal tourism is a priority area for the tourism, policy and development branch. We have assisted the efforts of the Manitoba Aboriginal Tourism Association to develop a strategic plan and will work with individual entrepreneurs and communities to develop an aboriginal tourism policy that creates opportunities for aboriginal people in the industry.

So where will all these activities lead us? We want the aboriginal community to be an integral part of our economic, social and political decision-making process. We are committed to consider the aboriginal community in the development of government policies and priorities. I am pleased that the business community is exemplified by such companies as the Royal Bank and Manitoba Hydro who have taken a leadership role in presenting a more inclusive face to aboriginal people and taking initiatives and working with aboriginal entrepreneurs.

Next, I would like to outline my own vision for the future which I have worked to achieve as a minister and member of this government. My department and I are working to see the North emerge as the next frontier for major socio-economic development with thriving, sustainable, healthy communities and vigorous economic activity throughout the region. I want to see the aboriginal people re-emerge as the pre-eminent culture in Manitoba which they celebrate together with all Manitobans in our wonderful rich multicultural community. I want to see aboriginal Manitobans all across the province enjoy a quality of life and all its aspects consistent with all cultural groups in Manitoba.

I hope by the year 2025 to see the following objectives realized: increase aboriginal student graduation and stay-in-school rates to the provincial norm, increase aboriginal workforce participation rates to the provincial norm, increase aboriginal employment rates to the provincial norm, increase income and home ownership levels of aboriginal Manitobans to the provincial norm, reduce hospitalization rates and incidence of diabetes, heart, kidney, and respiratory illnesses to the provincial norm, reduce use of social assistance and child welfare to the provincial norm, and reduce aboriginal rates of incarceration to the provincial norm.

Our government recognizes the federal government has a major role to play in making these goals achievable. We hope to work effectively with Ottawa in these long-term goals, just as we have done in the initiatives I have outlined here. We and other provinces look forward to participation by national aboriginal organizations in implementing the Social Union Framework Agreement whenever such implementation affects aboriginal people.

Manitoba also looks forward to committed effective participation by Ottawa in a process with other provincial and territorial governments and aboriginal organizations to develop and implement programs that will ensure healthy sustainable aboriginal communities across Canada in the future. The First Minister (Mr. Filmon) and I continue to work with our federal and provincial colleagues to advance a comprehensive aboriginal strategy and a national average on youth strategy. This is a Manitoba

approach that has been adopted by our provincial and federal partners. Madam Chair, our government is fulfilling its commitment to meet and work with aboriginal people in a reasoned noncon-frontational environment to discuss issues and work in partnership to achieve solutions.

Madam Chair, I would like to turn to an important initiative concerning our Northern Affairs communities and their futures in the next century. Last August, the government approved my department's self-reliance initiative which is also known as the Sustainable Communities initiative. It is designed to help communities attain their vision and reach their goals through self-reliance, achieving social and economic sustainability and independence in administering their local affairs. The initiative supports organizational development and community-based governance and decision-making structures aimed at achieving self-reliance, choice and control at the local level. It creates incentives for communities to look at methods of creating local revenue and explore alternative cost-effective ways to deliver services.

As an example, one community had a problem with its water intake. If an outside consultant or contractor had been hired to do the necessary repairs, the cost would have been more than \$10,000. However, they decided to use local residents and their skills and expertise, result: problem fixed at a cost of \$2,000 to \$3,000. The same community was able to change the way it hired heavy equipment. They used to grab whatever equipment was available, but now they go after the most appropriate machinery for the work required. This maximizes the funds they have to provide municipal services. This year an additional \$976,000 will be allocated to assist communities under this initiative. The funding reflects our commitment to share responsibility for funding for municipal services. The funding is based on a formula that incorporates principles of sustainability, accountability, shared responsibility, fairness, and consistency.

We have also tried to be sensitive to the geographic circumstances of individual communities. These measures will ensure greater responsibility and control at the local level as well as sufficient capacity to provide sustainable

municipal services in the future. Madam Chair, the self-reliance initiative is the foundation for renewed emphasis on community development from a holistic perspective that encourages capacity building at the community level and supports social development directed at the mental, emotional, physical, and spiritual well-being of northern communities.

As I have said here and to other audiences, Manitoba cannot truly enjoy a high quality of life until all our citizens can participate fully in society. The self-reliance initiative is an effort to secure this status for Northern Affairs communities through a combination of skilled human resources, long-term viability of essential social programs and services, investment in infrastructure, and community development and innovation.

In addition a co-ordinated effort and commitment from other government departments and agencies will help give communities the ability to determine priorities and develop economic initiatives and strategies for community development. As of June 1, 14 communities identified for participation in the initiative have signed the 1999 partnership agreements. This represents all Phase 1 and six Phase 2 communities. There are 20 communities that do not meet basic qualification to be considered part of the initiative. My staff are suggesting to these communities that they develop alternatives through such measures as co-operation with neighbouring communities and amalgamation of larger communities or other steps involving their own region.

* (1630)

As of April 1 we reached a milestone, not only under the initiative, but also under The Northern Affairs Act itself. Ever since the act became law in 1974 it has provided for incorporation of Northern Affairs communities. On April 1 South Indian Lake became the first community to take the steps to incorporation. I attended the ceremony in the community and want to put it on record that I was very impressed with the careful work of the mayor and council in putting together a detailed five-year strategic plan to guide the operations of South Indian Lake after achieving independence.

As a result of incorporation, communities like South Indian Lake will be able to act like other municipalities in the province in key matters like charting their own course, setting and executing priorities for services and capital projects, and working to achieve a sustainable local economy for their residents. As the status of participating communities evolves or changes, the role of my department will change from actually being local government to being a consultant and adviser.

We have stressed to mayors, councillors, and residents that incorporation will not change a community's ability to ask for and obtain assistance and advice from Northern Affairs staff. Madam Chair, the North has a bright future, a future that is being enhanced because of the prospects for final resolution of treaty land entitlement and Northern Flood Agreement issues for our First Nations. However, all our northern communities need the flexibility and freedom of action that is needed to secure their futures in a highly competitive global economy. They will need to work together to build economically and socially sustainable communities. This may mean partnerships with economic sectors such as mining or with one or more players in that industry, with other major players, with other communities, and with government. We believe the self-reliance initiative will give Northern Affairs communities the tools they need to secure their futures in the next century. We are working with industry and First Nations to foster a spirit of partnership in northern Manitoba.

Thank you for the opportunity to give that opening statement.

The Acting Chairperson (Mrs. Driedger): We thank the minister for those comments. Does the official opposition acting critic, the honourable member for Thompson, have any opening comments?

Mr. Steve Ashton (Thompson): I want to indicate that I am indeed the acting critic. I do want to indicate that our critics, actually, because we have critics, both aspects of the portfolio, may wish to make additional comments later on. With that I would like to make a number of comments myself, certainly both as the acting critic, and I think we are both

acting critics, the member for Flin Flon (Mr. Jennissen) and I, on this particular department. We will be making comments today, but I do want to indicate that I know our critic will probably have some comments to make as well. I certainly appreciate that.

What I want to do is start in terms of reflecting on a little bit of the history of this department and what we feel needs to be its future in the next period of time. This department exists because of the vision of the Schreyer government. It exists because of the work of the first Schreyer NDP government in 1969. I would also like to give credit too to Gordon Beard who sat as a Conservative until the early part of 1969, quit out of frustration with the Conservative Party at that time, and then actually came back in the general election as the member for Churchill in 1969. Very few people recall that there was a minority government at that time. One of the issues that Gordon Beard was very vocal on was the need for a department of northern affairs.

I think it is important to reflect on that history, because it was an incredible vision at that time, now 30 years ago. Up until that point in time, the North had developed through a number of sort of different stages.

The most significant development of course was 1912 in which the boundaries of Manitoba were extended to northern Manitoba. A lot of people are not aware of this, but I almost could have been an MLA in Saskatchewan, historically. Same thing with the member for The Pas (Mr. Lathlin). At one point in time, in the 1880s, northern Manitoba, as it is currently constituted, was part of the district of Saskatchewan. In fact, the districts went east-west, which made a lot of sense because of the river systems.

Really one of the trade-offs that occurred in the extension in 1912, the extension by the way that also took place simultaneously with the extension of Ontario and Quebec, was very much a trade-off in that case for The Pas in ensuring that there would be significant provincial government presence in northern Manitoba.

I indicate that because by the time 1969 came around, the North had developed in various different ways. You had the First Nations communities, obviously having been in the North for thousands of years. There is increasing evidence of the civilizations that they are based on, new findings. But you are also reflecting very much on the development of the Hudson Bay rail line, mining, et cetera.

Now I do not want to spend too much time on that, other than to say by the time 1969 came along, you had a situation in which the North was basically neglected by the provincial government of the day. It was reflected politically. Obviously at that time northerners, in many cases for the first time, voted for the NDP, in fact, four out of the five seats, in an area that traditionally had had a strong Conservative support base, particularly in the First Nations communities. One of the visions of the NDP at the time was to develop infrastructure, was to develop communities, and was to understand that in northern Manitoba one had to use unique approaches to dealing with unique problems, and I believe unique opportunities as well.

The origins of the Department of Northern Affairs were quite simply to provide, initially, a level of local government in unorganized communities. That was the origins of the Department of Northern Affairs. In fact, the first ministers, including up to this point in time, have traditionally been responsible and continue to be responsible for what used to be called the Metis communities, and are often referred to now as Northern Affairs communities, basically the communities that are not First Nations communities and not the industrial communities.

Well, with the addition of the Native Affairs component to the minister's portfolio, that broadened in the 1980s to include aboriginal concerns, both on and off reserve, and in many cases aboriginal concerns in areas that had not necessarily been recognized as being the jurisdiction of the province, but reflecting the fact that all Manitobans are Manitobans. There are First Nations, Metis, nonaboriginal. I think that was fairly significant.

Mr. Chairperson in the Chair

What I have always found ironic in a way is that to many people in my home community of Thompson, they often view the Minister of Northern Affairs as being their minister too, even though technically that has often not been the case, even though many ministers of Northern Affairs have not always focused in on those needs. I think that vision at the time worked. I think its success is being shown today, but I think we need a new vision. I was pleased that the minister put forward his own personal vision because I am a strong believer in the need for all organizations and particularly government to be driven very much by a vision and through the development of plans to accomplish that vision.

I just want to look back at what we have accomplished—infrastructure in northern communities, airstrips, internal roads, housing. Many of those date back to the foundation of the Department of Northern Affairs in the '70s, and one can still travel to those communities and people still remember the activities of the Schreyer government at the time and then later the Pawley government. One saw the development of organizations, once again the Schreyer period, NACC, to give a forum to people in Northern Affairs communities to be able to lobby, to be able to develop plans within their own communities, and that was very successful.

But there were also other components, too, which did not necessarily come under the jurisdiction of the Department of Northern Affairs, which, unfortunately, I believe, in the last decade, have been lost. I do not blame this minister, but there was a tendency in this government in its early stage to have a knee-jerk reaction opposing I think some of the most innovative and successful programs we have seen in northern Manitoba, in northern communities generally. These were a lot of the Education and Training programs. Part of it, of course, was federal cuts. That has been a problem, but, you know, the erosion of New Careers, for example, very much a part of the Schreyer NDP plan for the North, getting people off welfare, into upgrading, into training and into jobs. We have people who have been through that program in this Legislature. In fact, the member for Point Douglas (Mr. Hickes) both went through the program and became an instructor along with Limestone training.

The Access programs, very much a fundamental part of that, and they have been eroded once again as well, those programs once again recognizing the unique needs of northern Manitoba, the fact that many people in the northern communities simply have not had the educational opportunities that other Manitobans have had. Twenty or 30 years ago, you had to leave the community for the most basic level of schooling. The minister I know will be aware of the residential schools, but even today there are northern communities where there is no high school because of the size of the community, and that leads to people leaving the community or not being able to complete even secondary education, and they are a decade-long plus. In fact, in the case of Buntep, we are talking now 20 years-plus of success stories.

* (1640)

I include even such things as the Limestone training program which did a lot of training that was often ignored. Many of the people who worked at Limestone, many of them worked in their own community. I am sure if the minister would care to check with people in a lot of the northern communities, a lot of the training came from that period of time, some very significant aspects that, again, have been eroded.

The Northern Youth Corps, which I think was an excellent program, was cut a number of years ago. It provided young people in many cases the only access to paid employment that they would be able to have in a post-school situation, and we are seeing very difficult circumstances now. Even recreation programs, it was not that long ago you could get a learn-to-swim program. Guess what, Mr. Chairperson, it was cut by the provincial government.

I can continue. The friendship centres, in 1993 when the government hit a financial crunch—yes, let us put it on the table. They had the highest deficit in Manitoba history, but they went after the friendship centres, eliminated all the core funding. I still remember one of the Conservative ministers at this time saying, well, maybe the friendship centres should charge membership fees. Well, I tried to explain to the minister this is not a golf course. This is not a social club. I say that because I know this

minister is working with friendship centres, and I would certainly encourage him to look at the reinstatement of the core funding, but I know he is working in a co-operative basis.

And this government now, belatedly, after 11 years in government is discovering that the friendship centres that they cut in 1993 are actually useful partners and have the kind of credibility not only with the broader aboriginal community, because the friendship centres are very much committed to that. When I say broader, I mean First Nations, Metis, nonstatus, but also in the broader community as well.

I know the Ma-Mow-We-Tak Friendship Centre in my own community has an excellent reputation both in terms of program delivery and also within the community. It is a very important part of our community.

Now, I want to run through this because this is, in fact, very much the kind of legacy we have seen. I will tell you, within the direct jurisdiction of the Department of Northern Affairs, this minister, to his credit, was able to get an increased allocation for capital. I welcome that, because one of the saddest things we saw in northern Manitoba was during the federal-provincial infrastructure programs, the government, rather than up-fronting its capital to access additional federal funding, the government at that time did nothing other than stick with existing funding and we ended up with a lost opportunity, I think, to greatly accelerate the capital infrastructure development of northern communities.

I credit the minister, because that was the first significant increase that has taken place in the capital budget in quite some time. That is very much an important part of it. But what we have seen is an erosion on the economic side as well. I want to put this on the record. I welcome, by the way, the fact that the minister actually recognized in his comments something a lot of other ministers do not. That is that northern Manitoba does not reflect, say, the situation south of Highway 1. I mean, Morden-Winkler may have a zero percent unemployment rate effectively. I know people who live in those communities. That is the reality. That is not the

case in northern Manitoba. Not only that, compared to 10-11 years ago, we no longer have Limestone.

This government, I forgot to mention this government was responsible for the cancellation of Conawapa, another fiasco that ended up with them in court with Ontario Hydro. They had a choice of a five-year delay and they chose a cancellation. This has still been subject to litigation, but that provided a lot of opportunities. I do note and I know this is not the right committee even though this is the right minister to be raising this with, I know there are some very good discussions taking place between Hydro and a number of northern communities, which I certainly welcome, which are aimed at preparing possible dam developments in terms of the preliminary work. Also what I am very encouraged to see, something that I have been arguing for quite some time is direct involvement by the communities themselves.

The fact is, there are a number of communities that have an excellent opportunity to participate in that sort of development, but I want to stress that you have a situation where Hydro is inactive, mining is not. This is not Energy and Mines section of the committee, but the minister is quite aware of the very great difficulties of the mining industry. Some encouraging signs, there are good predictions ahead for resource industries, for commodity prices. Those of us in the North who very much watch the price of nickel or copper or zinc will have to be shown it to be the case before we will believe it. We have gone through some tough times, plummeting prices. I mean, the price of nickel hit \$1.80 a pound, less than half of what it was just a few years ago.

We are faced with real challenges. I have said this to the minister in his other capacity that we have to, I think, do a complete review and overhaul of the situation in the mining industry and whether it is us in government or this government over the next period of time, it has got to happen. We have got to reflect the rapidly changing nature of society. With the global economy we live in, you cannot simply review things once a decade. In some cases you have to do reviews every few years and in fact even yearly, because if we are behind in doing that

other jurisdictions will take the lead, but the reality is that mining is down.

Forestry is probably the one bright spot, but even then there are always cyclical developments. I personally think there was a lost opportunity, this government's record, the sale of Manfor to Repap in terms of community input. I will be raising some questions on that because it is a big issue, a number of my communities that are now seeing the cut areas moving into their areas and are not receiving the kind of economic spin-offs they would like to see and the benefits, despite, I might add, some of the good work being done by CEDF on the forestry side. I have always been quick to give credit to that.

In terms of other economic development, quite frankly, and I think this is something the minister will hear from municipal officials, the government has not been flexible, the government has not listened to the objections of the fact that a number of programs that that might work in Morden-Winkler just simply are not appropriate for northern Manitoba. I know the Minister of Rural Development, we have raised this in the past, the number of programs that simply have not met those needs. The reality is that we are facing significant economic problems. Northern Manitoba varies between the highest rate of unemployment in the country, perhaps the second highest in some cases, certainly no lower than the third. That by the way is on figures that leave out a lot of people in northern communities who simply do not even register as being unemployed anymore. They have given up. That is a real concern to me.

We have seen losses in other areas. For example, on the rail system, far fewer jobs in northern Manitoba than we had. The federal government has virtually abandoned northern Manitoba. There are very few jobs now located in communities like Thompson and other communities. The bottom line is we are certainly hurting economically.

If you look at the situation in northern Manitoba, it is almost the tale of two provinces. It is almost like that original dividing line in 1912, somehow the newer part of the province is continuously being left behind. We face chronic unemployment. We face a lack of appropriate

services. I mean I could get into this government's neglect of our highway system. Health care, you know, our health care facilities seem to get hit time and time again. I mentioned this the other day where I had a constituent who had to be driven in from the lake only to find out the intensive care unit was closed in the Thompson General Hospital, and he had to be medivacked to Winnipeg. That is the kind of situation we face. Three weeks for a doctor's appointment for an urgent situation, six months for a medical checkup.

What we have seen is not only has the government not been reacting to a lot of these concerns in many cases, even in some of the areas that they did take the initiative, 1990, I believe it was, decentralization—now, there was a bit of a phoney element to that. I still remember seeing the figures on Thompson. I remember one time they jumped by 45 people, and I thought: this is great. I have always supported decentralization. It goes back to the Schreyer government. It was an important part of the Pawley government. I supported this government when they did it. The minister may not be aware of this, but what they did is they took all the employees at Kelsey who were considered to be part of the Winnipeg office and they went and they considered them to be part of the Thompson office. Not one single one of those employees lived in Thompson, but they were added on the books as part of the Thompson office. Well, the reality is since that time, we have seen more and more of those jobs that were supposedly moved out for decentralization eliminated, and we are actually seeing some recentralization. I know the member for Flin Flon (Mr. Jennissen) has raised this, positions in Lynn Lake, I believe was one of them—

An Honourable Member: Flin Flon itself.

Mr. Ashton: —and Flin Flon itself are being recentralized. That I think is wrong. There is a real logic to decentralization. It has worked in some departments fairly well, but we have seen an erosion of it. I still remember, I raised this several years ago in committee, the minister responsible for decentralization at the time, I asked him to give me the figures of the number of employees of rural and northern Manitoba before and after decentralization. I never got

those figures, and I know why. Because it is dramatically less, partly because of the overall downsizing of government, but partly because some of the much touted jobs that were decentralized are now in fact either back in Winnipeg or have been moved, in some cases from some of the smaller communities in some of the regional centres. I will put on the record that I do not want to see more jobs in Thompson at the expense of Lynn Lake. That is not what decentralization is all about.

* (1650)

In terms of our vision for the North, I think it has to start from the reality. There are a lot of difficulties. Now I want to flip it around as well, because I think the North has a lot going for it. Where we do have resource industries, even if they are going through tough times, they tend to be high value-added. Quite frankly the mining industry, if it was not for mining, our economy would not be much different from Newfoundland. A lot of people are not aware of this, but you want to talk about the reality of this province, the average industrial wage in Winnipeg is lower than St. John's, Newfoundland, one of the lowest in the country. What is the difference between us and Newfoundland? Well, the big difference is in terms of unemployment. They have a much higher rate of unemployment, or in this case we have more value-added industries. Now that is changing somewhat with Hybernia. We will have to see what happens with Voisey's Bay, but a lot of it comes, partly from agriculture, but the fact is northern Manitoba has been a net contributor to this province time and time again, notwithstanding the economic difficulties. I want to put this on the record by the way too, because this is often neglected.

Now you want to take southwest Manitoba and northern Manitoba. This is before the current farm crisis. Which area of the province has the largest transfers from government? Most people would say the North. You know what, it is southwest Manitoba. The difference is, whether it be in terms of farm programs or other government transfers, people do not see it that directly, because there is not a high rate of unemployment in southwest Manitoba, but the degree to which northern Manitoba is dependent

overall on the rest of the province or the rest of the country I think is often assumed to be far greater than it really is. We produce. We are net contributors to this province in terms of the value-added and, historically, even when we have tough times we still contribute in terms of income taxes and sales taxes and even mining royalties. We are not paying a heck of a lot right now, but in 1988 one of the reasons the budget we brought in—and you can argue about who should be responsible for this. It would have been a surplus if the money had not been drained out in 1988-89. It was because of Inco alone, it contributed \$120 million in a single year. So this sense of the North being dependent, I think, is greatly overstated. In reality, one of the problems is we have a dual economy.

Now as an economist, I could get into some more of the background in terms of what a dual economy really is, but I see it in my own community and I see it between different communities. We have a high wage sector, and then we have people living in poverty. What concerns me is we are seeing more people slip from one end to the other. I see a lot of sons, daughters of the resource-based industry employers, they cannot get into the resource-based industry. They are now into careers at McDonald's, and no offence to the McDonald's, but we all know that the restaurant business pays significantly lower than resource businesses. So we are seeing slippage of that.

We have seen a continuing growth in a potential labour force, but we are seeing more and more of a gap between the growing number of young people, especially young aboriginal people, in the labour force, and that is a real challenge. But you know, I want to flip that around again. It is a challenge but you know I think in Manitoba, and I will put this on the record right now, I think we should be starting to focus on the aboriginal advantage. I have used that phrase and I will use it again, and I want to put this very bluntly to residents of the city of Winnipeg. Without two factors, Winnipeg would be in decline right now. Large parts of Winnipeg would be ghost towns in various different neighbourhoods because of our static population growth. If it were not for the increasing number of immigrants—and I believe we need more immigrants to this province—and the net

migration into cities of aboriginal people, our population in the city here—and I say our population because even though I am a resident of Thompson, we have a direct interest in the health of the capital region and our capital city—our population would have declined in the city.

Personally, by the way, I believe in the vision that the mayor of the City of Winnipeg has put up and many people in the business community, the 750,000-person target. I think moderate population growth in this case creates markets, creates business opportunities, creates economic opportunities. But you know, where is the labour force going to come with the demographic patterns that we are dealing with? It is going to come, by and large, from aboriginal people if we meet the challenge of providing education and the job opportunities that aboriginal young people are going to be looking for. That is going to be the key.

When I say it is an advantage, it appears to be a huge challenge right now. But without that growth in the aboriginal labour force and the growth in the aboriginal population, I think we would face slow and steady decline in the city and to a large extent the province as well. So my vision and our vision I think collectively—and I think the minister, despite our philosophical differences in some areas, from his own statement, we may be in some agreement on that. And I welcome by the way some of the joint ventures with business, et cetera, that are happening. That has got to be a key element, and I welcome some of the programs. He mentioned the Royal Bank. The bank is starting to recognize the importance of aboriginal people. The banks in communities like Thompson are starting to hire far more local people and particularly aboriginal people. I have seen a growing number of grads coming from KCC, for example. I was at the graduation on Friday, and I have seen a growing number of those grads being employed by the Royal Bank, for example, and other institutions. So that has got to be a key part of that development.

But you know, there is another aspect, too, and this is in terms of the vision. You know why I find it very encouraging is we are getting far more leadership from the aboriginal graduates of many of the programs that I talked about, the

Access programs. This is where there has been some success in the last number of years. We have gone from virtually no aboriginal university graduates in Canada. The numbers were in the hundreds to the point now where we have thousands and tens of thousands; you know, northern Manitoba led the way. It is one of the proudest legacies of the Schreyer government, the Pawley government, the Access programs. We are starting to see many of those people now in leadership positions in the community.

One of the things they are instilling in a lot of young people that I see—I look at William Dumas [phonetic] for example who is a school teacher in Nelson House, very involved, I know the member for Flin Flon (Mr. Jennissen) is quite aware of this—is the sense of pride. There is a rebuilding after decades of what can only be called cultural genocide in which virtually any evidence of aboriginal culture was alloyed or deliberately destroyed.

By the way, and I will say this on the record, I do not know if I completely agree with everything the minister said in Cross Lake, but one thing I thought he was quite appropriate on was—and I think the sort of appropriate expression here is that people who live in glass houses should not throw stones. But to simply focus in on one player, in this case Hydro, as being involved in the destruction of a community and to leave out the role of some of the people obviously in the community, and I do not mean those people individually but their institutions, that left a terrible legacy and people do not realize. Residential schools, I mean, there are heart-rending stories. I talked to people in Nelson House who are still trying to find the unmarked graves of their kids who went 30 years ago to a residential school, and the heartlessness in which the people were not even informed of the death. They had to find out themselves when their kids did not come back. This is Canada of 20, 30 years ago.

You know, in today's age, we like to pretend we are not a racist society. We have a terrible history in some areas and particularly when it comes to aboriginal people. I think the minister's comments were well taken. There are a lot of Canadian institutions and a lot of levels of

government that have to go through a process of rebuilding trust, and one of the things is rebuilding pride. I have said this to graduating classes. I think, once again, aboriginal people have a real advantage if they have a sense of their own culture and traditions and real pride in themselves, because they have no problem getting access to sort of mainstream culture in the world of the Internet, and satellite dishes are pretty well everywhere in northern communities today. If you focus in on that, it is really important.

You know what is interesting, you look at corporations now. Corporations are recognizing this, corporations in the United States, in particular, some of their leaders, in terms of diversity. You know what they want? They want people who can think in different ways culturally, because I have often said this. If you can survive in two cultures in Canada, you can relate much better to somebody overseas, even with trade, say, with China, or pick a country, anywhere, Ukraine, where people are functioning in their own language and culture and then trying to function in the global, often English-language-based culture. There is a real advantage. I am seeing that more and more with a lot of aboriginal people, but, you know, we have to start stating that as being a key part of what we are trying to do, which is to work with aboriginal people and aboriginal communities through the education process to rebuild a sense of culture and pride.

I want to go one step further than that. I am encouraged in some communities as a result of this kind of leadership. It may sound like a minor thing, but this is something I want to throw out as a challenge to the Minister of Northern Affairs (Mr. Newman), because he did mention this as one of his targets, health care. One of the saddest examples of the loss of pride and the erosion of cultural traditions shows itself up most directly in terms of health care, shows itself up in terms of the suicide rate, which I see amongst a lot of young people, but the health conditions, too.

I am starting to see in some communities, and I recommend the minister look at what has happened in the Northern Affairs community of Thicket Portage, where a couple there who run a

mission and a restaurant—there is actually a restaurant in Thicket Portage. The minister may have been to it. I know he has certainly visited Thicket Portage. But they started a community garden project, and people in the community started planting community gardens again. It was not that long ago that community gardens were a standard thing in northern Manitoba, 30 years ago. Imagine, community gardens.

* (1700)

They are doing this in Wabowden, as well, by the way. The sad part is, in a way, we have all this clear-cut of the forestry there. The minister may be aware of this, but people have been actually farming in that area, farming, and faced recently, when somebody caught up with the fact that they could actually raise the fees, that they would have to pay on their lease for the year. In one case, it went I think from less than a hundred dollars to a couple of thousand dollars. One of the advantages when you have this farm is it sends the message to the whole community. They have a community garden in Wabowden and all the young people are getting involved with this.

It does not only provide you with food; it changes the concept you have of your lifestyle. Instead of going to the store and buying a bag of chips and a pop, you are now sort of taking some interest in that area, and I believe we have to do that. We have to emphasize community gardens, traplines again. The saddest thing I am seeing in a lot of communities, as well, and I will mention Bay Line communities that I represent. The grandparents worked 35 years on CN and trapped in their spare time. The parents worked 15 years with CN and were laid off, and trapped. The kids, nothing. No work on CN. Many of them would be 25, have had no significant work experience. I visited an elder a while ago who fit in that category. One of his family members, a nephew, committed suicide, and you wonder why, with the lack of opportunities that exist.

By the way, and I will raise this in the context of some other bills in this session, I can tell you my experience in a lot of the northern communities. I know the minister will bear this out. You know, there are not jobs in a lot of those communities, but people want to work. A

lot of people want to work. There are more and more people, by the way, who are falling off from the vicious cuts of employment insurance that took place. They used to be able to work and qualify for UI, and now are not able to qualify for UI at all. People will work. They will work 10, 20 weeks. They will work whatever length of time they can, commercial fishing. That is the kind of thing that we are dealing with. We have to rebuild that sense, I believe, starting from some of the traditional activities.

We have to get kids going out. A brother of mine is a doctor in one of the communities actually, in the member for Flin Flon's (Mr. Jennissen) constituency. He remarked on the same thing. He said in the 10 years he has been in this community, this is a doctor for medical services, he has seen a decline in the number of people that are actually getting involved in traditional activities and in the workplace. That is something we have to be very concerned about.

We have to I think turn it around because if you take the opportunity to get people into that, growing food, getting out on the trapline, educating people about traditional techniques in terms of handicrafts, for example, you can develop useful social and work skills.

Now, the tie I am wearing right now, and I know this cannot be described in Hansard too well, this is from Baker Lake. You know, in the Northwest Territories, now Nunavut, they are doing a lot of things in terms of—I mean you can get a silk tie, with a northern design. Well, you can also get a lot of handicrafts. They are doing a lot of work on that.

We should be doing a heck of a lot more to develop those work skills in northern Manitoba before we lose it because, you know, a lot of the elders, and a lot of the women were elders, have significant skills in terms of doing mukluks and doing traditional handicrafts. It is being lost. Their daughters and granddaughters do not have that particular opportunity. In a way, the '60s, '70s and '80s brought a lot of good things from outside society in some ways, roads, good, bad, mixture, new technology, but what we have to do is act soon, I think, to build on some of the

underlying cultural traditions and really work on a sense of pride.

Now, that is our vision, and I could probably spend quite a bit more time on that, but I do want to focus on a few things because I also believe, as an opposition critic, in giving credit where credit is due. I have been critical of a lot of things the government has done, and I am not criticizing this minister. He is still relatively new in the portfolio. I think there are some encouraging signs that the minister has been willing to travel the North. It starts with that. He has been willing to sit down and meet with people.

Whether I agree with him or not, I do give him credit, for example, with going to Cross Lake. That took some political courage on the minister's part, and I think that is important. I am sure he received a polite reception. There may have been some who were frustrated by his comments, but you know that has always been my sense of the North. That is we can learn a lot from the way in which the North treats visitors. Sometimes we get frustrated. I say "we" collectively, and it is for a good reason. I hope people will realize that.

I have yet to see a community where people do not welcome a cabinet minister visiting or an MLA, whatever party they are in or position they are in, because we know, we understand. I mean every time the Minister of Northern Affairs (Mr. Newman) goes up, he is going to see the problems, see the opportunities. I mean he is not going to make it worse by seeing that. He is going to come back to the cabinet table and come back to the Legislature. To my mind, every time somebody goes up North, visits northern communities, we have one more ally. Even if it is only on a few issues, that is important.

I think some of the developments in terms of the self-reliance, with the appropriate tools, are encouraging. Some communities have proven they are at that stage. I know South Indian Lake has proven it. I think that is important. I think it is important to note, too, that one of the elements of that was not just setting up the framework, but also setting up the situation in which the tools were there, both in terms of funding. That was

one of the key factors for most communities, and I think there are more tools that can be given. I think there are a number of communities that could be given an extended jurisdiction, Northern Affairs communities where it does not conflict with other jurisdictions.

I am a strong believer in the case of the communities I represent, Northern Affairs communities like Wabowden, Thicket Portage, and Pikwitonei. If they had greater boundary areas or greater jurisdictional areas, you might see, for example, there are some excellent lakefront properties around Thicket Portage, Pikwitonei. What if the community itself was able to develop that as a cottage area? I would like to see this done in some First Nations communities as well, by the way. What if we could then use some of our forestry to take some of the technology that exists for log cabins? There are some log cabins being built now as a source of housing in aboriginal communities. Nelson House and Split Lake are looking at that. They are far more effective than the old log cabins. People have this kind of image that we have progressed by having wood frame structures with gyproc. I beg to differ. Some of these wood cabins are more efficient in terms of energy consumption than the rest.

Once again, a lot of what happens is, if you give communities more jurisdiction, you can give them some opportunity to develop their resources. I think those are the challenges. I think some of the things the minister has done are positive. But I quite frankly think we need a northern plan. I recommend to the minister a lot of the work was done with the Northern Manitoba Economic Development Commission, which after a million dollars still sits on the shelf collecting dust in the case of many of its recommendations. I want to recommend to the minister some of the recommendations that we have been bringing forward including in that more resource revenues staying within northern Manitoba and giving northerners more opportunity to promote economic development within northern Manitoba. I think that is very important.

* (1710)

I mentioned in terms of Hydro, there are some encouraging signs there. But I want to

stress again that partnership with the communities is the key aspect. We need to change the way we view economic development. We need to restart a lot of communities in terms of traditional activities. What we need as well, and this is one area that I think is important as well, we need partnership with the federal government. If there is one regret I have, whether you blame the federal government or the provincial government, we used to have northern development agreements in the '70s and the '80s which had a partnership approach, did a lot to develop education programs and infrastructure. We desperately need that again. We need that federal-provincial approach. I hope, by the way, with the talk of a renewed infrastructure program that it will be something that will be taken as an opportunity to have a specific one for northern Manitoba.

Quite frankly, a few years ago we had a Southern Development Initiative that brought sewer systems into southern Manitoba. We are still, year by year, and I know there has been some progress in some communities under the capital budget, we are still dealing with that, communities that do not have proper infrastructure in northern Manitoba.

I think, yes, we have problems. We are worse off in many ways than we were a while ago, but with a sense of vision and a commitment from all levels of government and respect and partnership, I think we can go a long way. Thank you, Mr. Chairperson.

Mr. Chairperson: We thank the acting critic from the official opposition for those remarks. I would remind members of the committee that debate on the Minister's Salary, item 1.(a), is deferred until all other items in the Estimates of the department are passed.

At this time we would invite the minister's staff to take their place in the Chamber. We know they have been waiting with bated breath out there. See how patient they are. That is what you call stand-up staff. I know they were standing because there are no chairs out there.

Is the minister prepared to introduce his staff present at this committee at this time?

Mr. Newman: We have my deputy minister, Oliver Boulette; assistant deputy minister Jeff Polakoff; we have Rene Gagnon; and Joe Morrisseau.

Mr. Chairperson: Thank you, Mr. Minister. Does the member for Flin Flon have leave to take his questions from the front row? [agreed]

Mr. Gerard Jennissen (Flin Flon): Thank you, Mr. Chairperson. I appreciate that. As the member for Thompson stated, neither one of us is the official critic. But I listened with rapt attention to what the minister had to say and also to what the member for Thompson had to say. I must admit, they are very eloquent and I do not pretend to have the same eloquence. So I guess I am like the proverbial ugly duckling caught between two swans, but nonetheless I would like to make a few statements, perhaps more briefly than either of the two predecessors who spoke.

I think the minister talked about some very practical things. He talked about how things are right now, the what of it. I think the member for Thompson put everything into a good historical context for us to be asking questions of the minister and his staff.

Mr. Edward Helwer, Acting Chairperson, in the Chair

The minister listed a number of initiatives, and I appreciate some of the practical and pragmatic aspects of those initiatives. I do believe the minister to be a very practical, pragmatic person. I also want to echo what my colleague said, that we really do appreciate the fact that he comes up north, that he does not merely operate the department from Winnipeg. If there is one criticism we get from many northerners, it is this Perimeter vision and none of the cabinet ministers ever come north. Something we could also, I guess, say to some of our own people in our own caucus, that we like to see them up north more often.

But this minister has indeed travelled the North, and I think he is respected in all communities. Even though we come from dramatically different ideological perspectives, I want to assure him that I appreciate that greatly, that he takes the effort and that he also tries to

the best of his ability to understand the cultural aspects of aboriginal people. I think very few people have done that, and I think he needs to be commended for that. I wanted to start off by saying that.

I know there are a lot of needs in northern Manitoba, infrastructure needs and health needs and justice needs. The minister and also the member for Thompson (Mr. Ashton) have alluded to that. We can talk about a lot of negatives: the geographic isolation, the chronic poverty in northern Manitoba, the unemployment, variety of social problems. The member for Thompson referenced that suicide is an endemic problem in northern Manitoba, and I think it is linked to poverty and alienation and cultural erosion. There are high levels of diabetes, so there are all kinds of health problems in northern Manitoba. The minister himself pointed out fetal alcohol syndrome, fetal alcohol effect problems. They are chronic. We have to take that seriously because the price tag is enormous. We have to intervene as quickly as we can and intervene early. We could lament the fact that some of the positive programs from the past have been cut for whatever reason, whether they are aspects of Access programs or whatever. But I am sure the minister is trying to do his best with a limited budget, and I appreciate the pragmatic aspect of his vision.

But, apart from the negatives, I think we also have to stress that in the years, at least in the years that I have been in northern Manitoba, and I came to northern Manitoba in 1972, I have seen great strides forward. In fact, if we wish to be highly symbolic and sort of focus on just one person, that the minister's own deputy minister, Oliver Boulette, was a graduate, I believe, from FCI, if I am not mistaken, although I did not teach him; I think I worked with him for a little while. The fact that people coming out of that school in northern Manitoba, which was a high school for a whole host of smaller schools scattered in the North mainly, are here today, I think, is a tribute to the fact that there are success stories.

I am sure that the deputy minister would be the first to admit he is not the only one. I used to go into South Indian Lake and there would be Mike Dumas [phonetic], the mayor, who was a

former student from FCI. In fact, Oscar Lathlin, the member for The Pas, is a graduate of FCI. I am thinking of Phillip Buck of Moose Lake, Chief Phillip Buck is a graduate of FCI. I am thinking of the former Chief Bighetty out of Brochet, a graduate of FCI. And so on and so on. We run into those people all over the North.

When I see that, I am personally very much heartened and gladdened because day to day we do not see the strides forward. It is easy to sit and be negative and criticize and whine and say things are getting worse. Well, things are tough, but there has been some light. There has been some improvement. I can only feel positive about it when I see it concretized in a human being, when I see the chances we gave some of those isolated students from small communities. They came north, and, Lord knows, it was not easy to leave your home. I am sure that Mr. Boulette could talk about that, when you are in Grade 9 and you have to move. I do not know; how far would it be from Manigotagan, probably 800 kilometres or more, probably more? A thousand kilometres to go to school and not see your parents on a regular basis, to see them perhaps only at Easter time or Christmas.

I know we have tightened that system today. Frontier Collegiate Institute, still operational. The kids go home much more often now, but I know how difficult it was and how I, as a teacher, had to in a sense become a surrogate parent and how the bonds we formed with those young people were powerful bonds that cannot be broken, even today. That is why we are so glad to meet one another. I think that is the kind of approach we need, and I am very happy to see that, when the minister takes that culturally sensitive approach, that is the direction we are going, and it needs to be strengthened

I am not saying there are no negatives, but there are very, very many positive stories as well that gladden my heart. I can point out one other thing. When I was at Frontier Collegiate Institute, I came in 1972. I came from Saskatchewan and I taught aboriginal students in the Wadena School Division, a number of aboriginal students at a high school. I remember the principal saying we have never graduated an aboriginal student out of this school; in fact, we have never got an aboriginal student into Grade

10. I remember two girls, and I still occasionally meet them. We finally, we meaning a number of teachers, including myself, got them to Grade 10. That is as far as we ever got, and that was our success story.

Compare that with our aboriginal people today, you know, the success stories we have: the lawyers, the doctors, the deputy ministers and the ministers, I am sure, and the members of Parliament and the members of the Legislature. I mean there have been strides forward, and we cannot ignore that. I am very, very heartened by that.

I also want to point out when I was at Frontier Collegiate Institute, from 1972 till 1994, that particular school was culturally sensitive to the best of its ability. I cannot pretend that everybody in there was from a cultural background or was cross-culturally educated or was even necessarily sensitive of the needs of aboriginal people, but at least they tried their darndest.

* (1720)

If there is one regret, it is the fact that we did not push languages hard enough, particularly the Cree language. I hope that the minister and his own department realize that that is a very important aspect, a very important factor that we, to some degree, neglected to address then, but we are addressing it now. If you wish to speak to aboriginal people, especially to elders, you sometimes have to use another language, and it is pretty tough when you go through translators. So we have to be really sensitive on the language issue.

I was going to get back to Frontier Collegiate Institute. We had a trapline. I know because I ran the thing for 20 years. I cannot pretend that I am a trapper, but I was caught in the ambivalent or ambiguous, possibly ridiculous, position as some white boy, who was actually born in Holland and wore wooden shoes at one point and admired tulips, or whatever the stereotypes are, having to teach aboriginal kids how to trap. There was something wrong with this picture. I think the member for Thompson (Mr. Ashton) alluded to it. The skills from the elders were slowly being lost, and that is traumatic.

It is not just the skills that are being lost, it is also the language because language is the carrier of value. We are much more aware of it today. For example, at Frontier Collegiate Institute, we teach Cree, we make sure we have good Cree teachers because it is so important. I am not trying to suggest Cree only because there are many other Oji-Cree and Sauteaux and Dene, as well, of course, many other languages, not just the Cree language.

What I was getting to was it was important for us, at least as white teachers in that institution, to be aware that trapping and traditional lifestyles were important to our students, at least to the family or the elders from the communities that these students came from, so we took up trapping. We had a 60-square-mile trapline. I do not know if Mr. Boulette was part of that trapline or not, but I learned an awful lot. I soon learned that not every aboriginal person or student there or every white student there, for that matter, was a good trapper, but there were some that were. I learned how to trap, and then that skill I could pass on to the next group of trappers.

You know, it made us so much more relevant, I think, because for one thing the children there then realized if you really planned well and you did the right thing and you caught the right animal and you watched the markets and you sold that, you could make a buck. It was great entrepreneurship. I know there were students, in fact three brothers I recall, who were fanatic about trapping. They were so fanatic I had to stop them from cleaning out the whole line. They made \$10,000 one winter. I mean that was a lot of money, and that all tied in with education, with mathematics and with English. I made them write essays on the topic and so on.

So those kind of fascinating things were happening, and I think more of that should have happened. That particular school is a residential school. It is not even your typical day school. Maybe that is what made it so unique. I guess in that sense it counters the stereotype residential school, which has all kinds of negative connotations.

Perhaps, there is a larger lesson in all of this. It is so easy to focus on the negatives, and as the

role of the opposition, we often, I think, are driven into that particular extreme to pooh-pooh everything and to be critical of everything. I want the minister to know and his staff, because I know them to be extremely good people, I know Jeff personally and Oliver, obviously, and some of the others, want them to know that even though we are critical, we have the best interests at heart of the northern people, and I know they do too.

Sometimes for ideological reasons or party or political reasons or pre-election reasons, we do go at it somewhat heavily and somewhat critically, but I think we have to, all of us, be aware that we represent constituents. I happen to represent northern constituents of which I am enormously proud, whose culture and heritage I am trying to learn, as well as the other groups of people, mainly mining people and tourist people, who come from a culture of which I am more acquainted, but we all have to be sensitive to that.

Now, I know that was a long, roundabout statement, and I promised to be brief. I just want to be sure that in the future we are aware of the haves and the have-nots, that the northern part of the province tends to be a have-not area. I do not think there is a particular line, because I know some of those battle lines, if you can call them that, are drawn also in the city. I am very happy that the minister talked about an Urban Aboriginal Strategy, but basically northern Manitoba tends to be more poverty struck than the south is, and that has to be addressed in general terms and also, in particular, departmental terms.

As well, I think that we have to be careful when we make decisions. We sometimes assume we have the consent of aboriginal people. One of the things I learned being in the North is that silence is very valuable, and it is not difficult for me now. It was, at one time, enormously difficult for me to walk into an aboriginal home, let us say a Dene home in Lac du Brochet or Tadoule, and sit down with an elderly lady, have tea and not speak a word because silence seems to have more value or meaning for aboriginal people.

They are not always trying to get stuff out and put things in a verbal sense. There is more a

body context, a feeling of the other person, a more serious spiritual down-to-earth reality that I think sometimes those of us who claim to be in a different, allegedly higher level of civilization have. I do not agree with that. I think some of the most delightful, some of the most interesting and some of the wisest people are some of our elders. I find it almost painful to realize that some of their stories will not be told or will not be recorded, because once that wisdom goes, as the member for Thompson (Mr. Ashton) said, I do not know how we are going to resurrect it. Many of those values are precisely the values that we need if we wish to be sustainable, if we wish to keep the system going, if we wish to tread lightly on Mother Earth, because aboriginal people lived in this country for, some people suggest, 20,000 years and nothing changed.

Mother Earth was not damaged and we are damaging. We are very damaging in what we do. Yes, we want to create economic development. We want to create jobs. We want to do the good stuff, but there is a price to be paid. We have to be sensitive to the other part, to the environmental part, and we are trying to be. I know the minister is as well. We have talked about Sherridon, Gohl Lake, and some of those issues with pollution. I am very heartened by the direction that that department is taking.

What I would not want to happen in the future is the lack of consultation or assuming that consultation has taken place when it has not really, because aboriginal people, among other things, are very reluctant to say no or very reluctant to challenge outright, so very often we implicitly assume we have consent. I will give you an example of that. Four northern parks were created, and I think the government was under the impression that consultation had taken place, and it really had not. Letters were sent out, there is no doubt, but because a letter is sent out and does arrive at the band office does not necessarily mean it has been properly discussed or understood and people have had the time to digest it.

Remember that some of these people live traditional lifestyles. They could be on the land for long periods of time or on the water fishing or trapping, and you cannot assume if you mail a letter on Monday or fax it, that by Tuesday or

Wednesday the band decision is made. We have to be sensitive to some of the cultural realities out there.

Anyway, those four northern parks were created. I think in many ways they were paper parks. I am not debating that we should not support endangered green spaces or endangered spaces. I am glad in that sense we are taking that initiative, but consultation should have taken place, that it does not overlap with TLE expectations, that aboriginal people have put their seal of approval on those parks. That did not happen.

I think the understanding was that it did, but it did not. Those kinds of, I guess, potential confrontations can be avoided if we are culturally sensitive. It is not an easy thing to be, culturally sensitive. It is very hard. I found it hard myself. I came from a different culture, but it was more or less the same North Atlantic culture, though the language was quite different, but it did teach me a lot of things. The fact that you are suddenly coming out of a country, you are put into a grade and you cannot understand a word the other person is saying, and you are trying to go with the class, it cannot be done. You learn to be humble, because you may have the intellectual equipment to deal with it, but you do not have the linguistic equipment. Some of the big problems we have had in the past, I think, is that we assume because an elder could not speak in perfect fluent English, could not make the argument that therefore he or she was incapable of making the argument. That is false. Some of these people are incredibly eloquent in their own language, and it is very hard to translate.

Anyway, I am getting off the topic, Mr. Minister. I would just perhaps like us to go back to some specifics. I hope the minister is indulgent, realizing I am not the official critic for this particular department, but I certainly have a number of specific questions I would like to ask, if I may do so.

Mr. Newman: Thank you very much, the honourable member for Thompson (Mr. Ashton) and the honourable member for Flin Flon (Jennissen). I will just simply give a brief comment in reply to what you have said so you

can proceed with questions, but I am very appreciative of the tone and a lot of the content and the interpretation of history and the vision going back to 1969.

I am not going to deal with the past and the rights or wrongs of it, but whatever was built there as a foundation, for example, most importantly the capacity of the Northern Affairs communities to practise effective, democratic, local self-government, for the most part still under the guiding hand and the legal responsibility of the minister, are the best legacy that has been left by work done by governments of the past and the civil servants operating in the service of those communities. Because I would venture that the quality of governance by the Northern Affairs communities in terms of competence and accountability and understanding and respect for their own citizens is second to none in terms of comparison, certainly to the First Nations communities and the way they have developed in terms of governance capacities under the Indian Act. Or I would even put them in very good comparison to the municipal local governments in the province. So that is absolutely an essential asset, an essential characteristic, for moving towards healthy sustainability.

* (1730)

The interesting thing in many respects is the development of infrastructure first has made it more difficult for them to reassume responsibility for their own self-sufficiency and sustainability because to make a leap in attitudinal change to say, well, now we have to pay for those things, now we have to look after those things, is difficult, but not nearly as it is going to be in Nunavut, I might say, where the federal government has spent enormous amounts on infrastructure and not as much in developing capacities of local government.

So without going into any of the details, the fact is that many efforts have been made to advance the self-sufficiency of those communities. It is rather interesting to note that whereas under the NDP governments and even the Conservative government in '77 to '81, the numbers involved in the Northern Affairs

department have diminished very significantly. From time to time over my several years as minister that has been seen to a certain extent as a negative from the perspective of the official opposition. But I think as they gain an understanding of what has happened here, and we celebrate this as really a gain because it means that those communities are doing things for themselves, and the diminished size of the civil service is really a measure of their success and their accomplishment, their ability to function as accountable and responsible local community governments.

I just wanted to make two other observations. One is the concentration of the Filmon government of the last 11 years has been on really fundamental systemic kinds of things, and that is part of my opening address so I will not repeat it.

Mr. Chairperson in the Chair

But the highlights of those, of course, were the determination to move Northern Affairs communities towards genuine independence, the commitment to implement HEAL, fulfill the obligations under treaties toward land entitlement, similarly to HEAL to accomplish the implementation of the compensation under the Northern Flood Agreement commitments and the completion of the North Central power line, and all of the kinds of things that were done giving resource revenues to communities through tobacco taxes, gasoline taxes, and sharing of taxes from the rest of the province and gaming revenue. All of those kinds of things have been major contributions to, I think, what is indeed, as the honourable member for Thompson (Mr. Ashton) said, is an aboriginal advantage.

I think the foundation is there to really move dramatically forward, but if you continue to be in opposition and we continue to be in government, one thing that I would just pass on by way of opportunities, which, I do not believe, have been exhausted to the extent they should. MLAs in the North, if they are from the official opposition or if they are from the nonofficial opposition or if they are from MLAs from the North in government, I urge consideration of all of the opportunities through different initiatives

like the Sustainable Development Innovations Fund and many other kinds of funding, certainly, Community Places and the like.

I just give an example because you singled out Thicket Portage and Wabowden, at least the honourable member for Thompson (Mr. Ashton) did, as examples of success stories, community gardens and the like. Those kinds of initiatives are the kinds of things which the Sustainable Development Innovations Fund supports, and they are the product of applications. In fact, Wabowden achieved a grant from that particular fund. I know I signed or I sent a letter with the cheque in it. There is something over \$4,000 supporting this fundamental approach to health and nutrition, and these kinds of packages or holistic approaches towards healthy sustainable communities, that theme runs through many, many programs that the government has with grants available.

I urge the members opposite to take advantage of those in creative ways because, for example, the Sustainable Development Innovations Fund does not have the word "innovation" there for any other reason than to encourage creative approaches to sustainability. So we are absolutely on the same wavelength, in fact, in that respect and similarly with respect to building pride through initiatives that are sensitive to and respect the traditions of aboriginal people. We believe that profoundly.

Again, those kinds of things can attract funding and support from various branches of the government, and I do not think that you as MLAs co-ordinate, lead, inspire applications often enough in those kinds of ways.

You will have partners in my staff because I can tell you that, under Assistant Deputy Minister Polakoff and all of the people that work with communities, they have had workshops and they have encouraged the communities themselves to get involved in these kinds of things. I like to think that maybe some of these things have not only been inspired by my staff but the wonderful people in the community that come up with these ideas.

That missionary couple that are in Thicket Portage, whom I have met and I had a long discussion with the first time I met them, shared

with me what made possible their restaurant was the hookup to the North Central power. They saw that as providing many opportunities for health.

So some of these things that seem to be fundamental but remote from real positive individual family-community change are major contributors to it, and that is the kind of thing that is missed often by the people that are sitting on this inquiry for the Aboriginal Rights Coalition, for example. It is all in the way you look at things. You have to look at the positives, the opportunities that are made available through some of the great emerging advantages that the North has.

I would often say when I am up North that they should just compare themselves from time to time by going into the core area of the city, where you have other neighbourhoods of aboriginal people. What they are trying to do in the city is sometimes create simulated lakes, plant trees, plant grass and have exposure to wildlife and all of those things are there in abundance in the North, so in many ways they are miles and years, maybe centuries, ahead of the city in terms of opportunity. It is all in the way you look at it. Now with technology and the instantaneous communications we have, the power is there to do things in those wonderful environments that could never have been done before and will provide a livelihood.

On the other hand, it is always a double-edged sword because you speak of you, like many others, making an effort to teach the traditional skills lost. What you are competing with and all of us are competing with in trying to take the best of those traditions is the power of the television and the power of the Internet. I have told this story several times in the North that when I went into Grade 3 classes in northern Manitoba and in Nunavut, and I asked those Grade 3 classes in their computer labs what website they visited most frequently, in both cases it was the Backstreet Boys and the Spice Girls. That is the power of the North American worldwide dominant cultures. It looks attractive and everything looks attractive, but to promote all of the assets, the gifts that they have in their own communities, is the great challenge we have.

* (1740)

With those few thoughts and also my concurrence with the need for genuine and meaningful consultation in developments in the North, I think that we can have a very productive dialogue in making sure that the department I represent is truly empowered to do more to serve the people of the North who were both accountable.

Mr. Jennissen: I am hoping we can focus now on some specific communities. I know we have limited time and I have a number of Northern Affairs communities. I will probably not have enough time to ask the kinds of questions I need to for all of them, but at least get started on the process. I would like to get started with South Indian Lake.

The minister will recall that last April, I believe it was, he and his deputy minister and myself—I was graciously invited and I thank him for that—attended the incorporation of South Indian Lake and were very much hosted by Joan Soulier and her council and Darren Ottaway, the administrator. It certainly was a very interesting time with fiddle playing and jigging and feasts and so on. I appreciated being there.

As the minister said, in order to become self-sufficient and independent and self-sustaining, we do need transportation links, and of course, that is the weakness very often in northern Manitoba and this community is no exception. We are talking now about road links specifically, and coming out of the Flood Agreement, this may not be the correct forum to ask the question, but I will ask it anyway of the Minister of Northern Affairs. A road was promised and I have asked the Minister of Highways about it in that Estimates process.

I am still not clear as to the status of that road from South Bay where the ferry lands to part way around South Indian Lake, to the community of South Indian Lake, an all-weather road, and either a bridge or a ferry. I have been told it would have to be a ferry. What is the status of that exactly? I have been told now that is on-line and have been told that for about five years. I really would like to know

Mr. Newman: The commitment as I understand it was that within 10 years the road would be begun, and my advice is that it will be. It is at the how do you do the funding stage, who are the partners to the funding and engineering study stage. So the identification of the potential funders has been made, and we are involved in all of those discussions. Perhaps some days you might call them negotiations to complete that picture and permit the obligation to be fulfilled in a timely way over the very foreseeable near time future.

Mr. Jennissen: Originally, I had understood that there would be a bridge in conjunction with this project. They are checking the flood agreement again having listened to other people. Apparently that is not the case, and we are talking of ferry now. But an all-weather ferry, is that a possibility so that we are not stuck with freeze-up and break-up problems which, in other words, puts you back to almost like a winter road situation?

Mr. Newman: The studies have been done and there has been serious review of the viability and efficacy of an all-weather ferry. The terms of the agreement, according to our legal people, make clear that the obligation would be fulfilled by that sort of means, and, at the moment, that appears to be the most probable kind of solution.

Mr. Jennissen: I am given to understand that newer technology, which I believe includes bubblers, can actually keep that stretch of water open and it has been used in some places. The community has asked me if the minister would lobby with whatever forces we have to lobby to see that that all-weather ferry would become a reality. Otherwise, we are going to be in a situation where, yes, there will be a ferry, but again for long periods of time in the fall and in the spring, we could be incommunicado, in a sense, where it would not be an all-weather road which I believe the flood agreement stipulates.

Mr. Newman: There is no question that the Department of Northern Affairs is playing that role on behalf of that particular community.

Mr. Jennissen: I wonder if the minister could also enlighten me on the exact incorporation status of South Indian Lake. It is not precisely

like creating a municipality, I believe. There is a lag time, a built-in period, and there are obviously some obligations to the problem, so it is not like 100 percent incorporation. Am I correct in that?

Mr. Newman: The legal difference is that the South Indian Lake community is incorporated under The Northern Affairs Act, as distinguished from under the enabling powers provided by The Municipal Act. That is the essential difference.

The major implication of that, I would suggest, is that the relationship to the Department of Northern Affairs continues for as long as that is their status. The kind of approach that we are taking to this is that it is a logical, evolutionary step towards a more complete uniform kind of way of operating along with other municipalities in the province without the umbrella support provided by The Northern Affairs Act. Essentially that is the difference, as I see it.

Mr. Jennissen: Two of the concerns that I am sure the minister encounters frequently in northern communities are the twin concerns of housing and water-sewage issues, and South Indian Lake is no exception.

I do not have time to ask specific questions on that now, but I would like to get a little update on the water and sewage projects that were carried out in Granville Lake. As the minister recalled, he visited Granville Lake. I think he may well be the only cabinet minister who ever did, but I really appreciate the fact that he did make that effort. He was there, saw the situation, and actually said, I am going to do something about it, and followed that up.

It is hard to get to Granville Lake by phone. I tried again today. I really do not have a good up-to-date feel of how that water-sewage project is proceeding.

*(1750)

Mr. Newman: The water system is in. The distribution of the water in terms of hookups to the houses has not been done. The reason for that is we funded the water plant, but the challenge in terms of gaining support for the

hookups is dealing with the Manitoba Metis Federation, which is the manager of the housing in that particular community. Those discussions, as I understand it, are ongoing.

Mr. Jennissen: Is the minister saying, then, the hookups would eventually be for CMHC or some other group? We are not funding hookups?

Mr. Newman: The homeowner being CMHC, it is a matter that they would be funding.

Mr. Jennissen: In the few brief conversations I had with Granville Lake, that seemed to be their concern, that the water line was there, the house was there and the bathtub was there and the sink was there, but the connection between the two was not completed, and they were frustrated. I was not sure if the province had a role to play here or not, but that has been clarified. The other question is: we are only talking water line and not sewage line, is that correct?

Mr. Newman: That is correct.

Mr. Jennissen: The entire system is independent from the Frontier hookup to the school, because they had their own water and sewer system I believe, is that correct?

Mr. Newman: That is correct, but in terms of the sewage, we are looking at how that can be dealt with in a way that might benefit from the Frontier School Division system and presence there.

Mr. Jennissen: Granville Lake is a small community and there is no winter road as such, although there are skidoo or snowmobile trails in the winter, but at least one of those trails is fairly dangerous. It is over thin ice and there is current under the ice. In Estimates I asked the Minister of Highways (Mr. Praznik) whether he would consider a request by Granville Lake about making a new snowmobile trail largely over land. I think it would cost in the neighbourhood of \$40,000, and the people in the community are willing to do the hard work. That would give them much better access to No. 391 and Leaf Rapids if that could be done.

The Highways minister seemed sympathetic to the idea, but then suggested that because it

was a breakaway community, I think he called it, or a community that was originally with Mathias Colomb or Pukatawagan, that it might be hard to do. I had to remind him that I just a week earlier had driven to Sherridon with Shorty Sayies, Celestine Sayies who was born in Granville Lake 67 years ago, so it is not a recent community. I am just wondering if the minister would lobby Highways. Maybe this is irregular, but I am going to be totally shameless about this, whether the minister will lobby the Highways minister for \$40,000 to get this snowmobile trail which is much needed by the community, if he can get the funding, because I think it is a small investment. It would make the community more accessible.

Mr. Newman: We have for some time been facilitating meetings with concerned groups that promote the development and quality of snowmobile trails, and it is not just government. There is a primary association called Snoman which is very active in that kind of activity. I gather they have been part of these meetings, as had the Mathias Colomb band and Highways. Our role there is very much to try and facilitate an accomplishment of the goal they seek in terms of result. The challenge of funding is always something that is there, and it is making a case that justifies an investment that is always the important thing.

I am advised that the year with higher water levels and thin ice was the year before. The past winter apparently it was not as high a priority an issue or as urgent an issue because of the different conditions, but it has been driven by the community. We urge them to continue to work towards a solution. We commend them for their initiative in this. As soon as I heard about this, I can tell you that I gave a direction to staff to get

involved in facilitative kinds of ways. It is a mark of, I think, a level degree of accomplishment of a community when it does start coming up with these solution-oriented kinds of approaches to things, creative kinds of ideas for enhancing the quality of life in their community, so we will definitely be continuing to go to bat for them and coming up with solutions here.

Mr. Jennissen: Perhaps please just one more question. Thank you, Mr. Chair.

I should have asked it earlier when I was dealing with South Indian Lake. South Indian Lake has a great concern about policing and police presence in the community. I guess crime is on the rise. They have asked over and over again for an RCMP detachment. I believe a study shows that a four-person RCMP detachment would indeed be warranted in South Indian Lake. I know it is not the minister's department. It may not even be the appropriate government level, but I am wondering if the minister has any thoughts about expediting that process. I know the community would really like to see a much stronger police RCMP presence in that community.

Mr. Chairperson: I think the honourable minister can answer that next time we are here, because the hour is now six o'clock. Committee rise.

Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being six o'clock, this House adjourns and stands adjourned until tomorrow (Wednesday), as previously agreed, at 10 a.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 29, 1999

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