



First Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary	Tuxedo	P.C.
FRIESEN, Jean, Hon.	Woleseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HIELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
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PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
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REIMER, Jack	Southdale	P.C.
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ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHLEIBERBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott	Brandon West	N.D.P.
STEFANSON, Eric	Kirkfield Park	P.C.
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TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 1, 2000

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

#### Winnipeg Police Athletic Clubs

**Mrs. Louise Dacquay (Seine River):** I beg to present the petition of Wayne Jenner, Cathy Jenner, Wayne Donnelly and others praying that the Legislative Assembly of Manitoba request that the Minister of Justice (Mr. Mackintosh) encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come.

### READING AND RECEIVING PETITIONS

#### Winnipeg Police Athletic Clubs

**Mr. Speaker:** I have reviewed the petition of the Honourable Member for Seine River (Mrs. Dacquay) and find the petitioners have complied with the authorities and practices of this House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Dispense.

**Mr. Speaker:** Dispense.

*The petition of the undersigned citizens of the province of Manitoba, humbly sheweth:*

*THAT Winnipeg Police Athletic Clubs, located in 13 schools in Winnipeg, provide young people between from the ages of 10 to 17 an opportunity*

*to participate in community sports under the supervision of university students and police officers; and*

*THAT the Winnipeg Police Athletic Clubs help reduce neighbourhood crime, enhance the relationship between young people and the police and create positive alternatives to undesirable pastimes for youth; and*

*THAT total attendance at the Winnipeg Police Athletic Clubs in January and February 2000 was more than 8000; and*

*THAT the importance of athletic activity on a child's physical and cognitive development is well established and should not be overlooked; and*

*THAT during the 1999 provincial election, the New Democratic Party, led by the Member for Concordia, promised "to open schools after hours and expand recreation activities for children and youth"; and*

*THAT the Winnipeg Police Athletic Clubs provide an excellent example of communities partnering with government, schools and law enforcement to provide a safe place for youth to go; and*

*THAT many parents throughout Winnipeg are very concerned that the Government of Manitoba may choose to close the Winnipeg Police Athletic Clubs and that the Minister of Justice encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years to come..*

**WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT** the Legislative Assembly of Manitoba request that the Minister of Justice encourage the Government of Manitoba to continue partnering with schools and law enforcement to ensure Winnipeg Police Athletic Clubs provide recreational and athletic activities for young people in a safe, supervised environment in 13 schools throughout Winnipeg for years

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

### Committee of Supply

**Mr. Conrad Santos (Wellington):** Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Selkirk (Mr. Dewar), that the report of the Committee be received.

*Motion agreed to.*

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions. I would like to draw the attention of all honourable members to the gallery, where we have with us today from Daniel McIntyre Collegiate, 18 Grade 11 students under the direction of Mrs. Connie Baker. This school is located in the constituency of the Honourable Minister of Industry, Trade and Mines (Ms. Mihychuk).

Also seated in the public gallery we have from Red River College, 17 students under the direction of Mrs. Alice Landry. This school is located in the constituency of the Honourable Minister of Family Services and Housing (Mr. Sale).

Also in the gallery we have from Linden Christian School, 25 Grade 9 students under the direction of Mr. Mark Glor. This school is located in the constituency of the Honourable Member for Fort Whyte (Mr. Loewen).

On behalf of all honourable members, I welcome you here today.

\* (13:35)

## ORAL QUESTION PERIOD

### Health Care System Full-Time Nursing Positions

**Mrs. Bonnie Mitchelson (Interim Leader of the Official Opposition):** Despite the NDP promise to end hallway medicine within six

months after forming government, we know that there are still patients in the hallways. Despite the NDP promise to open permanent new beds, we know that permanent beds are being closed and units are being shut down on weekends.

During the election campaign, the First Minister (Mr. Doer) said he would convert part-time nursing positions to full-time nursing positions. I would like to ask the First Minister if he has kept his promise to nurses to convert part-time positions to full-time positions.

**Hon. Dave Chomiak (Minister of Health):** I welcome the opportunity to correct some of the inaccuracies put on the record by the Member. I am quite happy to provide the Member with a copy of the report done by CIHI, the Canadian Institute for Health Information that said that Manitoba's efforts to deal with hallway medicine were the best in the country, with hallways down by over 70 percent and 80 percent. I might add that in December, January and February of this year, despite more visits to the emergency, we were down around 70 percent or 80 percent in terms of hallways. The public of Manitoba knows that we never promised perfection, but I think that the results speak for themselves.

With respect to the issue, we have directed and asked that there be posted additional full-time positions. We are working with the various health authorities, and we are doing something. We are working with nurses on this, Mr. Speaker, something that perhaps might be novel to members opposite in order to address the issue of full-time nurses.

**Mrs. Mitchelson:** I think the new government has some difficulty with the truth of the matter. It is just like the Minister of Finance (Mr. Selinger), who is not quite telling the truth to Manitobans that we are the highest taxed province, and the people in Manitoba are paying the highest taxes across the country. This minister seems to think the definition of ending hallway medicine is a 70% reduction. Well, I am sure that Manitobans do not agree that their promise has been kept as a result of this minister's rambling today.

But, Mr. Speaker, I would like to ask the Minister of Health then: How many part-time nurses have moved into full-time positions as a

result of his promise and the implementation of his nurses' first strategy?

**Mr. Chomiak:** The Member danced off on some factual inaccuracies with respect to taxation, but I will not deal with that. That has been adequately dealt with by the Minister of Finance and the First Minister (Mr. Doer).

The members do not recognize the significant impact that our hallway initiatives have had with respect to hallways this year. I think that progress will continue, and, in fact, in this budgetary year we have included additional funding and continuing funding for all of our hallway initiatives. We are now at a point where we can assess people in the hallways that are there on periodic bases, not overnight, not for day after day as was the case in this province for the past four or five years, and we are able to put in place even more initiatives that will improve the situation even greater than has been recognized in the CIHI report.

With respect to the specifics of the Member's question, I know we are coming up to Estimates, and I will provide the Member with that information. I will take those specifics as notice, and we will get back to her.

**Mrs. Mitchelson:** It is interesting that people who are working within our hospital system today are saying that they are now calling them avenues in the hospitals not hallways. So maybe that is the rationale that the Minister of Health is using for talking about reduction. But again, I just want to indicate that the promise that was made by the NDP during the election campaign was to end hallway medicine and hire 100 permanent nurses immediately to fix the health care system.

My question to the Minister of Health is: How many more permanent positions or how many part-time positions were converted to full-time positions since his government took office in October?

**Mr. Chomiak:** I will provide the graphs that show the dramatic and stark difference between the hallways when that Member was a member of Cabinet and did not take initiatives to improve

the situation and the situation today. I will be happy to provide members with that copy.

With respect to the issue of the hiring of nurses, as I recall from memory—and as I indicated to the Member I will get back with the specifics—the number of vacancies has decreased quite significantly since we formed office, but I will provide the Member with the specifics of that. That is one of the reasons why we so regret members opposite not supporting our five-point nursing plan. For the first time in a decade, something is being done about nurses, and members opposite are left in the lurch, again ignoring nurses and ignoring the needs of nurses.

\* (13:40)

### **First Nations Casinos Community Support**

**Mr. Jack Reimer (Southdale):** Mr. Speaker, this government is in possession of a report regarding the recommendations of the five aboriginal casinos. Although this government is aware of the strong opposition from communities, they have failed to make a commitment to these communities where their concerns have been shown.

Will the Minister of Consumer and Corporate Affairs assure the communities of St. Andrews and Headingley they will not be considered for a casino?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** I just want to say that currently my colleague, the Minister for Aboriginal and Northern Affairs (Mr. Robinson), and two representatives of the Assembly of Manitoba Chiefs are looking at the recommendations. Shortly thereafter, approximately three o'clock, we will be having a press conference to make the document public and to notify the public of Manitoba of those recommendations.

**Mr. Reimer:** Mr. Speaker, will the Minister then listen to the citizens of Manitoba and reject any proposal that does not receive community support, despite the wishes of Cabinet?

**Mr. Lemieux:** Mr. Speaker, we always pride ourselves on listening to the public of Manitoba, and we would like to put that on the record.

Again, I would just like to repeat to the Member opposite that at three o'clock we will be making the recommendations public at that time. I would ask the Member opposite to wait until then, and he will certainly be informed, as the rest of us will.

### Community Plebiscites

**Mr. Jack Reimer (Southdale):** Well, then I will ask the Minister again: Will he commit today to hold public consultations and referendums in each community where a casino is being recommended?

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control Act):** We have gone through this on numerous occasions. The RFP states quite clearly that there are a number of different criteria that have to be met, and those recommendations are based on those criteria. Those are the recommendations that are coming forward to government.

### First Nations Casinos Selection Committee Report Release

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. The Minister just said to the House that his government prides itself on listening to the people, but today they show absolute contempt and arrogance to this Legislature by releasing this report at 3 p.m., after Question Period and before a weekend, three days before this Legislature can question the Minister.

I ask him if he will show the proper respect to the elected members of this House and table this report now, today, in this House, so that we can question the Minister on this report?

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

**Mr. Speaker:** Order.

**Hon. Ron Lemieux (Minister charged with the administration of The Gaming Control**

**Act):** I am not one necessarily to quote scripture, but I believe it is Matthew or Luke, Chapter 7, verse 3, that says before you attempt to take the speck out of another person's eye, you should take the board out of your own. What I mean by that—and all due respect to the Member opposite—they received the Desjardins report in December. They announce it in January, and then they release it and make public comment on it in June, about seven months after that.

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

**Mr. Speaker:** Order. The Honourable Official Opposition House Leader, on a point of order.

\* (13:45)

### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker. *Beauchesne's* 417: Answers to questions should be as brief as possible. I have no problem with that, but they should not provoke debate either.

The Honourable Minister, if he does not want to answer the question, he does not have to. He has the privilege of remaining seated, and we will probably get as much answers from an empty seat.

**Mr. Speaker:** The Honourable Government House Leader, on the same point of order?

**Hon. Gord Mackintosh (Government House Leader):** On the same point of order, Mr. Speaker. What happened here was the Opposition asked a question, and I know they love to hear the sound of their questions: I hope that is on TV, they say; I hope that is in the newspaper. But the Opposition also has to listen to an answer, and an answer was given specifically to the question. It was a clear answer.

Just because they feel provoked does not mean it is provoking debate. The answer was in order.

**Mr. Speaker:** I will hear one more. The Honourable Member for Lac du Bonnet, on the same point of order?

**Mr. Praznik:** No, on another supplementary question. I will let you rule, Mr. Speaker.

**Mr. Speaker:** On the point of order raised, I know that debate gets a little heated once in awhile, and there are strong convictions on both sides of the House. I would like to remind all ministers that answers to questions should be brief as possible, deal with the matter raised, and to not provoke debate.

\* \* \*

**Mr. Speaker:** I would ask the Honourable Member for Lac du Bonnet for his supplementary question.

**Mr. Praznik:** Mr. Speaker, if the Member wants to quote scripture and talk about boards in the eye, let us look at that government, and I ask the Minister: Why is he changing in the practice of his own government? We have had a number of reports that they have brought in recently, and they have tabled them in this House with respect to Lotteries and other matters. Yet today I ask him, knowing that this is the last sitting day of the week, knowing that we will not be back to question the Minister until Monday, why would he wait until 3 p.m. this afternoon to table the report? I ask him: Is it because he has something to hide, and he is afraid to face the Legislature?

**Mr. Lemieux:** Mr. Speaker, it is certainly not my intent to provoke debate or certainly get into a dispute over the facts or anything else. I just want to state that on a point of credibility, if a point could be made, is that we received the report 24 hours ago, less than 24 hours ago, and here we are we are going to have a press conference and release it to the public, be open, up-front, let people—*[interjection]* Late yesterday we received it.

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

**Mr. Speaker:** Order.

**Mr. Lemieux:** Mr. Speaker, I received the report late yesterday, and we are going to be presenting it today, presenting those recommendations to the public of Manitoba, whom we realize are anxious to receive those. It is going to take place at three o'clock this afternoon, and

certainly all members will be privy at that time to those recommendations.

\*(13:50)

**Mr. Praznik:** Mr. Speaker, to the same minister. Yesterday he told us he did not have the report when he came in to Question Period. Now he is sort of fudging when he got it. If the Minister would like to have the weekend to study the report and wants to release it to the public and to this Legislature on Monday, that is fair. We do not deny that. But to release it to the public this afternoon at three o'clock before the elected representatives of the people have a chance to question the Minister, why is he hiding? What is in that report that he does not want to face the questions of members opposite?

**Mr. Lemieux:** Mr. Speaker, we, as the government, certainly have nothing to hide. This is a great day in Manitoba, a great day for First Nations people, an opportunity for First Nations people to get jobs, economic development, and so on. First Nations people, we are going to be holding a joint press conference, hand in hand with First Nations people, announcing this report and the recommendations. It is a great day for Manitoba and the people of Manitoba.

### **Daycare System Funding**

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Speaker, my question is for the Minister of Family Services. After consulting with the daycare community, I must say, I did not hear too many people in the community asking for cuts to daycare. But can the Minister explain the effects his cuts to school-age daycare will have on the quality of care given our most valuable resource, our children, our future?

**Hon. Tim Sale (Minister of Family Services and Housing):** First of all, Mr. Speaker, I am very pleased to have announced a \$9.1-million increase to the daycare centres of Manitoba. In the process of that announcement, we worked very closely with the daycare regulatory review committee, which is comprised of parents, child care providers, the Manitoba Child Care Association, teachers, staff members of Red

River Community College and other faculties that teach in this area.

They made recommendations for what is called a unit-funding model so that it would not matter in future whether you were providing child care at the school age, at preschool or at infancy, you would derive the same number of support dollars for each pod of service delivered. There are some, a very small number, of before-school, lunch and after-school programs which will receive a reduction in their revenue.

**Mr. Laurendeau:** Fifty percent reduction in funding is a cut.

Mr. Speaker, can the Minister explain the effects that his cuts on school-age programming will have on the programming within our community? How many centres will have to shut down because of this minister's cuts?

**Mr. Sale:** None is the answer. They have been provided with approximately eight options that they can look at in regard to augmenting their revenue, changing their pattern of service, working together with other child care centres, a whole variety of options.

Many of the centres that are being affected, which is a very small number in total, have surpluses which they can apply, very significant surpluses, because they received funding that was greater in proportion to the care they were providing than did preschool or infant programs.

We have met with all of those centres. We are continuing to work with them. We told them they would have until January of next year. They would not receive any reductions until at least January. They will have that time to work out a new program, and we are confident that they are doing that and have been meeting with them since the announcement. They are working towards solutions for that small number which the daycare association had already provided details of the effect of that proposal when they made it to our government in the fall. So I am confident these problems will be worked out for the very small number of centres affected.

\* (13:55)

**Mr. Laurendeau:** Mr. Speaker, can this minister, who believes latchkey kids are not a problem, tell this House where the children who depend on this service will find the quality care in the future? Will it be at 7-Eleven?

**Mr. Sale:** No, it will not be at 7-Eleven. It will be, presumably, if the centre is prepared to work on any of the 10 options that they have been given, it will be in that centre because there are very constructive and extremely doable options ranging from consider providing services during the lunch slot if you operate a school-aged program and are not doing so; expand your service to provide nursery or kindergarten children if you are not doing that; provide casual or extended hour care if you are not doing that; and there are seven more options. We are working with those centres. We are confident they can improve the quality of care, they can pay their staff adequately and no centres need close as a result of this change.

#### **Youth News Network Government Position**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, the Minister of Education's arguments about prohibiting YNN in schools concerns the use of curriculum time, and the presentation of commercials is no longer valid.

We have come to know that YNN is now Athena Educational partners, are now changing the clause from two and a half minutes of commercial time to the use of two and a half minutes, replacing it with two and a half minutes of public service announcements.

Mr. Speaker, given this information, what is the Minister's stance regarding a school division's ability to enter into a contract with YNN and receive over \$200,000 worth of technological resources?

**Hon. Drew Caldwell (Minister of Education and Training):** I am always kind of amazed at the vigorous defence of corporations that the members opposite present in this House when we are talking about children's education and the integrity of the public school system in the province of Manitoba.

The Government of Manitoba's position on the existing YNN contracts is unchanged.

**Mrs. Smith:** Mr. Speaker, now that the Minister is fully aware of the revised contract and fully aware that the principals and the teachers paid very close attention to his concerns, my question to this Minister is: Why in the world would he not allow YNN to be allowed in the classrooms? The schools benefit greatly from this.

**Mr. Caldwell:** Mr. Speaker, there have been some media reports certainly, and that is the extent of my familiarity, a letter from Athena partners indicating much of what they did in their press release a week or so ago, and some media reports. Interestingly enough, the media reports, reporting from a student, Stephanie Kroeker: we need teachers not television. That was in the Toronto Star last week.

Certainly I have had a lot of commentary from students in the schools where YNN exists questioning the quality of the programming, the time taken up in terms of classroom time, in fact the presence of the television sets in cafeterias generally, so as I said in my earlier comments in response to the first question, I am constantly amazed at the vigour with which the members opposite defend corporate intrusions into the classroom.

The decision of the Province of Manitoba stands.

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

**Mr. Speaker:** Order.

**Mrs. Smith:** Mr. Speaker, will the Minister today acknowledge the professionalism of principals and teachers in the local on-site classroom and revise his decision to not allow YNN, in view of the fact that this is the school division's decision and not mine?

**Mr. Caldwell:** I am not entirely certain of the Member's question in terms of the Member's question referring to herself. It was a little bit convoluted.

All I can say is that there are eight schools in the province of Manitoba that currently have six-

month probationary contracts with YNN, eight schools out of substantially hundreds of schools in the province of Manitoba, certainly, and we do respect the view of the vast majority of educators in the province of Manitoba, and in fact are committed to maintaining instructional integrity in the classrooms of the province of Manitoba.

Mr. Speaker, the decision of the Manitoba Government stands.

\* (14:00)

### **Manitoba Lotteries Corporation Report Recommendations**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, with the report of the committee reviewing applications for First Nations casinos expected, indeed released this afternoon, and with Manitobans still reeling from the revelations of outrageous behaviour at the Manitoba Lotteries Corporation in recent times, and with the fact that these doubts about the governance of casinos, these doubts have been enhanced by the Minister's comments last week that she will not implement all the Singleton and Human Resources reports' recommendations before she fast-tracks casino expansion, my question is to the Premier: Will he fast-track full implementation of the Singleton and Human Resources reports quickly so that First Nations can be protected from being anywhere associated with this scandal?

**Hon. Gary Doer (Premier):** There is quite a lot of implied question in the actual questions, preamble and statement made by the Member opposite. As I recall correctly, the Member opposite and his party in the last election campaign campaigned to implement the Bostrom report and the aboriginal casinos. I think it is important now when he talks about expanding casinos that he recognize what his party, at least when I was in a debate with their members, promised in the last election campaign, and I dare say got a mandate after the campaign with the voters of the people of Manitoba.

Secondly, we have moved on a number of recommendations in the Lotteries report. I certainly hope, and we will work to make sure,

that the inadequacies of the former administration in dealing with Lotteries is not reflected upon the potential successes of First Nations casinos here in Manitoba.

**Mr. Gerrard:** My supplemental to the Premier: Given that many Manitobans, quite frankly, are as sceptical of NDP appointees to the Lotteries Corporation as they were of Tory appointees before them, that the real question is, your inference now that you have appointed people, everything is okay, is not reassurance enough. What we want is full implementation of the Singleton and Human Resources reports. When will you have the report recommendations fully implemented?

**Mr. Doer:** Mr. Speaker, any party that still supports a patronage senate need not lecture members on this side.

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

**Mr. Speaker:** Order.

**Mr. Doer:** The acting CEO of the Corporation is an individual called Mr. Winston Hodgins. I believe he is a person who has worked through a number of different administrations and a number of different ministers. I believe he is an individual who has worked on Treasury Board. He has worked for a number of different people in this Legislature. I think his integrity is without question, and I would be surprised that the Member opposite is raising questions about his integrity. He is not a political appointee. He is a meritorious appointee that we have a lot of trust in, Mr. Speaker.

#### Information Release

**Hon. Jon Gerrard (River Heights):** My second supplementary to the Premier. The Board of the Manitoba Lotteries Corporation has been asked to account for every penny spent of that extra \$60 million. I ask the Premier whether he will commit to releasing the fully documented itemized list of those extra \$60 million in expenditures.

**Hon. Gary Doer (Premier):** Yes, Mr. Speaker. I certainly will meet with the Minister responsible who will be communicating with the

chair of the Board and the acting CEO to account for those numbers. At a previous legislative Question Period I did suggest that the latest Lotteries report statement had not been yet approved by the legislative committee, and I would certainly be open to when the Board and the CEO are ready to report on a full accounting of some of the questions that are still outstanding, like who knew what, when? Who spent what, when? When did Treasury Board and the previous government approve what expenditures? Is Mr. Cooper's recollection of the approval of those events correct? And let us have a full accounting and let us look at one form: a legislative committee that we can have the annual report reviewed at and some more further clarity on the issues raised by the member opposite.

#### Irwood Subdivision Heritage Site

**Mr. Glen Cummings (Ste. Rose):** Mr. Speaker, there is a subdivision of a rail line between Bowsman and Birch River that is known as the Irwood subdivision where the CN Railway are preparing to tear up that subdivision. Meanwhile, the R.M. has been moving to have their portion of that track declared a heritage site. I wonder if the minister of transportation has had any involvement with this issue.

**Hon. Steve Ashton (Minister of Highways and Government Services):** Mr. Speaker, as we discussed in Estimates yesterday, we have already indicated to the federal government our desire to maintain our rail system in place, and I outlined yesterday the fact we are taking the initiative at the provincial level to deal with provincial short lines. We have introduced a bill in this Legislature which will also ensure that we have further protection of our short lines, and quite frankly we should do everything possible to do that. Certainly we have indicated to a number of communities concerned about potential abandonment of various rail lines and short lines in this province that this government supports maintaining short-line rail in this province.

**Mr. Cummings:** Well, this issue is slightly broader than the manner in which the Minister addressed it.

I would also ask the Minister of Culture and Heritage if she, along with the Minister of Transport, would be prepared to assist the R.M. in their efforts to protect this as a heritage.

**Hon. Diane McGifford (Minister of Culture, Heritage and Tourism):** Thank you, Mr. Speaker, and I thank the Member opposite for the question. Of course, the Minister of Transport and I would be delighted to take that under advisement. Thank you.

### **Balanced Budgets Legislation Amendments**

**Mr. Eric Stefanson (Kirkfield Park):** Mr. Speaker, in Estimates on May 30, the Minister of Finance (Mr. Selinger) admitted that amendments are currently being drafted for The Balanced Budget, Debt Repayment and Taxpayer Protection Act. During the last election the NDP became sudden converts of the concept of balanced budgets and our balanced budget legislation. When does the Premier intend to advise the people of Manitoba that his government is in fact planning amendments to the balanced budget legislation and to outline precisely what those amendments will be?

**Hon. Gary Doer (Premier):** Mr. Speaker, I do recall, in looking at the financial statements prepared by the independent financial institution after the last budget, that they did present something similar to the concern raised by the Auditor. They presented the amount of money that flowed as a second-time revenue from the Fiscal Stabilization Fund into the operating revenue, and they subtracted the amount of money that went to debt repayment. They came to the conclusion that that was over a hundred million dollars deficit in real terms that the former government ran in 1999-2000.

The same independent offices looked at the \$90 million in interfund transfers from the Fiscal Stabilization Fund, the \$96 million that is in our budget for debt repayment and the \$5-million surplus and had this budget independently evaluated in a surplus situation rather than the situation last year. Those are some of the issues we have to straighten out, Mr. Speaker.

**Mr. Stefanson:** Unfortunately, the Premier did not answer the question. He is following exactly the same process today of transferring money from the Fiscal Stabilization Fund as outlined in their budget. But I want to ask the Premier: Is the Premier planning on amendments to the balanced budget legislation other than those required to deal with the pension liability, and when does he expect to outline and introduce those amendments? Is that going to be very shortly?

**Mr. Doer:** Almost 50 percent of the Fiscal Stabilization Fund, over the last five years, has been money that has been forwarded from the sale of public assets and moved in as operating revenues to the provincial government and then flowed out. McKenzie Seed, Manitoba Data Services, the preferred shares in the Repap sale, the Manitoba Telephone System have all been as a result of deceit by the former government and assets that were sold on the basis of debt and in fact accumulated a major surplus.

If 20 years from now, God forbid, these members are ever back in government, we are going to make it a lot more difficult for them to sell Manitoba Hydro and break the trust of Manitobans as they did with the Manitoba Telephone System.

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

**Mr. Speaker:** Order.

**Mr. Stefanson:** Mr. Speaker, this is amazing not to get an answer to either question when this Premier and his party ran on a commitment to maintain the balanced budget legislation here in the province of Manitoba.

I want to ask the Premier this afternoon: Today will he commit to maintaining penalties for Cabinet ministers, to the requirement to have a balanced budget each year and the requirement to hold referendums before increasing any major taxes as outlined in the current legislation? Will he make those commitments to Manitobans today?

**Mr. Doer:** We have made it very clear in the amendment we made to the balanced budget law and the statement I made on the five-pledge card

that we will amend the balanced budget legislation to prohibit the sale of a Crown corporation in future being used as an operating revenue in the provincial government, something auditors from the left, the right and the centre agree is better financing than went on in the past.

We certainly said, as one of our five pledges, that we will keep balanced budget legislation, but we are going to make those amendments that we just outlined.

\* (14:10)

### **Flooding Red River Ice Jams**

**Mr. Edward Helwer (Gimli):** There has been a lot of discussion recently about the International Joint Commission and its report *The Next Flood: Getting Prepared*. Not only are these concerns about flooding in the Red River Valley but also on the north side of Winnipeg and where the floodway joins the Red River at Lockport.

Will the Minister of Conservation tell us what steps will be taken to deal with the problem of ice jams in the Red River in the Selkirk area and which have in the past caused much flooding and damage by backed-up floodwaters that are bound for Lake Winnipeg?

**Hon. Oscar Lathlin (Minister of Conservation):** I would like to thank the Member for raising the issue. As of now, I do not have any definite plans as to how to address the issue of ice jams. We are, however, continuing to look at all the possible ways by which we can address the problem of ice jams. As soon as I am able to put together a plan, I will be glad to share it with the Member.

**Mr. Helwer:** Will the Minister of Conservation tell us what steps will be taken to dredge the river at the mouth of the river and Lake Winnipeg in order to facilitate the flow of floodwaters?

**Mr. Lathlin:** I want to assure the Member that I take this issue very seriously. When the flood was happening, I made it a point to travel to Lockport, Selkirk and see first-hand for myself, even though I was in opposition at the time. But

I just wanted to see to what extent the damage was that was created by the flood in 1997.

I want to assure the Member that is part of our reviewing that we are doing. Once that plan is finished, again, I will gladly share it with the Member.

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

## **MEMBERS' STATEMENTS**

### **Manitobans with Disabilities**

**Ms. Marianne Cerilli (Radisson):** I want to highlight our government's commitment to Manitobans with disabilities and their families. First, I want to recognize the Honourable Tim Sale, who was today named as Manitoba's first Minister responsible for Persons with Disabilities.

I also want to draw to your attention some highlights from the 2000-2001 provincial budget that include many initiatives of particular importance to Manitobans with disabilities and create a more inclusive Manitoba community.

Firstly, the income tax relief: by increasing the provincial family tax reductions for persons living with disabilities; then the extended Pharmacare, excluding coverage of new lifesaving drugs, palliative care drugs and Aricept trial for Alzheimer's patients; expanded home care services to provide community intravenous therapy and improve palliative care and more adults' daycare; an additional \$675,000 in funding for mental health programs and enhanced access to community mental health services, including the new PACT program, or Program of Assertive Community Treatment; an additional \$2.8 million in child care funding to integrate up to a thousand more children with disabilities into child care programs in our province; \$800,000 expanded support for children's special services to provide families with respite; child development services and supplies; increased funding for supported living and vocational rehabilitation programs for adults with disabilities, the first time of increased funding in approximately a decade for this service.

In addition, in February we announced the public school finances would increase by \$6.4 million to fund special needs students in kindergarten to Grade 12. I also want to draw the House's attention to the appointment of Yvonne Peters, a lawyer who is blind, to the Human Rights Commission of Manitoba.

One of the first duties of the new Minister responsible for Persons with Disabilities is \$100,000 to open the Open Access Resource Centre which provides province-wide service for communication technologies. Thank you, Mr. Speaker.

### **Ojibwa Language Programs**

**Mr. Jack Penner (Emerson):** Mr. Speaker, last Saturday evening, my wife, Dora, and I had the pleasure of attending the Celebration of Our Language gathering at the Ginew School at Roseau River Anishinabe First Nation and Three Fires Society that sponsored the event.

This event was a fundraiser for cultural activities that promote and maintain the Ojibwa language. These include holding annual ceremonies at Roseau Rapids and sending representatives to the Three Fires Society's ceremonies at Bad River, Wisconsin; Minneapolis, Minnesota; Traverse City, Michigan; and Manitoulin Island in Ontario. These gatherings provide an opportunity for hundreds of Anishinabe people to use and celebrate the Ojibwa language.

It is encouraging to see that so many people are interested in preserving their language, and I congratulate them for tackling this challenging event, mastering the language so skilfully and for sharing this gift with others.

Saturday evening's event, which included leaders from virtually all the communities surrounding the Anishinabe Nation, from Dominion City, Emerson, Altona, Gretna, Plum Coulee and Ste. Jean Baptiste, Letellier, were all represented at this fundraising event.

The Ginew School was truly a place of celebration. We enjoyed the fine meal, and then we were treated to a wide variety of entertainment, including singing, dancing and

drumming, as well as a skit and some comedy. All the presentations were first-rate, and I know they were very well received.

I would like to congratulate co-host Lawrence Henry of Roseau River Anishinabe First Nation, Carl Bird of the Peguis Anishinabe First Nation Tribe, along with the Roseau River Chief, Ed Hayden; Western Doorway Chief, Charlie Nelson; and all those involved in organizing this very special event.

### **North End Community Renewal Organization**

**Mr. Doug Martindale (Burrows):** Mr. Speaker, I would like to commend a particularly innovative venture, the North End Community Renewal Corporation.

It is a coalition of organizations working to rejuvenate the north end economically, socially and culturally. To this end, it is creating jobs, improving the quality and accessibility of housing, promoting safety and making the most of its cultural diversity.

The member organizations include: north end residents' associations, businesses, aboriginal organizations, community service agencies, religious and fraternal groups and the Winnipeg Labour Council. These organizations joined forces because they realized that the various socioeconomic challenges the north end faces are linked, that change in one area will take hold only if coupled with changes elsewhere. They realize, for instance, that improved housing means little if would-be owners do not have the kind of regular employment that allows them to meet mortgage payments and that there is no security of employment for these people if they lack job training. Businesses, in turn, cannot be expected to stay and provide jobs when safety concerns scare them away.

Although the North End Renewal Corporation has been in operation for only a year and a half, it has already made a difference in the community. It has, for example, set up a renovation company to repair 10 derelict houses on Alfred Avenue. The company hires only people from the community and will offer the renovated houses to low-income residents on a

rent-to-buy basis. Town halls and workshops on safety and community policing have given both the community and the Winnipeg police force better ideas of what measures need to be taken to make the north end safer. A program has been set up to co-ordinate the various services available to job seekers, and residents are being assisted by the Corporation in appealing unrealistically high property tax assessments.

\*(14:20)

To carry out its ambitious three-year renewal plan, the Corporation has enlisted the support of the Community Development Education Association, SEED Winnipeg, the Crocus Investment Fund, and the Mennonite Central Committee.

I wish the participants in this venture the very best in making the changes that they themselves want to make in their community and hope that their synergy will help give rise to a rejuvenated north end. Thank you.

#### **Seniors and Elders Month**

**Mr. Jack Reimer (Southdale):** Mr. Speaker, as members of this House are aware, June has been proclaimed Seniors Month. It is a pleasure to rise today and give thanks to our seniors who donate so much of themselves to this community.

The dedication of June as Seniors Month allows Manitobans to honour our senior population for their contributions and their accomplishments throughout the entire month. This recognition should continue throughout the year.

Seniors are dynamic individuals who contribute immediately and immensely to the fabric of our society through the work they do. Seniors contribute immeasurably to the quality of life that we enjoy in Manitoba.

I would like to take this opportunity to pay tribute to the benefits that so many communities receive due to the tireless efforts of our senior community. The commitment and dedication of this vital sector of the population continually amazes me. I am awe-struck by the time and

energy that our senior population dedicates to various projects within Manitoba.

Since seniors continue to be a vibrant, active segment of our society, without their continued willingness to help others through their volunteerism, many services and organizations could not continue. Unfortunately, seniors do not receive the recognition that they properly deserve for their hard work. Too often we forget how much we owe to our seniors. They have earned our respect and our gratitude and should be recognized and honoured, not just for the month of June, but each and every day.

I hope all Manitoba seniors take the opportunity to enjoy the various activities that are being held throughout Manitoba to honour Seniors Month. I would ask all members of the House to join me in applauding the efforts of seniors in Manitoba for the contributions that they have made to this great province and this great city here in Manitoba. Thank you.

#### **Eriksdale Community Initiatives**

**Mr. Tom Nevakshonoff (Interlake):** Mr. Speaker, I rise in the House today to pay tribute to the town of Eriksdale, a small community located on No. 6 Highway approximately 100 miles north of Winnipeg. Despite tough economic times in rural Manitoba, largely as a result of significant changes in the farming industry, here is one country town that has no intention of withering on the vine. Instead, the people have gathered together and initiated a number of projects designed to make their community a more desirable place to visit or indeed to settle in.

Some fine examples of their initiatives that I observed there on my tour of the town last week include restoration of Mogie's Cabin. Mogie was an escaped convict from the Stony Mountain Penitentiary who hid out in the vicinity of the community several decades ago. Prior to his recapture, his exploits were quite memorable, and the site of his hideout has now been restored.

A program of outdoor murals depicting the history of the development of the area; restoration of the old Anglican church and its

conversion into a museum where many local artifacts have now been gathered and put on display; the beginning of the restoration of the old creamery, an excellent reminder of days gone by when agriculture was much more locally based; the establishment of a Campus Manitoba classroom designed to serve the surrounding area and offer the youth there an alternative to leaving home in order to get their education; plans to upgrade their curling rink and hockey arena to a level where it will be able to offer services year-round, including such events as horse and cattle shows reminiscent of events held in the past; and finally an ambitious plan to convert the abandoned railroad bed into a treed promenade with a fountain and a memorial to those who served in the military in defence of this country.

The spirit of this small town should be held up as a model to all.

## ORDERS OF THE DAY

### House Business

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, before going back to the Committee of Supply this afternoon, I wish to announce that the Law Amendments Committee will meet on Wednesday, June 7, at 7 p.m., to continue consideration of Bills 11 and 20.

**Mr. Speaker:** As previously agreed, the House will resume consideration of the Committee of Supply.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### EDUCATION AND TRAINING

\* (14:30)

**Mr. Chairperson (Harry Schellenberg):** 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 Education and Training.

When the Committee last sat, it had been agreed to have a global discussion on Resolution

16.1, with the exception of 16.1(a) Minister's Salary. Is that still the will of the Committee?  
*[Agreed]*

**Mr. Leonard Derkach (Russell):** Mr. Chair, I asked Hansard for a replay of my last comments. I do not remember them precisely, but I guess I will continue in general terms. We were talking about the issue of post-secondary education on the administration side and the amalgamation of the Deputy Minister of Post-Secondary Education with the Deputy Minister of Education.

In addition to that, the Minister advised that one position has been deleted in an overall sense, and that was the position of Mr. Jim Glen, who had retired earlier, which was vacant.

My thrust was that if we are to maintain the level of post-secondary education and enhance it, indeed my recollection is that the universities have encouraged, post-secondary institutions have encouraged government to give them at least a deputy minister who can respond more directly to their challenges and their issues. Going back in time, that is precisely why the former administration did indeed create a deputy ministry of Post-Secondary Education.

This government, as I had indicated previously, ran on a commitment to enhance the prominence of post-secondary education and opportunities for youth. Yet, when I look at what they have done with regard to the reorganization of the Department, they have basically said to universities, and these are my words, that they are not important enough to warrant the services of a separate deputy minister's office.

I think this is sad, Mr. Chair, because we see, I think, that there are going to be less services provided to universities as a result of the fact that the staff that were in that deputy minister's office, I understand, have been redeployed.

My question to the Minister has to begin with finding out exactly what has happened to those various administrative positions in the Deputy Minister's office and where they have been incorporated with the rest of the Department. Under the Deputy Minister of

Training and Continuing Education, we had, for example, the Corporate Initiatives ADM, Mr. Jim Bakken, who was responsible for that area.

I would like to know where that particular position has gone, not the individual, the position, who is now responsible for that position and where it is embodied in the Department.

**Hon. Drew Caldwell (Minister of Education and Training):** I would like to thank the Member for his comments. In terms of the one or two deputy ministers, one for public schools and K to Senior 4 or post-secondary, which began his remarks, I know that over the years, it went back and forth on this particular issue. It is a matter of judgment and the Member may very well be right. In the future, that may be indeed what does occur.

We made a judgment, as a new government this past year, to streamline the operations. Certainly at this time at least, it has worked very well. We have a strong post-secondary education team in Dr. Leo LeTourneau, Dr. Curtis Nordman and in the ADM, Pat Rowantree, and certainly I work closely together with them and with the Deputy. They work closely with the Deputy in all decision making. It has worked very well to date although I acknowledge, as the Member indicates, that it is a matter of judgment and it may well change in the future as it has changed in the past. So I appreciate those comments, and from time to time I would sure like to have another deputy as well, but it has worked very well, and we do have a very strong team.

With regard to the specific question about Mr. Bakken, I would refer the Member to the flow chart. Mr. Bakken and the Corporate Initiatives position is still in existence. It is in the upper right-hand section, reporting directly to the Deputy Minister, just in the upper right corner there.

**Mr. Derkach:** Mr. Chair, so in other words, this position has just been moved to report to the Deputy rather than specifically to the Deputy of Post-Secondary Education.

**Mr. Caldwell:** That is correct.

**Mr. Derkach:** Mr. Chair, to the Minister of Education, the positions that were responsible for the various areas in post-secondary education, have they all been moved over to report now directly to the over-all Deputy Minister, or have some of those positions been deemed redundant and have been eliminated, or have the individuals in those areas been assigned other duties?

**Mr. Caldwell:** At this point in time, Mr. Chair, all the positions continue to exist and report through as per the flow chart, through the Deputy Minister, and the various ADMs.

\* (14:40)

**Mr. Derkach:** So, Mr. Chair, to the Minister, then the various directors who were reporting to the Deputy Minister of Post-Secondary Education before, are they now reporting to the ADM for Post-Secondary Education? Is that an assumption, or, as I read your flow chart, is that now the way that the Department has been reorganised under ADM Pat Rowantree?

**Mr. Caldwell:** That is essentially correct.

**Mr. Derkach:** So, when the Minister tells us that he has streamlined the Department, the only change that he has actually made has been to eliminate the Deputy Minister's position on post-secondary education and replace that with an ADM for Post-Secondary Education and create an ADM responsible for the Admin and Finance area?

**Mr. Caldwell:** Mr. Chair, not entirely. The streamlining, as is noted, is correct. We have one deputy as opposed to two. Another major change is the full-time chair of COPS has been eliminated to substantial cost-saving and a part-time chairperson appointed as opposed to full-time. We have a full-time executive director of the Council on Post-Secondary Education. There is also the ADM of Special Education has been moved to a programming role.

**Mr. Derkach:** Mr. Chair, there have been some changes with regard to the various components that report to the Deputy Minister. Now, the nine divisions that used to report through to the Deputy Minister of Post-Secondary Education

has been reduced to eight divisions, I believe. They report to the ADM of post-secondary education.

**Mr. Caldwell:** Mr. Chair, could I get the question repeated, please?

**Mr. Derkach:** Maybe I will rephrase the question, Mr. Chair. Out of the nine divisions that were reporting to the Deputy Minister of Post-Secondary Education, we now have eight divisions reporting to the ADM, instead of the Deputy Minister. The one director has now been moved up to report directly to the Deputy Minister rather than reporting through to the Deputy Minister through the ADM.

**Mr. Caldwell:** That is essentially correct. I should note also the Learning Technologies co-ordinator that existed in the previous year's flow chart has been cut, and that is in addition to my comments regarding the full-time chair of COPS moving to part-time in the ADM special ed.

**Mr. Derkach:** Can the Minister advise what the thinking behind eliminating and reducing the time allotment in those two areas, what the theme behind that is.

**Mr. Caldwell:** Which two areas?

**Mr. Derkach:** The areas referred to by the Minister of the COPS and Learning Technologies individual.

**Mr. Caldwell:** I will address first the COPS position, and then I will address the Learning Technologies. The Council on Post-Secondary Education, which is the body primarily responsible for decisions on funding post-secondary institutions in the province of Manitoba and programming, formerly had a full-time chairperson as well as a full-time director. The cost associated and the time allotment associated with that particular role, that is the chairperson's role, in terms of the work that the chair had in convening meetings and conducting meetings of the Council on Post-Secondary Education, and the role of the executive director as the primary administrator of the council's decisions was deemed upon review to be superfluous, that is, the chairperson's role was far less than one would expect of a typical full-

time employee in terms of what the chair was responsible for.

Upon the assessment of the Department, it was deemed that the work of the chair in terms of chairing the council and maintaining the day-to-day operations of the council was primarily the responsibility of the Executive Director, Doctor LeTourneau, and it was deemed that a substantial cost saving could be found by making the chairperson's role that of a part-time position as opposed to full time. As importantly, it was found that the full-time responsibilities, there were not enough responsibilities to warrant a full-time position at the chair's position, so the determination was made in that regard to move from a full-time position to a part-time position at substantial cost savings as well as a recognition of the workload and responsibility of that position.

With regard to the Learning Technologies position, the co-ordinator of Learning Technologies, it was felt that there was a duplication in that role primarily because the work is now being done by all senior managers in the Department and also by MERLIN. So it was felt that we would not require a separate person in that particular position.

**Mr. Derkach:** Mr. Chair, I am going to focus my attention on one of these at a time. First of all, if I could address the area of the chair of Post-Secondary Education on the council, now, that position was held I think by Mr. Dawson, who retired I believe or was retired?

**Mr. Caldwell:** That is right. Mr. Chair, Doctor Dawson's term expired.

**Mr. Derkach:** He was replaced by a Mr. Don Robertson?

**Mr. Caldwell:** That is correct. Don Robertson is the chair of the Council on Post-Secondary Education.

**Mr. Derkach:** Mr. Robertson is not a full-time chair. He is a part-time chair, as I understand it, according to the Minister's comments, and his remuneration, I guess, would be reflected in the time spent.

I am just wondering what his remuneration is compared to the remuneration that was paid to the full-time Director of the Council on Post-Secondary Education.

**Mr. Caldwell:** Mr. Chair, we could we can get that information under 16.8, if that is agreeable. I have not got it in hand. There is a substantial difference in the remuneration levels between 16.8. The chair now operates on a per diem if that is of any—

**Mr. Derkach:** That is fine. Mr. Chair, this is still within the whole area of Administration and Finance, because it is part of that, but I am not hung up on the specific numbers. We can go into those later. I think the Minister basically did give me some indication that instead of this being remuneration on a full-time basis or a half-time basis, it is now done on a per diem where the individual was paid for the meetings that he or she chairs or the subcommittees or whatever might happen in that regard plus, I would assume, out-of-pocket expenses.

**Mr. Caldwell:** Yes, that is correct. The reason that I deferred to 16.8 is just so that we are completely accurate in what we state.

\* (14:50)

**Mr. Derkach:** In the learning technologies area, learning technologies was and, I would assume, is a fairly important area for the whole Department of Education. Although the Minister says that it has now been spread out through the various divisions of the Department, I have to contend that this is an area that needs some profile within the Department because, when we talk about technology, I know the Minister and the Government and the Opposition have a differing point of view on how technologies can be and should be incorporated into our schools in a general sense.

YNN, to me, is sort of the one area of technology where we have a sharp difference of opinion in how that is administered in our schools. Yet, when you look at the administration of the Department, we now have eliminated that Learning Technologies co-ordinator and that position and have sort of dispersed it through the divisions of the

Department, as the Minister says. I cannot help but think that this waters down the whole area of technology in education. Yet, if we look at where the employment opportunities are in today's world, if we look at where the opportunities for the future are in Manitoba and in Canada and in the world, no matter what magazine you pick up, you will read that, indeed, the high-tech area is where we should be. The high-tech area is where the jobs of the future are going to be. The high-tech area is the one that is the emerging economy for the world and for us.

Mr. Chair, I think there is some sadness in the fact that we have probably embarked on giving some profile—in my view, probably not speedily enough, and I guess we can always lament about that, that we wish we had the dollars and the capability to enhance these areas much more quickly than they are. I think that we have done a disservice to the education field by eliminating this position. Now, the individual in question is not what I am arguing for. I am arguing for profiling technology in our education system by putting a co-ordinator in its place.

This afternoon, we had the opportunity to listen to a member give a statement with regard to the government giving a profile to a sector of our society—and it is the people who have disabilities in our province—by creating a responsibility for that sector of our society within a ministry so that indeed there is attention paid to that issue. I would have to commend the Government for doing that. I do not think there is anything wrong with that. I think that is a good way to move.

But, conversely, if you look at what has happened here or what appears to have happened—and I will not make a judgment on this until we hear the full statement of the Minister—it appears that indeed we have taken that profile and we have taken that focus away from the field of education. Now, I might be wrong, and I hope I am, because I do hope that somehow there is still a focus for the area of learning technologies in our schools.

I alluded to this in my opening remarks when I said that one of the areas I see missing in the Budget and in the Estimates of the

Department of Education is that whole area of technology, of being able to deliver programs to people who live outside the urban centre.

During my time in government, I have to tell you that I worked very hard and fought very hard for the people who lived outside of the urban centres. I know the Minister does not live full time in the city and neither do I. We do come from rural parts of this province. The Minister comes from a smaller urban setting. I come from a predominantly rural agrarian area where students do not have the same opportunities, and I can talk about the fact that students who go to university from rural Manitoba have significant costs over and above students who live in our urban centres, because they not only have the cost of transportation back and forth from their communities, they have the cost of finding accommodation to live in the urban centres where many students do not have that cost.

So the cost for rural students is significantly higher, and one of the ways of addressing that would have been through the enhancement and delivery of educational services and programs through technology. The technology is available. Today, you can, in fact, get a doctorate degree from some of the prestigious universities of the world through distance education. You can get a master's degree through distance delivery. In our province, it becomes much more important because of the demographics and the large area and the small population that we face in this province. For those reasons, and many, many others, the area of learning technologies needs to have a focus and needs to have some attention paid to it, and we tried to do that.

I guess Dr. Levin knows better than anyone the many different approaches that one can take with delivering educational programs through technology, but, indeed, I think that we need to continue to build on the areas that were started, and we need to continue to ensure that the quality of education that is delivered through distance delivery and through technology is indeed better than it is. In addition to this, the ability to give students access to technology is also important. For that reason, we argue with government that YNN is not simply putting commercials into classrooms or giving the

corporate world access to our classrooms, but, indeed, it gives students the ability to hear other students give a perspective on issues like teen pregnancy, like bullying in the classroom, other public service issues that relate specifically to young people, which are of value to them. Additionally, it provides current affairs programs and world news programs to students.

Now, the Minister of Family Services (Mr. Sale) in the House said, well, they can get this from Channel 5 or any of the other channels on television, and perhaps that is true, but you have to remember that those channels all carry commercials. Here is a channel that does not carry any commercials anymore. As a matter of fact, the contract has been changed to address those very concerns that the Minister had. It is a technology being brought into the classroom, because now the company is prepared to provide \$200,000 worth, or thereabouts, of equipment to the school that enters into that contract.

Now, I know that the Minister can hang his hat on an election promise, but if all the concerns that resulted in that election promise have been addressed, then I believe the Minister should try to encourage his colleagues to take another look at this to see whether there are enough benefits in this to warrant the continuation of those contracts and to allow that technology to be placed into the classroom.

Perhaps the Minister has other ways of doing this, but I do not think that we should ignore, just because of a promise that was made, and perhaps today the issues surrounding that promise have been addressed, that the Minister should in all good conscience revisit that area and allow for broader minds to prevail as we look at delivering programs to education.

So specifically with regard to the learning technology area, I would like to ask the Minister how specifically he has now moved to incorporate the responsibilities under this coordinator into other areas?

\* (15:00)

**Mr. Caldwell:** I would like to thank the Member for his comments. Certainly the learning technologies commitment with the Government

of Manitoba remains high. Campus Manitoba continues to function, and I know that schools are developing new agreements to develop distance courses. I should mention as well and acknowledge the Member's efforts as minister to start Campus Manitoba, which was then First Year Distance Education, which was a very extraordinarily innovative and progressive initiative by the former government and by the Member. Certainly we in government acknowledge the very good work that was done by the Member in that initiative. So I think that is worthy of putting on the record. Certainly we respect that vision considerably today.

The Government of Manitoba is currently doing a review of the Manitoba Educational and Research Learning Innovation Network, MERLIN, under the special operating agency legislation to look at an enhanced role for MERLIN and their role indeed over the next five years in providing learning technologies.

We would agree with the Member on his comments about the importance of distance education and learning technologies in rural areas and will continue to work assiduously to enhance rural access. I should also note with regard to rural students, which the Member notes that we both come from western Manitoba from areas that are substantially smaller than the city of Winnipeg and with substantially fewer opportunities because we are from smaller populated areas.

The Manitoba Bursary Program will substantially help rural students with their costs in pursuing post-secondary education in the province or Manitoba. As well, the 10% tuition reduction was announced recently for September 2000. We will continue to work on programs that enhance accessibility for all Manitobans but that particularly impact upon rural students. As the Member notes, rural students do have to come into the city, whether that be Brandon, The Pas or Winnipeg to pursue post-secondary studies. Primarily they are at a satellite campus around the province but primarily it involves a relocation for rural students. So we are very sensitive, as a government, to the needs of rural students and will continue to pursue initiatives along the recently announced bursary program and the tuition reduction.

The Council on Learning Technologies, we are actively seeking their advice on technology issues and continue to pursue advice where we can from agencies and from individuals in the field of learning technology. I think it is important to note, though, in terms of the Learning Technologies co-ordinator, which position we are discussing right now, that there was a strong feeling within the Department and within government that there was a duplication of the role in that senior managers—and we look at it as a broadening in fact of learning technology and understandings of learning technologies as we expect our senior managers to have an understanding of learning technologies in managing their day-to-day operations. We expect that learning technologies and an awareness of learning technologies, and an awareness of the importance of learning technologies will permeate the Department.

With the existence of the Manitoba Educational and Research Innovation Network, MERLIN, as part of the integral operations of the Department of Education and Training in the province, it was felt that a separate person was superfluous. We would rather have an institutional culture where learning technologies were part of everyone's responsibility and everyone's obligation.

**Mr. Derkach:** Mr. Chair, I have difficulty in accepting the premise that if you do not have a focal point for Learning Technologies, that every other manager in the Department should carry some responsibility, knowledge and expertise I guess to Learning Technologies. I think that is a given. I think that, with a co-ordinator at the head, it is still expected that other areas of the Department would have expertise, knowledge, would be well informed, would be enhancing the whole area of learning technologies.

I know perhaps the Department, the Government had difficulty with the particular individual in that position. That is one thing. But to eliminate that division, that co-ordination unit, from Government to me is not the right way to go because, yes, the Deputy Minister can assume that responsibility, but how many responsibilities can the Deputy Minister assume and still do justice to his job, with the greatest of respect for Dr. Levin, because I know he is a

very capable individual. Let us be honest, there is reason for putting in managers and co-ordinators throughout the Department. I do not think this is different. We can put that same argument that the Minister has just put forward for any of the other divisions.

Let us take, for example, I am a very staunch supporter of a co-ordinator for the Native Education Directorate. I was happy to have Juliette Sabot take that position, who is extremely capable in that area. Let us, for example, assume that, and which should be the case, every other division of the Department should have some expertise, should have some experience, and should have some abilities in this area. You can make that same argument for that particular division.

So I say to the Minister that the co-ordinator, I would even elevate that to a director's position for Learning Technologies. That is how strongly I feel about the fact that Learning Technologies is an important element in the Department of Education.

So I would argue for the Minister to reallocate resources. Give it another name if you have to in order to be able to, I guess, exercise some credibility in this whole area. But I would say that that to me is an extremely important area and should not be eliminated from the flowchart and from the divisions of the Department. To me, if you eliminate that, nobody in the Department has the responsibility to carry that ball for that area. Everybody has some responsibility, but there is nobody there to co-ordinate what goes on in one division of the Department and what goes on in another division of the Department and what goes on now that you have amalgamated the post-secondary and K to 12 side, what goes on in those two divisions, for example, in terms of learning technologies. The one way that I think that can be achieved is, in fact, through that kind of a position in the Department.

Now, I guess we could create others and argue for them, but this is one that I think some work had been done in. Instead of dispersing that and going backwards, if you like, we could enhance this by having it revisited. I have to argue that I believe that the Minister needs to

revisit this position, needs to take another look at it with his staff to ensure that there is a focal point for learning technologies so that schools, so that people who are working with kids out there in the parts of Manitoba, whether it is in the city or in the rural areas, have someone in the Department of Education and Training that they can go to who is going to address those concerns with other divisions of the Department.

You know how difficult it is being in the education field to get answers sometimes to a specific problem, because it is easy to say, well, that is really not our responsibility, that belongs over there, and you run over to the other area. That is what was happening with native education before. That is why we put that Directorate of Native Education in place. I think the current deputy minister was aware of that, but it was too watered down before. It was too easy to have non-answers, because people ran from one area to the other and they could not get an answer. Once we gave it some profile, and I am not saying this to try and take some credit for it, I am just saying that because at that time the wisdom I think was within the bureaucracy and, if you like, the people who worked in the Department who said this is an area that we need to have a focal point on. So therefore the directorship was created.

\*(15:10)

I think no different in this area. Because this is the emerging area for the new century, this is the area where the jobs are going to be found. This is the area where students need that information. Mr. Minister, I have to tell you that I see a vast difference in the quality of education in the technology area in the urban centre as compared to centres outside of Winnipeg. Within the city of Winnipeg the divisions have resources where they can hire the expertise to be able to deliver the highest quality I think that we can afford in terms of the learning technology area. As a matter of fact, because of the proximity to some of the companies, school divisions can even get access to equipment from companies that they can bring into their schools which is not available in parts of remote and rural Manitoba. So, when I argue for this position, I do it on the basis that we have to provide for those people who cannot have ready

access to this kind of technology an ability to be able to access this technology.

Yes, YNN was one. It was giving some hope to some schools that do not have the resources, their divisions do not have the resources, to be able to provide that kind of technology and that kind of equipment into the schools. Through YNN they were able to reach in and get some of that equipment. You might say, well, that is a false way to provide equipment, and we can have a philosophical argument about that, but at least it is a way to have students access that equipment.

So I argue for that for those students, because if you look at the resources of divisions, they vary massively. I know that the Deputy Minister has got his hands full, with regard to that education formula. We wrestled with it. We changed it somewhat. It has been altered since then. I do not know if there is a formula out there that indeed addresses all the needs of students in Manitoba, because of the diversities of the province, but I do say that, in this area of learning technologies, I would argue very strongly that it is wrong to eliminate that area and to say that it is looked at by other divisions of the Department, I think.

I ask the Minister whether or not he can not justify reinstating that division, not the individual, I am talking about that division. Put in there who you want, because you are government today. Find the expert that you want to put in there who will do the job for you. But indeed, put somebody in there who can deliver the programs, who can deliver the leadership so that indeed there is a focal point to this area.

**Mr. Caldwell:** Mr. Chairman, I certainly do respect the Member for Russell's comments in this matter. As I said earlier, as a former Minister of Education, we certainly acknowledge and appreciate the effort that the Member made in terms of starting Campus Manitoba, and his passion for this area of education and training is very well respected by me and well known.

I want to address a number of points that the Member made. I know I had the pleasure of actually teaching with his brother in Wawanesa a

number of years ago, and Wawanesa is part of the Souris Valley School Division. Certainly in Souris Valley, the learning technology and distance education capacity of that particular division is the best out of the five or six divisions or the schools I have taught with in that part of the province, certainly the best facilities, the best equipment, in fact, the envy of many other divisions around the province. I know in Souris Valley and Souris and Wawanesa that distance education and learning technology is very, very high on their list of priorities in terms of delivery to rural areas.

There are, we acknowledge, differences in capacity throughout the province, and we strive towards equity. But it is not just Winnipeg or the larger urbans that have that capacity, because as the Member knows Wawanesa and Souris Valley—[interjection] The Member acknowledges it. That is true. The Government did put it in, and it serves a very, very positive purpose in that part of the province. I am familiar with that personally from teaching in those classrooms.

I will acknowledge the Member's comments. There is obviously a difference of opinion on this particular matter in terms of the viewpoint that this government comes from wanting to distribute it throughout the senior management, the responsibility and the advocacy throughout the senior management levels. However, I will acknowledge that the Member has some concerns that I take seriously, and over time we will look at this in the Department of Education and Training. If progress is not satisfactory, I think that we have an obligation as government to look at how to move it ahead more vigorously.

So I will acknowledge the concerns of the Member and certainly be cognizant of them as we move forward.

**Mr. Derkach:** So, specifically, was the coordinator of this unit redeployed?

**Mr. Caldwell:** No. The contract ended.

**Mr. Derkach:** Did the contract end, or was it terminated?

**Mr. Caldwell:** It ended.

**Mr. Derkach:** Is the Minister saying there was a termination date on the contract? Was it a term contract?

**Mr. Caldwell:** I have just been advised that the contract is not here, so we will provide that information at our next sitting.

**Mr. Derkach:** I guess I asked the question because I want to know whether this area was in fact terminated simply because it was a way of getting rid of the co-ordinator of that unit.

**Mr. Caldwell:** No, the decision was made based upon the philosophy, as I outlined earlier, that we felt as government that there was a duplication in the role in that MERLIN as an SOA was performing a service that placed learning technologies in a very focussed sense in Education and Training and is importantly, if not more importantly, we felt that we wanted as government to have the role of learning technology advocacy and learning technology advancement placed in the hands of senior managers, as part of the expectation of the job that they would do as senior managers.

**Mr. Derkach:** So, Mr. Chairman, the Minister told us that the vacant position in Admin and Finance was not filled as well, but that has been an area that has been also changed.

**Mr. Caldwell:** The functions of Administration and Finance continue to exist. Finance and Administration Director and Management Information Services report to the Deputy Minister. Schools Finance and Education Administration Services report to the ADM of Schools Division, Dr. Gerald Farthing.

**Mr. Derkach:** So is the Minister telling me that the Admin and Finance Division has been split? Is that what has happened now instead of having an ADM for the Admin and Finance Division, that indeed now the Director, who is with us today, is going to share that responsibility with another director?

**Mr. Caldwell:** No. The rules of the Administration and Finance Section, Finance and Administration Director and Management

Information Services concerned with departmental and finance and administration issues, schools finance and education administration services have been concerned more with these public schools operations.

\* (15:20)

**Mr. Derkach:** So the ADM position in Admin and Finance is eliminated and will remain thus, and that function has now been amalgamated into the Deputy Minister of Education's offices, I understand. Is that correct?

**Mr. Caldwell:** The aspect which is responsible for the finance administration of the Department does report to the Deputy Minister.

**Mr. Derkach:** That is directly?

**Mr. Caldwell:** Yes.

**Mr. Derkach:** Mr. Chair, I will suspend my questions for a few minutes and allow the official critic to ask some questions, who has some questions in this area as well.

**Mrs. Joy Smith (Fort Garry):** Could the Minister please explain? I do not see the Sustainable Development Initiative on the chart. Mr. Chair. Could the Minister please indicate where that fits into this overall plan?

**Mr. Caldwell:** That capacity reports through the ADM of Schools Division, Gerald Farthing.

**Mrs. Smith:** As you know, sustainable development is part of the round table, has participated in the Round Table on Sustainable Development. I was a part of that, Minister, last year when we travelled across the province looking at how to build sustainable communities, and we looked at education, we looked at finance, we looked at environment, we looked in a number of areas. Could the Minister please give us some ideas as to how he envisions this sustainable—I feel this is an extremely important component in our ministry here because it is looking to the future. I think through education now we are having to look at issues other than or including environmental issues, including finance, including education, so it is all amalgamated within the total way that students

are taught and brought up. You can see that, a relatively short while ago, I know that when I grew up there was no recycling of environmental, you know, the cans, all sorts of things like that. When I went around with the group on the round table, with Christine McDonald, who is part of this Sustainable Development Initiative, I felt it to be very progressive, a very needed aspect of the education component here in Manitoba. Could the Minister please outline his vision of what he feels this particular area will be doing in the future?

**Mr. Caldwell:** Well, two points I suppose for details on the aspect of sustainable development. I am sure we will get to those under 16.2(a). As for the broader question in terms of the flow chart, as in the case of learning technologies, it is our intention to have as part of the institutional culture the Department of Education be sustainable development issues.

**Mrs. Smith:** Mr. Chair, I do not see the actual Sustainable Development Initiative on this flow chart. Will the Minister please clarify where has it been placed specifically?

**Mr. Caldwell:** It is within the Schools Program Branch under Dr. Gerald Farthing.

**Mrs. Smith:** Mr. Chair, we will be addressing that then, and you said 16.2. We will go through that?

**Mr. Caldwell:** 16.2(a).

**Mrs. Smith:** Thank you. What I would like to go back to at this point is the learning technologies that my colleague, Mr. Derkach, talked about so eloquently. Looking at the view that we have to the future, learning technologies encompasses a great deal of communication between schools, programs, initiative, and it cannot be taken lightly. I know that in a lot of the schools they have particular initiatives going on right now, and I want to speak in particular to YNN. I know that philosophically we do have a difference of opinion about YNN, and I guess today I would like to take this opportunity to build a case, as it were, for YNN.

I realize that it is very hard, when you make an election promise, to go back on it, but I do think that you are very mindful of the students and very mindful of what is really going on in the schools. With YNN, I have noted that the schools have listened very carefully to what you have to say. They have been very mindful of your concerns that you have. I would like the Minister to pay attention because I am trying to make a point here, and I think it is something that we are going to revisit and we have to work on together.

I think the schools have been very mindful of what the Minister has had to say. They have taken very seriously his concerns, and his concerns were very valid. I would have had to agree with him in terms of the kinds of things going on during the school day. I guess I am personally fearful of it becoming more of a political football. I would rather like to sit down and take a very close look at this aspect of learning technologies, at the aspect of YNN sort of as a partnership because it is a move to the future. I would agree with the Minister we have to be very mindful and very careful not to let the advertising and that kind of thing go into the classrooms.

I also believe the Minister is open to looking at things because I know one of the comments the Minister made in the House was that he was very open, had an open-door policy. Now that we are here in Estimates talking about the hopes and the visions and the plans that the Minister and myself both have for the students of Manitoba, I would like to say that careful consideration has to be given to the fact that we are going into a new era and that we have to work together to make things better for the students.

I know the Minister worked with the formula and produced a budget based on the philosophies that the Minister felt were near and dear to his heart and felt that he was doing the best he could. However, when we look at the financial aspect of it but more importantly when we look at the business partnerships that will have to be forged in the future with schools and with the business community and with parents and with the students, YNN is certainly, in my

opinion, a very viable way of making that happen. Two hundred thousand dollars worth of technology is a great deal of support for schools, and I think that very respectfully looking at it, I can see how the principals, the trustees and the parents involved, as I said before, took very mindful consideration into the fact that advertisements should not happen when students were exposed to them.

We talked about today in the House the fact that the contract is being changed, Mr. Chair, the fact that the Minister has been listened to and the fact that they have respectfully altered because they felt that what he was saying was extremely valid, I would make a case, as it were, to the Minister for YNN, providing that the school divisions choose that. I do not think YNN is good for everybody. I just think it is a choice, and those choices are based on needs, student needs, those choices are based on what they have to have for school resources.

\* (15:30)

I can appreciate and understand it is very hard to backtrack, Mr. Chair, when decisions have been made, but I am also confident that our minister is open-minded and is looking at all the aspects of it. I look at this as part of the learning technologies. In my mind, I saw some of the programs that went on through Learning Technologies when I was working through Manitoba Education and Training. I was very impressed with the positive impact it had for students.

So my question to the Minister would be: Is there any possibility that we could sit down and take a very close look at all the aspects and put the Learning Technologies back in with the different components in there, YNN being one of them, as a possibility for the future? Could the Minister elaborate on that or give me some ideas of where he is at in that aspect?

**Mr. Caldwell:** As I indicated earlier, we are determined to have an institutional culture in Education and Training whereby learning technologies are part of the daily work and part of senior managers and part of the advocacy and understanding of senior managers in the day-to-day operations of the Department of Education

and Training. In fact, we desire that learning technologies become a hallmark of every member of the civil service in Education and Training. Certainly it is our intent to have learning technologies enhanced in the province of Manitoba within a context which respects the integrity of the classroom and the integrity of the public school system in the province of Manitoba.

As I said earlier, I certainly respect the role that the Member for Russell had in placing learning technologies very firmly at the centre of education and training in the province of Manitoba during his tenure as the Minister and that legacy continues to be with us today, that very positive legacy continues to be with us today.

Over time, as I indicated earlier, it is certainly the intent of the Department of Education and Training to be a dynamic and responsive department within government and if progress is not satisfactory in terms of the philosophy of making learning technologies integral of the operations of the Department as a whole and the understanding in institutional culture of the Department as a whole, if progress is not satisfactory we will look at how to move that agenda ahead, the learning technologies agenda ahead.

**Mrs. Smith:** Mr. Chair, could the Minister perhaps comment also on the possibility of building YNN in as part of those technologies while being very, very mindful of not having the advertisements in the classrooms and being very mindful of the fact, I guess, that school division autonomy is something that we have always been very careful to maintain? I know that the Minister does respect the autonomy of the school division. That is not in question. I believe that this is something that the Minister feels very strongly about. However, there is an increasing call across the province for the learning technologies and for YNN to be a part of the school-based environment or culture as it were, so if the Minister could comment on it specifically, I would appreciate that very much.

**Mr. Caldwell:** It is truly not my intent to advocate for any individual corporation, nor do I think it should be something that the Department

of Education and Training should do. I think that in terms of involvement in the public school system by businesses, by organizations, by advocacy groups in general, those sorts of partnerships where they respect the integrity of the classroom are very, very positive. I certainly do not want to, and will not, advocate for individual corporations. That is a very strongly held belief of government. In terms of enhancing learning technology in the schools of the province of Manitoba, it is something that we have as a government a very strong commitment to. That commitment remains high. It builds upon initiatives, as I mentioned earlier, undertaken by the Member for Russell during his tenure as the Minister.

I think it is important to note that we desire to have the institutional culture of the Department reflect very fundamentally an appreciation and advocacy for learning technologies in the schools of the province of Manitoba. That is the view that the Government is taking. We desire all of the civil service in Education and Training to make that a part of their daily understanding of their role in the Department. We certainly expect right now our senior managers to have that as part of their daily work. I think it is important to note and put on the record that there are somewhere over 700 schools in the province of Manitoba, only eight of which have entered into contracts with the corporation that the Member advocates for.

**Mrs. Smith:** Mr. Chair, I certainly appreciate the Minister's comments and I would agree with the Minister that Manitoba Education and Training should not favour and go with one specific corporation. I am not talking about one specific corporation. I am talking about learning technologies and I am talking about the whole realm and aspect of learning technologies, learning technologies as part of what has to be utilized in a global market.

We are educating our students now in our schools to be very careful to prepare for the global market, and in the future I can see that we are going to have to partner with business, we are going to have to partner with organizations, we are going to have to partner with health care, with Child and Family Services. We are going to

have to change our paradigms and move out into the new aspect.

I would totally agree with the Minister in terms of not having a desire to pick one or more corporations and saying these are our favoured corporations. I am talking rather about building partnerships so we can shore up the education system and so we can empower our students to learn and take advantage of some of the things that they have to offer. For years we have had Coca-Cola and milk and all sorts of advertisements in the school gym, and we have been very careful that we have not let one of those companies monopolize what we are doing in the school system.

Mr. Chair, I would ask that the Minister take a very, very close look and make some comments further on the record. We are into the new millennium now going into the 21st century, and we are having to forge partnerships that perhaps we have not ever had to do before. Along with that, I would agree, Minister, there is a set of rules, and the rules are that the corporations do not infringe on the student body. I think that is why, back to YNN, when you made a very, I thought, insightful comment that the advertisements should not be during school time. I can appreciate that so much, but right now looking at the quite honest benefits that we have in terms of the \$200,000 and the supports that the schools and the students have, that has been a significant plus for school divisions.

\* (15:40)

I know that you have made the comment that learning technologies is, and will be, an integral part of the future, and along with the learning technologies there is not only going to be YNN but there will be other aspects as well. I will take note that in the last election one of the promises was that every child would have an e-mail address. I could see why that would be something that you would like to take a look at. I know we have not heard much more of it now, but within learning technologies I can see all of these aspects being incorporated. You know, we might sit back now and we might say this is something that we just cannot have. I would rather sit back and say this is out there. It is an aspect of support that we are going to have to

need for our students. I would like the Minister to comment very specifically if in the learning technologies he could see very clearly how this could be accomplished without the things that have already been mentioned. Could the Minister comment on whether or not he would be open to taking a look at it with all the partners?

**Mr. Caldwell:** Certainly partnerships are good. Certainly there are innumerable partnerships between schools, school divisions and members of the corporate community and non-profit community throughout Manitoba, throughout the country for that matter. Partnerships are good. We, certainly as a government, believe in partnerships. We must be extraordinarily careful about the role of profit-making in education. It is certainly something that we are cognizant of in government in our deliberations.

Students in our public school system are often perceived or can be perceived and have been perceived and are perceived as a captive market for advertising messages, and it is certainly not the Government's intent to have the schools of Manitoba be used as a pooling of consumers for commercial purposes. That certainly informs all our deliberations around the issue of partnerships generally and the television initiative of which the Member has been speaking previously.

So we are very cognizant in our deliberations about the integrity of the classroom in all our deliberations surrounding partnerships. We do have a concern in that regard that is very fundamental. The integrity of the classrooms of Manitoba must be maintained and must be respected. Certainly that is the view of the Government.

In terms of entertaining discussions with individuals and organizations and businesses who are interested in some relationship with the classrooms of the province of Manitoba, my door is open. Certainly we have had numerous discussions in fact with the principals of the television corporation that the Member refers to in her remarks, and I expect frankly that that will continue.

**Mrs. Smith:** I appreciate the Minister's remarks, and I will be looking forward to seeing what we can do to build up those supports in the schools themselves.

Mr. Chair, I would like to turn to some other kinds of questions. Looking at the chart, it has changed considerably from when we were in government, and there are some questions that we need to clarify just to see how these aspects have been sort of refigured.

Looking at the chart, could the Minister please inform us of the current staffing levels in Manitoba Education and Training and in the Minister's office including the political staff?

**Mr. Caldwell:** Well, I will address the issue, I suppose, of my office first. There are hundreds of employees in the Department, obviously. In my office, I have five staff, three clerical and two political. Overall, the Department of Education, I have just been advised, has 929 staff years.

**Mrs. Smith:** Mr. Chair, could the Minister please inform the Committee of any layoffs or terminations in the Department specifically since October 5? I know we are aware of a couple, but could he please list the ones that have been laid off or terminated? We would also like to know who they were, what positions they held and the salary level.

**Mr. Caldwell:** I will take that under advisement and have the material gathered for the Member as expeditiously as possible.

**Mrs. Smith:** Mr. Chair, I want to thank the Minister for that, and I look forward to getting that information. I would ask the Minister, in the 2000 budget, he indicated that there were 60 layoffs within his department. Would the Minister be so kind to supply us with those layoffs within his department, who, what and what pay levels, and also the time line of the layoffs as well? We would like to have those details in writing if it is possible to do that.

**Mr. Caldwell:** More precisely, Mr. Chair, there were 63 positions that were dealt with in the Budget, and to date it is my understanding that there have not been any layoffs.

**Mrs. Smith:** Mr. Chair, I thank the Minister for that information. I noticed that in Research and Planning the Minister has not filled that particular position at this time. I know Research and Planning has been an integral part of Manitoba and education for a number of years. There are many aspects to it. Part of that in years past is when we were examining the need for assessment and evaluation, that Research and Planning was part of that whole initiative.

Could the Minister, Mr. Chair, please inform the Committee as to what Research and Planning will be specifically working on in the next six to eight months, and whether or not that position will be filled? It is a rather important one.

**Mr. Caldwell:** Well, indeed, Mr. Chair, it is a rather important one. I would note that position was deleted by the previous administration and has been re-org'd on this particular chart, so I would concur that it is an important position. The position itself has been bulletined internally. There is a competition ongoing. I understand the competition closes next week. I would also refer the Member to page 44 of the Estimates for a more detailed discussion of the objectives of Research and Planning.

Objectives are to facilitate and support research and evaluation across Department units, and to identify priorities for the collection of information to aid in evaluation and justification of departmental programs; to co-ordinate the Department's education and training planning processes—including strategic, business planning—and linkage to resource requirements provided through the Estimates process.

\* (15:50)

The activities of the branch would be to facilitate and support program and branch managers to collect appropriate data and conduct relevant research that will enhance program delivery and evaluate program/branch activities; to monitor and provide advice and information to the Deputy Minister on the Department's overall strategic agenda; to summarize relevant research findings—international, national and local—and provide information on education and research findings to the education community and to the public at large; to act as the

Department's primary liaison with national and international education and training agencies, for example, the Council of Ministers of Education Canada, Statistics Canada, Human Resources Development Canada, the Organization of Economic Co-operation and Development, and like agencies.

The expected results would be a co-ordinated corporate approach to planning, policy development, multidimensional research, and information sharing; to facilitate a department-wide culture that embraces openness, consultation, an enhanced knowledge base, and joint responsibility in supporting government initiatives. In summation and in whole, to provide for the better use of research information in the development of policy and practices.

We hope to increase the profile of research as a whole in policy making within government; to work with universities and other research providers in making sound policy decisions; having sound policy advice in the development of policy decisions; and to bring distinguished researchers to Manitoba to share their expertise with us in Education and Training in making sound decisions.

Basically, we want more analysis from that existing data in making our policy decisions.

**Mrs. Smith:** Thank you very much to the Minister for his comments.

Mr. Chair, I am just wondering, under Administration and Finance, under Managerial, could you please explain page 45? It has to do with the Salaries and Employee Benefits; it is part of Administration and Finance. I noticed there is quite an increase here. Could you tell us who that is and what that is all about?

**Mr. Caldwell:** Mr. Chair, there is one position at present. We are expecting to expand that branch to include three others to bring it to full complement, to develop research and planning initiatives of the government. That will occur in due course.

**Mrs. Smith:** Thank you for those comments, Minister.

Mr. Chair, can you give us a little bit more background as to where this position came from and the goals and objectives? I know it has been placed here in Estimates. I need a little bit more clarification, in fact, quite a bit more clarification on this. If you could do that, I would appreciate it so much.

**Mr. Caldwell:** The existing position is Jean Britton, who comes from the Education Indicators unit, which is an appropriate movement into Research and Planning from that particular unit, and further development in that office will occur in due course.

**Mrs. Smith:** Mr. Chair, I would like to take this opportunity for my colleague, Mr. Derkach, to ask some questions in this area.

**Mr. Derkach:** Mr. Chair, recognizing that this is a new division of the Department—I think years back, we had research and planning, did we not?—planning and research, we have changed the name. The Department seems to evolve and revolve as time goes on. My question, I guess, is with regard to the areas under the Deputy Minister's area of administration, that have been amalgamated into the area of Research and Planning, because, for example, in the area of Education Indicators, that area obviously, I guess, has been amalgamated because of the person moving over into this area. I see that the Sustainable Development Unit Initiative under Christine McDonald, I do not know where that has gone, whether that has gone into the program department, or whether that has come into this department, or whether elements of it have come here, and whether there must be other areas of the Department that have been sort of merged into this area.

Perhaps I would like to ask which areas of the Department have been amalgamated into this division of Research and Planning.

**Mr. Caldwell:** The only aspect merged thus far has been the Indicators. When we have the branch more fully set up, there will be expected some other movement there, some other merging, but at present it is only the Indicators. Mr. Chair, 16.2 would cover off Sustainable Development.

**Mr. Derkach:** So, with regard to the research and development area, there is not going to be any component of sustainable development in this Research and Planning area?

**Mr. Caldwell:** It is not expected that there would be.

**Mr. Derkach:** He said he would be merging other areas from the Department into this area. Can he identify which ones those are?

**Mr. Caldwell:** It would not be areas; it would be staff people from other branches who may undertake a research function pertaining to the area from which that staffperson comes.

**Mr. Derkach:** Has the managerial position for this division been hired?

**Mr. Caldwell:** It is currently posted. There is a competition currently underway. I believe it closes on the 5th of June, internal, through the Department—the Government, I am sorry.

**Mr. Derkach:** So are individuals who have been in other divisions of the Department eligible for redeployment into this area or promotion into this area if it is a higher level position? For example, I guess, Mr. Minister, I am wondering, for example, Jean Britton was the manager of the Education Indicators unit. Is she eligible to become manager of this division itself, or is there a different skill set required for this?

**Mr. Caldwell:** Mr. Chair, no, it is an open competition within government.

**Mr. Derkach:** It is an open competition within government?

**Mr. Caldwell:** Yes.

**Mr. Derkach:** So this position will not be one that can be filled from outside of government. It has to be filled from within government.

**Mr. Caldwell:** As process, we are looking within government. If it cannot be filled within government, we will look outside. But it is our intent to fill it from within government.

**Mr. Derkach:** So out of the complement of four people, at the present time there is only one staff person in this division.

**Mr. Caldwell:** That is correct.

\* (16:00)

**Mr. Derkach:** Have the other areas of expenditure from the Education Indicators unit been transferred into this division completely?

**Mr. Caldwell:** Mr. Chair, most are still in School Programs. There are two staff working but not within the branch right now. They are still within the School Programs Division.

**Mr. Derkach:** I guess I am not quite following. Is the Minister telling us that there are no individuals in this branch at all, even though it appears that we are showing one from '99-2000 that will make up a complement of three in the professional technical area? There is nobody working in this Research and Planning Division right now.

**Mr. Caldwell:** Mr. Chairman, there are three people, one in Research and Planning and two in School Programs currently coming from the Indicators unit. I do not know if that clarifies it. Right now, there is a competition underway, so it is in a bit of—not transition, but it is in development.

**Mr. Derkach:** Can the Minister tell me which positions from the School Programs are being transferred into this division?

**Mr. Caldwell:** At present, Mr. Chair, there is only one who has been transferred. At present, there is only one individual; Jean Britton from the Indicators division who is functioning under this particular branch.

**Mr. Derkach:** Can the Minister tell me who the other two positions are?

**Mr. Caldwell:** The other three positions are the manager and two vacant positions which we will fill in due course.

**Mr. Derkach:** That is not my question. The Minister indicated that there would be two

positions from the School Programs Branch that will be transferred to this position in the future. I want to know who those people are and what those positions are.

**Mr. Caldwell:** There is some confusion, Mr. Chair, and I am going to get the Deputy to whisper in my ear again. There is one individual from the Indicators branch and two people from Indicators going to School Programs. There is nobody at this point in time from School Programs going into Research and Planning.

**Mr. Derkach:** Okay, that is a little different than the impression I had before. I ask the Minister, then, how many people in total were there in the Education Indicators unit?

**Mr. Caldwell:** There are three.

**Mr. Derkach:** Is the Education Indicators unit being disbanded, or is it being eliminated completely from the Department?

**Mr. Caldwell:** Its functions are being re-distributed to Research and Planning and partly to School Programs.

**Mr. Derkach:** Which areas of School Programs are the individuals going to be redeployed to?

**Mr. Caldwell:** One is in Program Implementation and one is in Program Development. The branch is still in development, and that may be partially the reason for the confusion, I suppose, in this matter.

**Mr. Derkach:** That is quite all right. I think we have a general feeling of what is happening here. The Education Indicators branch is being eliminated completely. I guess I have a bit of a concern about that, because the Indicators branch, once again, gives us some reading as to how we are doing as a province in terms of the educational programs that are being delivered and developed in the province.

Can I just have the Minister give us an overview of the mandate and the responsibilities of the Education Indicators branch?

**Mr. Caldwell:** Just to state, Mr. Chair, the Indicators section is being redeployed. The staff are staying. The functions remain the same of the individuals, that one is being redeployed to Research and Planning and two are being redeployed to School Programs. So the functions of the Indicators branch will remain constant. It is a redeployment that will occur.

Mr. Chair, if I may, could we have a short recess?

**Mr. Chairperson:** Do we have leave for a short recess for five minutes?

**Mr. Caldwell:** Five minutes would be fine.

**Mr. Chairperson:** Agreed? [*Agreed*] We will take a five-minute recess. We have leave for that.

*The Committee recessed at 4:06 p.m.*

*The Committee resumed at 4:20 p.m.*

\* (16:20)

**Mr. Chairperson:** Would the Committee come to order. We will continue with our Estimates.

**Mr. Derkach:** Mr. Chair, just continuing on, we are doing this to try and ascertain how the Department has changed. In terms of the Education Indicators unit, I asked for the functions that are being performed by that unit, or that were being performed by that unit. Can I get the Minister to give us just a brief explanation of what functions the Education Indicators unit perform?

**Mr. Caldwell:** Mr. Chair, thank you very much for the break as well, incidentally. Yes, I can. The functions of the Indicators unit: one of the functions is related to the student flow from Kindergarten through post-secondary. That is rates of student promotion, retention, mobility, school leavers, school returns, migration and graduation, patterns of high school student course loads.

The Department is working with post-secondary institutions to have the Manitoba

Education and Training student number carried on to their administrative systems.

The second outcome Indicators relates to student academic achievement; test result rates related to a variety of factors such as gender, school size, qualification of teachers, et cetera; comparison with other provinces of student performance levels on national assessments, for example, SAIP receipt, rates of academic scholarship and awards.

The third primary function of Indicators is the student transitions and skill relevancy of graduates. A longitudinal study has been initiated, which will track students for four years after high school completion. The first phase of the study is a survey of Senior 4 students which are currently in the field. It will be a 20 % sample of S4 students.

The first report has been published. The survey will collect information on the student's intentions following high school and their evaluation on how high schools prepared them for their planned future. In 2001, these same students will be recontacted to find out what actually occurred to them after leaving high school and how they, at that point, reflect upon the preparation they received in high school. All these functions will continue post-redeployment.

**Mr. Derkach:** Mr. Chairperson, I thank the Minister for that. I maybe could just request if there is a general hard copy of the functions of that? If we could get a copy of that, I would appreciate it. Not right now, it can come in the next sitting.

I want to ask the Minister whether all of the functions of the Education Indicators program are going to be incorporated within either the Research and Planning area or the Program Development area?

**Mr. Caldwell:** Yes, those functions will continue in the Research and Planning branch as well as the School Programs. Those functions will continue.

**Mr. Derkach:** Will the longitudinal study that was undertaken by the Indicators project—now that was to track students over a period of four

years, I believe. That is about two years old, is it not?

**Mr. Caldwell:** Yes, it will continue. The first report has been published, and it is four years.

**Mr. Derkach:** Is that report a public document, or is it available to us to be able to purview?

**Mr. Caldwell:** Yes, it is a public document, and we can provide it to you.

**Mr. Derkach:** Will the Minister be continuing with that study to its completion so as to give some indication of a picture of graduates who leave our high schools?

**Mr. Caldwell:** Yes, we will. I just want to add I think it is very important that we have in the province of Manitoba, and I think all members would agree that it is important to have, information on how students perform post leaving our secondary system. I know that it is something that all members of the Legislature place importance on in terms of outcomes of our education system.

**Mr. Derkach:** I would like to move to the area of Sustainable Development Initiative. That was the co-ordinator or director, I am not sure which level that person was at, was Christine McDonald. Has that position now been moved into the Program Development area?

**Mr. Caldwell:** It has been moved into the School Programs branch.

**Mr. Derkach:** Has this individual been transferred to that branch as well?

**Mr. Caldwell:** Yes, she has.

**Mr. Derkach:** Mr. Chair, this is another area that is not unlike the learning technologies area. Sustainable development is far more than simply a passing term. I think it has been endorsed by countries around the world. I think it is something that we use as a term when we talk about different types of initiatives, and it was being incorporated into the school system. Basically, it brings together the economy of society and the environment. I am wondering whether the Department is going to continue with the Sus-

tainable Development Initiative that was worked on by the Department previous to the change of administration.

**Mr. Caldwell:** Before I answer that particular question, I wanted to note that the Council on Post-Secondary Education also has a study of post-secondary education grads, that they have a report for the public. In terms of sustainable development, it is interesting, we are proud of the work that has been done in sustainable development by the previous administration and, moving into this particular administration. In fact, Chris McDonald has just won an award, I am advised, for a report done on sustainable development.

As in the learning technology sector, and I mentioned this earlier in response to another question, we are striving to have an institutional culture in the Department of Education and Training whereby sustainable development philosophy is central to the ongoing daily operation of the Department. Sustainable development is now part of all curriculum documents and in-corporated into teaching materials. It is our intent to have issues surrounding sustainable development be central to the thinking of the Department in all areas of policy development and, more importantly, to have that institutional culture, that philosophy, permeate through all activities in the Department and, in turn, through the public school system as a whole.

**Mr. Derkach:** That is music to my ears, Mr. Chair, because I have to tell you that I think it is very critical in our society that young people have an opportunity to get an understanding of the importance of the sustainable development concepts that have been put forward not just by a government with a particular philosophical bent but developed by society as a whole. No matter whether you compare those—Manitoba's concepts and principles—to other jurisdictions, you will find that there are indeed many similarities there. I was very proud of the fact that our province was noted as being a leader in the whole area of sustainable development education at one point in time, and I think still are considered as leaders in that field. I would hope that the Minister continues the thrust, and I am glad to hear that he wants to make sustainable development a part

of the cultural thinking of the Department. I hope that permeates into the other departments of government as well.

\*(16:30)

I believe we have come a long way in getting a better understanding of how our environment is important to us and how our activities impact on the environment. Yet the two have to live hand in hand and have to be part of the same goals of us as a society. I think that, by and large, students and even adults, many of the people that I associate with who were probably sustainable development minded in the areas of work they were doing, I have to tell you that in my part of the world, agriculture is still a predominant activity. I have always maintained that agriculture producers were probably head and shoulders or miles ahead of everyone else when it came to environmental protection and also the enhancement of these kinds of issues because they are stewards of the land. They do love their land, and they do protect it. But I think that was lost to the younger generations because there was less direct connection between, if you like, the land and the young people of our society. For that reason, it was important to institute something into the regular classroom.

At first, I have to tell you, Mr. Chair, this was a very difficult concept to have endorsed by the educators of our province, because it seemed to be a departure from the straight environmental protection area. Therefore, there was some reluctance to endorse it, but I think over time that has been overcome, and the cause has been picked up by the professionals in the education field. I have to congratulate them for that. Many of them today are leaders in this whole area of ensuring that we maintain our environment, that we protect it, that we ensure there is something left for future generations, but at the same time understanding the fact that we have to still carry on economic activity in the world and in our province to be able to survive.

So, although I am not pleased, and I would be somewhat critical of the Minister and the Government simply plucking this area of focus again and moving it and spreading it into the other areas in the Program Development side of the Department, I still will at least give the

Minister credit for maintaining the thrust. Certainly, we will be very vigilant to ensure that in fact this thrust is not diminished in any way, shape or form.

I would like to ask: How many staff were there in the Sustainable Development Initiative who were transferred over to the Program Development side?

**Mr. Caldwell:** I am advised that there was one retirement. Christine McDonald continues in her role. There is one secretarial position, I understand, currently with the Educational Indicators group.

**Mr. Derkach:** So is there going to be a special unit for Sustainable Development Initiatives that will report to the ADM of Program Development, or is this now going to be just merged into one of the other branches of the Department?

**Mr. Caldwell:** There will be an individual, Christine McDonald, who will be directly in the ADM's office reporting to Doctor Farthing.

**Mr. Derkach:** But I do not see it in the org chart. I do not see I guess the little block or the unit that says, Sustainable Development Co-ordinator under the responsibilities of the ADM.

**Mr. Caldwell:** It is not a separate unit. It is an individual in the ADM's office. That would be why.

**Mr. Derkach:** But I guess what I would ask is that even, for example, you have Distance Delivery Unit at the bottom, but it does not have a particular co-ordinator in it. You have the Instructional Resources Unit. Would it not be advisable to have then a Sustainable Development unit identified in that whole area, if in fact that is the thrust of the Department?

**Mr. Caldwell:** The reason there are blocks for Distance Delivery and Instructional Resources units is because there are a number of staff in those units. Sustainable Development is one individual reporting directly to the ADM. However, I will take it under advisement showing it that way in future org charts.

**Mr. Derkach:** Well, it is just not a matter of showing it in the org chart, I do not believe. I think what this does is it does provide an opportunity for people in the field to know that with regard to Sustainable Development education, there is someone that they can go to rather than it just being blurred into the Program Development side of the Department. I think the key is to ensure that the concept and the programming still continues to be enhanced, because we certainly have not reached sort of the optimum in providing all of the information that is required under the Sustainable Development side of education.

**Mr. Caldwell:** I appreciate the Member's comments. Certainly we will take it under advisement. In the course of this year, as the new org chart plays itself out in terms of how it functions, I will take that under advisement. I respect the comments about the significance of sustainable development and will take those comments under advisement for the upcoming year.

**Mr. Derkach:** Still with that area of responsibility, I would like to get the Minister's impressions. I know that the Government is reorganizing the Round Table on Sustainable Development, and of course they have every right to do that. I would just like to know whether or not education is still an integral part of the new round table concept and whether or not the Minister himself will be a representative of the Department on the Round Table on Sustainable Development.

**Mr. Caldwell:** That is something that is under discussion and I am certainly advocating so that education does have a role in the new Round Table.

**Mr. Derkach:** I commend the Minister for that, but I also will tell him that we will be very vigilant in terms of watching for that, because the education subcommittee on the Round Table was a very important part of the Round Table in developing at least not necessarily the curriculum, but indeed the concepts that were being, I think, picked up by educators and the Department in terms of implementing and blending them into curriculum development.

I think the Round Table of Manitoba, and I was only one member on the main Round Table and a member on the subcommittee, but that subcommittee did provide Manitoba's mark on sustainable development, not only for our province, but indeed for Canada. It was noted by many jurisdictions that Manitoba was doing something that was far ahead of what other jurisdictions were doing. So I certainly will hold that the Minister's words are true in that he says it is important and that he is advocating for his presence at the table.

**Mr. Caldwell:** Well, I thank the Member for the remarks and I look forward to his helping me out.

**Mrs. Smith:** I would like to go to the area of native education and the Directorate. Our former government did a great deal in putting the Directorate in place under a very, very capable Director, Juliette Sabot. I have had many occasions to see the work that she has done in the area of the Aboriginal initiatives. As you know, the demographics in our province indicate that one out of four Aboriginal people will be in the work force in approximately three to four years. The impact on education is extremely important to all of Manitobans.

\* (16:40)

I know from personal experience. My son is married to an Aboriginal girl, and we have been having a great deal of input into the Aboriginal culture here in Manitoba. A better understanding of the kinds of challenges, the kinds of gifts that can be given to all Manitobans through an understanding of the Aboriginal culture is very important.

Mr. Chair, could the Minister please give an overview of the Native Education Directorate as it stands today, its goals and objectives, and in particular the Aboriginal strategy that was in place during the time our government was there?

**Mr. Caldwell:** I would be pleased to. We are a little off the org chart, though, and I wonder if we are done with the org chart now and if we should move into the individual branches.

**Mrs. Smith:** Mr. Chair, could I draw attention to the org chart under Administration and Finance? The Native Education Directorate is what I am referring to, 16.1.(c). Thank you.

**Mr. Caldwell:** I would like to introduce Helen Settee from the Native Education Directorate. Thanks, Helen, for attending. I wonder, if we are on 16.1.(c), if the Member is prepared to give a pass to 16.1.(b) Executive Support. I see that they are not. We will carry on.

**Mr. Chairperson:** I will interrupt here. As we started, we had an agreement that we would have global discussion on resolution 16.1. Is that still in agreement?

**Mr. Caldwell:** That is fine. We can discuss some of the questions. The objectives of the Native Education Directorate are to ensure an integrated approach to Aboriginal education and training within Manitoba Education and Training, to promote the removal of systemic barriers to Aboriginal students' success in education and training, and to co-ordinate the implementation of the Department's Aboriginal education and training strategy.

The activities surrounding the Native Education Directorate are to co-ordinate the implementation of the Aboriginal education and training strategy; to participate fully in consultation sessions with education stakeholders regarding Aboriginal education and training policy directions; to promote and support the participation of Aboriginal parents, families and communities in education; to participate in the Aboriginal education sector of the Western Canadian Protocol; to collaborate with universities and colleges and Aboriginal organizations to provide professional development opportunities; to provide cultural workshops and anti-racist training to Department staff, to educators, to parents and community agencies; to develop and promote Aboriginal-focussed, career-related information for distribution at various career days and various career symposia; to maintain current and relevant information on the Directorate's web home page; to collaborate with other government departments on intersectoral initiatives; to participate with other government departments in address-

ing the recommendations of the Aboriginal Justice Inquiry.

The expected results of these activities based upon the objectives of the Directorate are to provide an inclusive and integrated approach to Aboriginal education which would be evident within Manitoba Education and Training and to facilitate the timely implementation of an Aboriginal education and training strategy which will be demonstrated through increased graduation rates, increased labour market participation, and strength in partnerships. That gives an overview of the Directorate.

**Mrs. Smith:** Could you give me a breakdown of the staffing that is in the offices at the Native Education Directorate at this present time? Please outline the complete staffing allotment.

**Mr. Caldwell:** The Province of Manitoba is fortunate in that it has a very dedicated staff in the Native Education Directorate. I certainly appreciate very much the hard work that the staff does in the Directorate. The Director is Juliette Sabot, as previously indicated by the Member for Fort Garry (Mrs. Smith). Support staff for Juliette is Sheila Redsky. There are five further staff. Garry Robson is the Education Consultant. Helen Settee, who is with us today, is an Education Consultant. Victor Dyck is an Education Consultant, Ginette St. Amant, Education Consultant, and Marcy Richard, Administrative Support. I have just been advised that Juliette, who is unfortunately unable to be with us, although we are very fortunate to have Helen with us today, is sick and the suspicion is with pneumonia, I am told, which I hope that Juliette fights off very quickly. That is the staff complement.

**Mrs. Smith:** Thank you for those comments, Mr. Minister. I feel that the Native Directorate has a huge mandate, and I feel that in going to the schools across Manitoba and with the increasing population of native children in our schools, we certainly need to have a native directorate that has a lot of support and that has the staffing available to meet the needs that are there. I know our former government was very supportive of the Native Directorate and had a vision to increase and promote the educational aspects.

Could the Minister articulate a little bit more specifically the kinds of goals that are being achieved and the kinds of challenges that the directorate is meeting right now?

**Mr. Caldwell:** I should note that the Aboriginal directorate shrank appreciably under the mandate of the previous government, and this year we have begun to redress that by adding to the staff complement of the directorate. I certainly agree with the Member's comments about the importance of the directorate. In fact, there is recognition of that in the beginnings of increased staff complement this year for the first time in a number of years.

Activities that the directorate undertake include the co-ordination and implementation of the strategy, as I mentioned earlier, participating in consultation sessions with education stakeholders regarding Aboriginal education and training policy directions, promoting and supporting participation of Aboriginal parents, families and communities in education towards those activities.

Some activities took place including the hosting of Aboriginal parent workshops in the past year in Brandon and in Winnipeg. Another activity the directorate is involved with is participation in the Aboriginal education sector of the Western Canadian Protocol. Towards that end, a document entitled *Aboriginal Language and Culture Framework* is due to be completed in June 2000.

\* (16:50)

The directorate also collaborates actively with universities, colleges and Aboriginal organizations to provide professional development opportunities, and towards that end the directorate participated in joint ventures including the hosting of two summer institutes on Aboriginal education, one being in Thompson and one being in Winnipeg. As well, the directorate partnered with the Aboriginal Teachers' Circle to host a national Aboriginal educational conference in October 2000, which I have been pleased to familiarize myself with.

Activities also include, as I said, cultural workshops, as mentioned earlier, and antiracist

training to departmental staff, educators, parents and community agencies. I share with the members present a pamphlet on the upcoming October conference. I will provide it to the members for their information. It is a very positive initiative that the directorate is undertaking, and I just share the pamphlets with the members. As the Member for Fort Garry noted, the directorate does provide very good work in the field and is well worthy of support. I appreciate the words that the Member for Fort Garry gave on behalf of the directorate. I certainly share those sentiments.

Last year, in the 1999-2000 fiscal year, the Native Awareness consultant provided 56 sessions in 34 schools, 6 sessions at post-secondary institutions and a number of sessions with several community agencies throughout the province. The directorate staff have also attended 5 career fairs province-wide, 4 school career days, 3 conference displays and visits to several First Nation communities.

In collaboration with other government departments on intersectoral initiatives, the directorate participated in creating the blueprint for the future and Aboriginal Career Fair, are full participants in the Neighbourhoods Alive! initiative announced in this year's budget speech and the Native national Aboriginal healing fund as well. This is important, I believe, the Native Education Directorate designs and provide antiracist cultural awareness training for Manitoba Corrections staff.

So the work that the directorate does is very diverse, very broad amongst many sectors of society in Manitoba, not the least of which is the public school and post-secondary sector but as importantly, broadly throughout the province.

**Mrs. Smith:** I would like to have the Minister elaborate. He pointed out a lot of the wonderful work that is being done there. We also note that the Director, Juliette Sabot, now has pneumonia. I feel quite strongly that this one directorate is understaffed and overworked, to be quite honest.

Could the Minister please elaborate on his plans for the future to enlarge their directorate or to put more support in there? At this time, as you are aware, because of the change in de-

mographics, because of the change in a lot of Aboriginal students coming in from rural areas, we have increasing challenges to be met in the schools. Would the Minister elaborate on his plans to increase the directorate?

**Mr. Caldwell:** Well, Mr. Chair, I would be pleased to. We increased the directorate this year from five to seven. That, as I mentioned earlier, was much appreciated by the directorate. Certainly I agree with the Member, it is not enough. I look forward to their support of future funding increases for the Department in this regard.

I think, as importantly when we talk about First Nations involvement in Manitoba Education and Training, it is important to note that native education and First Nations individuals are connected with all areas of Education and Training's agenda. There are considerations surrounding native education that are fundamental to our college expansion initiative, to teacher professional development, to curriculum development, to apprenticeship and training, and all sectors of Manitoba Education and Training. So the directorate itself is not the only area within which we focus importance on native education and advancement for First Nations people in the province of Manitoba.

It is important to note that while the directorate grew from five to seven members this year and I anticipate future trends in that regard to occur as we move forward, it is equally important to note that all areas of the education agenda in the province of Manitoba are sensitive to and responsive to native education issues.

**Mrs. Smith:** Thank you again for those comments, Mr. Minister. I know that in the Aboriginal community, it is so helpful to have Aboriginal people training and working with the Aboriginal students in the schools, and also having Aboriginal people involved in every aspect of the level of education for those children in this province.

Could the Minister please comment on the future plans that he might have at the post-secondary level for training the Aboriginal children at the post-secondary level, and to

ensure that more trainers can be in place as quickly as possible to meet the need that is here in the province right now?

**Mr. Caldwell:** I think we have wandered again from the org chart, and they are getting into the details of section 16.6, at which I would be very pleased to discuss those questions and those issues.

**Mrs. Smith:** This is definitely part of the org chart. [*interjection*] Yes, we had agreed that there would be a global discussion, and it is listed under Administration and Finance. If we could, we have tried to be as amenable as we can to accommodate the Minister in every way. The person, Helen Settee, is here from the Native Directorate, so capable staff are certainly on hand to assist the Minister. I would like for the Minister to pursue the answer as best he can at this time. We can revisit it later, but I think it is in order to answer it at this point in time.

**Mr. Caldwell:** Okay, Mr. Chair. I suppose that there is a difference of opinion on that particular matter, but I am pleased to discuss the transition from school to post-secondary training programs in the workplace. We are very committed to an integrated approach to native education in the province of Manitoba. There is certainly a training strategy in development presently which will include activities proportionate to meet the needs of Aboriginal people in the province of Manitoba. Certainly the college expansion initiative, a very exciting initiative underway in the province of Manitoba, will ensure equitable opportunities for the Aboriginal population in the province of Manitoba.

Access programs are currently being reviewed and will be redesigned as required to meet the needs of a new economy. In speaking to the issue of information technology particularly, First Nations and native education will be central to that. The Government is also collaborating with Yellowquill College to explore the possibility of establishing some integration with that institution, and broader initiatives by the provincial government as well as the Assembly of Manitoba Chiefs, the Manitoba Metis Federation, and the Department are currently reviewing and evaluating the Aboriginal apprenticeship and training programs

to promote, develop and increase participation in apprenticeship training in the province. So we are undertaking a very integrated approach to native education in the province of Manitoba, in much the same way as we have spoken earlier about sustainable development and learning technologies.

We certainly recognize that there is a growing population in our province of First Nations and Aboriginal peoples. We recognize fully that there are critical issues surrounding accessibility and critical issues surrounding inclusion with our First Nations and Aboriginal population in the province, and are committed to acting aggressively and positively to include First Nations people in all initiatives of Education and Training and all programs that are undertaken by Education and Training.

\* (17:00)

**Mrs. Smith:** I thank the Minister for those comments. I know that one of the biggest problems in our province, in my view, in terms of the education for Aboriginal students, is it seems to me that, more and more, we should have Aboriginal teachers teaching Aboriginal children, because I have heard from all parts of the province of the understanding there. Also the children themselves feel more comfortable in some instances, because I believe we are going through a transition point, where the students are coming in from the reserves, they are coming in from the country, and some of them that are already here in Winnipeg. It has caused these students to be put into schools where, it is my belief, as well-meaning as people can be, there is a need, at this point in time, to accelerate that aspect.

Mr. Chair, could the Minister elaborate on how that is going to be done in the near future to meet that need?

**Mr. Caldwell:** I would agree with the Member's statements that we need to do more in this regard. I was very pleased this past weekend to attend the convocation ceremonies at Brandon University, where a number of Aboriginal teachers were graduated. I was very pleased and privileged to have Mr. Don Robertson accept as the first Aboriginal chair of the Council in Post-Secondary Education, this past year. I sat with

Mr. Robertson on the dais at the convocation at Brandon University this year, and was very pleased to note that about half of the graduating students from First Nations communities knew Mr. Robertson and made the point of coming over and shaking his hand, as they were on the way by to get their degrees. So I agree with the Member that there is much more to do, in terms of graduating native teachers in the province of Manitoba.

There are a number of programs, as the Member is no doubt aware, and certainly the Member for Russell (Mr. Derkach) will be aware, as a former minister, in terms of the BUNTEP program, Brandon University's teachers education program. Manitoba is a national leader in training Aboriginal teachers, but there still is a long way to go, in those terms. We still have a long way to go, in those terms. The Manitoba Association of School Superintendents has a subcommittee which is addressing meeting the needs of Aboriginal learners. Certainly, addressing the issue of native teacher visibility is on their agenda, as well as the government's agenda. I would concur with the Member's remarks about doing more.

**Mr. Derkach:** In light of, I think, an informal agreement that had been reached in the House by the House leaders, Mr. Chair, I am wondering whether the Minister would agree to call it six o'clock.

**Mr. Chairperson:** Is it the will of the Committee to call it six o'clock? *[Agreed]*

Committee shall rise.

## HIGHWAYS AND GOVERNMENT SERVICES

\*(14:30)

**The Acting Chairperson (Mr. Tom Nevakshonoff):** Good afternoon. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Highways and Government Services. As had been previously agreed, questioning for this Department will follow in a global manner, with all line items to be passed

once the questioning has been completed. The floor is now open for questions.

**Mr. Glen Cummings (Ste. Rose):** Mr. Chairman, it reminds me, when you introduce the section, because we have such large number of rural MLAs who want to talk about various segments of the Highways, this format does allow for them to work their way in. It is very appropriate for this department and appreciated, I might say.

I want to go back to a discussion that was raised by my colleague yesterday: the issue of signage. I understand the general policy that the Minister is dealing with and the concerns that we raise about inappropriate signage. I would like to specifically ask the Minister if he will commit to dealing with a couple of these signage issues or what his feeling is about attempting to deal with them directly, because it is an issue that comes up and it came up during our administration, so it is not a new issue.

But signage around operations that have become new landmarks, if you will, in the area directing them off of highways and so on becomes an issue. I wonder if the Minister, if the signage that was being considered was inappropriate for Assiniboia Ski Hill, would commit to trying to put the pedal to the metal, if you will, on getting something done in this area for the upcoming season. No disrespect to Highways or anyone else, but approaches to that area are not—on the north side you are coming in on a curve on the approach road, and on the other side you can be by the corner before you might realize it. Then you have to go around the other side of the valley or turn in an inappropriate way. On that specific issue I would like to press the Minister if he would give some priority to getting this issue dealt with. There are others that I will ask about, but let us deal with that one.

**Hon. Steve Ashton (Minister of Highways and Government Services):** In fact, I indicated yesterday in committee that we had a meeting that was previously scheduled for today. It was rather short because of the fact that we were called in to Estimates fairly quickly. The purpose of the meeting was to start the process of developing a policy for signage that would

include commercial signage, and it would also be my intention to work with Tourism in terms of the various issues related to signage related to tourist facilities. In both aspects, that review I think would be beneficial to the operation the Member is talking about because in some cases what is really needed is not strictly sort of coolant to highway signage but proper commercial signage that people know that they can put up and put up in an appropriate way. I can make that commitment, and I can indicate I know this has been talked about before. There really has not been movement on it, I assume, because it is a very complicated issue, but I consider that to be a challenge that we are up to as a government and as a department.

I hope to be able to do that over the next number of months, particularly this time of year too once we are out of Estimates. We are in between the budget cycles, so there is some time to put forward to this, and I can clearly indicate that this is going to be a priority for the Department. In particular, we want to get a proper balance between appropriate signage and not having the proliferation of signs that perhaps are not necessarily the same degree, are put up randomly or are often put up in nonlegal situations and create an eyesore. I think that is what the public wants. They would like to see a rationalization.

I suspect a lot of people out there on the commercial side would like to see the same thing as well. Quite frankly, it is a mess right now, as we discussed yesterday, with people putting up signs which are not legal, others trying to go the legal route ending up being told no. So it definitely will be a priority. My intent would be to try and get a policy in place over the next number of months. Whether it would be in place for the next ski season, which I assume is the time period the Member is talking about, it may or may not be, but I am also prepared to look at the specific circumstances there too. I think there are some unique circumstances there that have been raised with us before. I appreciate the Member raising them now.

**Mr. Cummings:** I have always maintained that this issue is far more complicated than it needs to be. There are certain important tourism aspects. I am not trying to dump additional

responsibilities into Highways; but if we are going to manage and control the signage on highways, then let us give some clear direction so that the tourism aspects are dealt with, because Asessippi without doubt now fits into that category as a destination that people will be looking for. Even if people are not looking for that as a destination, even during summer months people looking for Asessippi because they heard about it will be checking the signage to be able to access it. Strangely enough, there is a ski hill in McCreary at the other end of the mountain as well. It is not the ski hill that is the issue with the signage. I would like the Minister to consider the policy on the signage that indicates where the various services are within a community and what approach to use to access them.

Inadvertently or otherwise, we create signage situations where you may have just driven by a facility, then the sign says turn here to access a hotel, and in fact you just went by one. The first hotel, understandably so, feels a little bit upset that they do not get the—what is the policy there? Is it because they are not on a designated provincial trunk road?

**Mr. Ashton:** Yes, generally it is the main entrance to the community. It is generic. It is something that is developed on a co-operative basis with the community itself. So, if there are specific circumstances, that could be raised with us and with the community in terms of the actual location of the signage. In general, to get back to the Member's previous question, which is, I think, to recognize that we I do not think have a workable, comprehensive policy on this. We are going to undertake to review the policy and try and develop a policy that works.

\* (14:40)

**Mr. Cummings:** For purposes of developing that policy, I urge the Minister and the Department to think about the ramifications of that in terms of entrance to a community where you can be by the entranceway that would take you to some of the facilities that are listed on the signage. The criticism is not of the signage. The criticism is that when you are going by a small community, there is sometimes more than one entranceway into the community, and if the signage does not encompass both those

entranceways, inadvertently facilities can be left on the wrong side of that sign. It seems to me that Highways would be better to err on the broad basis, that you are not making a statement on whether it is a five-star or two-star hotel. You are making a statement to the driving public, I think that there are services here. There is gas, there is bed, and there is food.

So then I would like your assurance that where these situations are brought to the Minister's attention, that he is prepared to exercise some flexibility, and that the Department would be willing to consider the implications of where some of these signages are placed, so that all businesses—the travelling public, who are some distance away and maybe the first time arriving in that community, they rely heavily on that signage. And at the same time, some of these facilities rely heavily on that peak tourism season, if you will, or that motoring public that is not necessarily local, to provide their business, particularly in the hotel and restaurant trade. So if the Minister is prepared to provide some assurance that he will meet these questions with an open mind.

**Mr. Ashton:** In fact, I can indicate if there are any specific circumstances, if the Member wishes to make them available to us, and the information, we will work with the local municipalities. That is not a problem. This is not something we are going to put in the form of any directive from the Department. We do work with the communities, and it may simply be a question of getting signs moved, that sort of thing, so I am more than open.

I also, by the way, took notice of a question this morning. Did the Member have any objections if I read on the record an answer that was given previously? *[interjection]* Thanks very much. The question was from the MLA for Arthur-Virden, requesting Highways-related expenditures which were covered through the Disaster Financial Assistance program. This is in regard to the former Estimates for the 1999 western Manitoba program, approximately \$16 million included, approximately \$2.8 million pertaining to highway flood related repair cost.

More recently, when I met with ministers Axworthy, Duhamel, Vanclief, in Ottawa, on

May 9, I advised them that, at this point, it was probable that the overall 1999 western Manitoba Disaster Financial Assistance program would increase by a further several million dollars. Emergency Management Organization staff has advised Emergency Preparedness Canada at highways repair activity, the total projected DFA program for western Manitoba will increase by approximately \$7 million. This will bring the overall Highways component in the range of \$10 million to \$11 million and the DFA program to a level of \$23 million to \$24 million. So, in other words, there are going to be additional road-related repairs that we are seeking DFA coverage for and a fairly significant number at that. I think that deals with the question and concern raised by the Member for Arthur-Virden, who was concerned about road damage over and above some of the roads that have already been repaired.

**Mr. Cummings:** I thank the Minister for that information. It does, in part, address the question that we were going to put to him subsequent to that discussion this morning, and that is that because of the complexity of the ongoing nature of the discussions around this DFA issue in southwestern Manitoba, if the Minister would be prepared to table any correspondence that he has had since taking office regarding that issue. There has been a number of hours in this Legislature spent on the discussion of some of the impacts and the fallout from that, and certainly the Minister has expressed his concern. But as we continue to get questions in our constituencies about the solutions, if any, that we have been able to provide, and are going to be able to provide, certainly this is useful and welcome information the Minister has just put on the record.

I would also request that if he would be prepared along with his colleague the Minister of Agriculture (Ms. Wowchuk)—I know he cannot answer for her—but at least for his own purposes, to table correspondence he has had with Ottawa on this issue. We are ploughing this ground so often, pretty soon we are going to forget which questions we asked, since our constituents continue to re-ask the questions. It is not going away, because the nature of the industry is that 2000-2001 is when the losses really begin to hit.

**Mr. Ashton:** Yes, in fact, I have shared any and all correspondence with groups I have met with from affected areas, and I believe the Member for Arthur-Virden (Mr. Maguire) as well. We have given chronologies, we have given detailed letters. As far as I am concerned, these are public documents, and I am more than glad to share with the members of the Legislature the full detail. In fact, we will undertake either at the next meeting of the committee or, if we are not sitting, I will arrange to table it in the House if that is acceptable to the Member.

**Mr. Cummings:** That will be fine. The Minister of Highways, in discussions, up to this point has been reluctant to table his capital program, and he has given his reasons for not doing that.

Is it correct to assume that he has not yet taken the capital program to Cabinet for approval?

**Mr. Ashton:** We do not have an approved capital program from Cabinet. So, as I said, as any Minister of Highways would do, we have gone through various processes back and forth in terms of getting potential projects in line. But obviously, as the Member knows, until it goes to Cabinet, till it gets Cabinet approval, it is speculative. The final authority rests with Cabinet. I do have a budgetary authority, as the Member knows, for capital projects, but the specific program is approved by Cabinet, which is the same process that all governments have followed.

I can indicate, just by way of information, too, that we will be using the same format that has been used since 1992 which would be sort of a two-year program based on the current allocation. Prior to that there had been some variance, spring programs, et cetera, but we will be following the format certainly for this year anyway, the normal format.

**Mr. Cummings:** Well, it does tend to lead to an ongoing series of questions about whether or not certain projects are going to be included in the program. So the Minister is going to have to tolerate those questions.

I have one area that I know the Minister fully expects to discuss. I have let my colleagues have quite a bit of the time to deal with some of their constituent issues, so I have one of my own, more than one, but to begin with the study done by D. S. Lea for the Town of Neepawa. For the record, I appreciated the Minister offering a prebriefing when he received this. As it happened, I was unable to personally attend; nevertheless, we received the information, and I appreciate his taking that approach.

\* (14:50)

I think he knows, however, as well as I do, that there is not going to be an easy solution to this problem. There are environmental issues that will come up because of the trees that have been there longer than he or I have been around, and secondly, because of the business district that has developed in the area and one which is very significant for the community. Couple that with the fact that a bypass is not what the community is looking for, I do not believe, and certainly one that would be very expensive for the Department of Highways. So something in between ultimately is what I suppose this study was hoped to produce.

The Minister inherited this study, the work, and that is acknowledged, but I want to make sure that some of the issues that have been raised around this study are clearly understood, as I know them today. That is, while there is a clear concern about safety, because there are residential areas on both sides of Highway 16, there may be no perfect consultation process that can be undertaken around this type of a question; but certainly there is still a lot of concern in the community about the impacts of the recommendations from the consulting engineers if they were fully implemented in their current form.

There have been some subsequent meetings following the open houses, and those meetings to my understanding I think have raised some useful questions, some asking about alternatives so they will have less impact, and yet in discussion with the gentleman who is by default probably acting as spokesman and with some initiative of his own, of course, acting as spokesman for the community of about 16

businessmen that are impacted in this area, they are concerned that they may have left the last meeting with Lea's that this may have been—I believe it is D. S. Lea. That perhaps there are not many alternatives except those that they have proposed, and it strikes me that that might have been either a misunderstanding or they were saying that they had no other alternatives to offer that they were prepared to support, and that might well have been the meaning of their comment.

It seems to me that the Minister is going to have to have further consultation with the community to get a plan that is more broadly accepted by the residential and business community. Can I assume that he is open to further interaction and further discussion from the community before a final plan is put in place?

**Mr. Ashton:** First of all, I want to indicate that I appreciate the Member's comments, and I feel it is important for local MLAs to be involved in these sorts of discussions. I have asked whenever we have had this situation—we had a situation of course with Russell, a similar sort of exercise, open houses—that we meet with the local MLA, which we did as well, and I appreciate the comments the Member has made on this issue.

I know we have talked privately on this a number of times, and I appreciate that input. I also had a brief conversation with the Mayor on Friday at the Yellowhead convention and indicated once again my openness to input. Essentially what has happened is there has been one open house as the Member is aware.

We have not received any further report from the consultants. There would be further public consultation at that point. I actually personally feel the model that is used in Highways could be extended in a lot of other areas. It really does allow for some significant discussion back and forth between not just the consultants and the people in the local area but also our department. Russell is a good example of that, where there has been some germination of various ideas and some significant progress in dealing with some of the concerns that have been raised, and that is important.

consultants and the people in the local area but also our department. Russell is a good example of that, where there has been some germination of various ideas and some significant progress in dealing with some of the concerns that have been raised, and that is important.

I think it is also important in the case of Neepawa to recognize it is something we do have to deal with, and I think everybody in the community knows that. There is a significant amount of traffic through the community. I certainly recognize that the intent here is not to go the bypass route, which obviously would deal with the traffic problems but would impact on the commercial activities in the community. It is difficult with the trees that are involved, some of which I am advised are not in the best of shape. They are definitely historic. Some of them are not necessarily going to be around for that length of time anyway. I am not saying that is to prejudge what would happen or would not happen with the trees, but I think, in a way, it has also identified the fact that one of the key parts of the identity in the community is the trees. There has to be some consideration for the fact that even the grandest trees age and die, so that, regardless of what happens on the roadside, there needs to be obviously some recognition down the line.

I want to indicate to the Member I look forward to the upcoming report. I have travelled through Neepawa numerous times. It is, I would say, one of the most beautiful communities in the province. I do not want to offend anybody else, but it is certainly unique in its character. I would not want to see that aspect lost. Essentially what we are trying to do here at the departmental level is some advance planning. I think that is really critical, because at some point in time with the current projection on traffic patterns, we are going to have to do something, just for simple reasons of safety, for example. This allows all of us, the Department and the community, to start now to discuss which direction to go in.

I have heard various different suggestions back and forth. The Member has made a number of interesting suggestions. Without getting into specifics, which I think is a little bit premature, we are open. I can give the members a commitment that we will indeed listen very

carefully to the response of the community. My view with Highways, by the way, has always been that we are not in the business, especially in the world of limited resources, of doing things that are not acceptable to the people we serve, in this case the people in Neepawa and surrounding area. We will listen. I am more than open to ongoing dialogue with the Member, with the Mayor and Council and with his constituents.

**Mr. Cummings:** I think the question of safety is paramount. No doubt in the residential developed part of the highway through Neepawa, the restriction of access and those sorts of things are probably of paramount importance. How they are accomplished can probably find some mutual ground.

Where the project runs into considerable concern is where there is a section at the west end of Neepawa as it approaches the junction of Highway 5, there are a number of businesses there that service the travelling public as well as local public. The current design calls for acquisition of land and returning of traffic around behind to bring them back in. It is an engineer's delight, but it is scaring the willies out of the business community, whether or not they will be able to attract any portion of those customers. This is not one of those issues where either the Minister or I are going to gain a heck of a lot of brownie points. The only brownie points to be gained on this are appropriate safety and appropriate service in the area. That is why I feel some compunction to discuss the access element of this.

\* (15:00)

As the Minister said, a bypass accommodates traffic. It moves it. If the objective of this redesign going through Neepawa is simply to move traffic, as opposed to a dual responsibility or a triple responsibility, if you will, to improve safety, move traffic, and I would suggest the third responsibility is to make sure that there is continuing access for those who have probably invested their life's earnings in establishing the businesses that they have in that area, then there is probably going to have to be some ongoing modification and study of how

traffic lights on any of our major truck routes. From time to time, that becomes a bone of contention for the travelling public as well.

Now we have seen a set of traffic lights go up at Elie, for example, on Highway 1. You know for safety reasons, I am not objecting, but I am drawing a parallel that the philosophy of how we are moving traffic out there—eventually, the issue of lights is going to come up, even in this situation. If there are going to be crosswalks or if it is going to be difficult to provide a median because of space involved, then eventually a set of lights may well have to come into play. We know that the local municipality has some responsibility in terms of restricting access to the road as well.

So I would indicate that there needs to be some consideration given, and I hope that the Minister will remember this when he gets closer to a final decision on this proposal. If there is not opportunity for access and egress off this highway on the west side of the community, he and I will both be in for a long and hot summer in order to try and deal with that. If the heat comes on me, I will be putting it on him for sure.

I do feel significant responsibility in making sure that we come to a—and I will work the ministry in coming to—reasonable solution as to how to finalize this. But I am sure the consultants would not be happy to hear that there are large portions of that—and there is some significant money involved in providing the back-lane access that is currently in the design. I just would urge the Minister to keep his mind open, as he has indicated already, to further discussions on that aspect of the plan.

**Mr. Ashton:** Just to respond, in terms of traffic lights, there has been some investigation into that. It does not meet the normal warrants for the Department, but you know it could be something that could be looked at, perhaps, a partnership with the community itself. In terms of lights in general, there is sort of a general policy.

The lights at Elie I think are in a somewhat different circumstance. It is not in an urban area. I personally feel that it is unfortunate we are getting to the point now through planning decisions of putting traffic lights on the Trans-

Canada. They are driven not by traffic flows, but by a commercial development the other side of the Trans-Canada Highway. I really think that is a bad precedent, and no offence to the people in Elie. Once that took place, obviously that was the logical thing for that community to look at, but it does set a really bad precedent for our national highway system.

We are dealing with the same thing on the Yellowhead as well. You know if the Yellowhead is to fulfil its role, which it does have as part of our national highway system, you have to have a balance between the ability to transport goods and have passenger vehicles and the needs of the local community.

I can indicate, by the way, that we have not been focussing the study on the basis of a bypass. Although I am advised that at the open house some of the people in the community itself had suggested the bypass option. We are still trying to work on a solution that does not involve that. The difficulty again is I think the responsibility is on all of us to try and come up with some sort of solution that may not necessarily satisfy all of our collective needs but is, shall we say, better than all the alternatives. You know, if it gets to the point where there is no solution available that does not deal with the town route, what has happened in other communities is the bypass option. We are respecting sort of the initial concerns of the community, which is basically that was not the preferred option, although there are obviously some members of the community that have looked at that. That is where I am certainly open-minded on this.

I think the key thing the department has to do is look at safety first. But wherever we deal with projects of this nature, I would say that usually the consulting engineers and the Department bend over backwards to try and find ways of accommodating existing usage, and particularly businesses. I do recognize the situation that they are in. In a lot of cases, it depends on the type of business. There are businesses that are destination businesses, that people are going to anyway no matter what. There are businesses that have a significant dependence on transient traffic, people travelling through the community who are going to be

affected by access quite significantly. So I recognize that you will get even differing views from businesses themselves. Some obviously have far more of a concern for good reason.

I am certainly open to ideas, and I am hoping that the next stage of the consultation process—and I am advised by the way, too, that there was a meeting between the town and affected businesses that was set for May 19. I have not heard reports on what had happened at that point in time. I should mention, too, the final comments from the town and the R.M. have not yet been received in writing. So we are still very much at the early stages of the process here, even though there has been the open house. I want to make that clear that the consulting engineers play a very important role, but they will not decide the end result. That will be decided by government.

So, if the Member is concerned in terms of that, I always say to people that the engineers are only doing their job. Their recommendation is exactly that; it is a recommendation. So people should not take the first draft of what is presented as anything more than an attempt by the engineers to solve a problem. It is not government policy and does not mean there will not be significant changes. I can refer people and perhaps advise people in the Member's constituency to look at what has happened in Russell where there has been some very, very good work done and work that seems to have resolved a lot of the initial concerns from the original draft of the consultant's report.

*Madam Chairperson in the Chair*

**Mr. Cummings:** The Minister is right, but we have to remember that each community has its own unique problems. Just to make sure that no one looking at this record would assume that it is not with some serious concern that this issue is looked at. We have the interesting situation here of having all of the eateries on one side and all of the gas supplies on the other side. So it really does create a difficult conflict in that particular business section that is built along close to that intersection.

\* (15:10)

I remind the Minister, and encourage him if I could, by reminding him that in the refurbishment of some of the highways in the communities where the highway had become the main street and the highway still maintained some responsibility that there has always been an ongoing debate over the establishment of medians for safety reasons and so on, and this one certainly will be every bit as critical as some of those decisions are on the street. What I want to leave with the Minister on this is that there has to be a balance. To achieve satisfaction on this project there has to be a balance on movement of traffic and access and egress, and I think everyone would acknowledge in debate that there is probably too much opportunity for access and egress now. That is not in question, but perhaps the design that is being proposed limits it more than the community is able or willing to live with. I think it should be noted that the municipality or the town in this case likely has and I think is willing to exercise their responsibility in terms of some of the streets in the residential area and whether or not they need the same amount of access as they have had previously. But we do have the unfortunate situation of having a lot of families on one side of that highway and the school on the other. So in the residential area I believe that we have to look at the residential and the business areas probably as two steps in the construction of this project and in what the final design will look like.

**Mr. Ashton:** I want to indicate to the Member that there are a number of areas where I met with R.M.s and local residents and what always is of concern to the Department and certainly to myself is where you have schools in residential areas, and I might particularly say with schools, with situations where you have a significant increase in traffic on a particular highway, maybe a school that was constructed a number of years ago with a different character of community in the sense of traffic, I certainly appreciate that because what we are essentially talking about here is safety related. The more volume of traffic you get, the more potential for accidents, and it is particularly compounded when you have schools or residential areas. So I certainly appreciate the Member highlighting that being a concern in Neepawa.

**Mr. Cummings:** One last question in this area. I presume it was reviewed as part of the study. I did not notice it in the study information, and if I missed it, I apologize, but are there accident records for that stretch of highway? If so, I would like to have access to them.

**Mr. Ashton:** It is a normal part of the study, and we will endeavour to get that information directly to the Member.

**Mr. Cummings:** I will wait on that information. One should never comment in the dark, but living there, it strikes me that that has not been a high accident area, but it is an increasing traffic flow and likely the potential is there. So this discussion is not intended to force an undue delay or unreasonable conditions on any kind of project but to make sure that the community has the satisfaction of knowing it will be heard. I hear that from the Minister, and I would like to now ask my colleague for Pembina if he would like to ask a couple of questions.

**Mr. Peter Dyck (Pembina):** I know that you have touched on this briefly according to the information I have, but my question is regarding Grant In Aid program. I got some of the letters that you sent to the councils indicating the amount of money that they were getting. My question is, first of all, sort of general. What criteria do you use in giving out monies as the municipalities and as the towns apply for grant-in-aid? Is there a formula that is used or do you just sort of ad hoc look at the individual requests?

**Mr. Ashton:** It is a combination of factors. There is an attempt, some guidelines to reflect the importance of the program to communities that do not have a significant ability to pay, especially some of the smaller communities. There is consideration given to other work that has gone on in the area or has been done in previous years. The program essentially has twice the application rate compared to the actual success rate, so for the \$1.3 million that is in the program there is double the number of dollars sought in applications. There is an attempt to give some consideration in years gone by to which communities have or have not received significant support.

**Mr. Dyck:** Okay, just for clarity, then, I think he said, first of all, the ability to pay was looked at. In my letters that were copied to me, I see a fairly substantial difference in two communities as to the dollars that they get. I think that the ability to pay is probably equal on both. Are you saying that the criteria probably—I do not want to put words in your mouth—but is it the request differences, like, is it a percentage? The criteria, have they changed this year from where you have had it in the last few years?

**Mr. Ashton:** It is not a proportional grant. Each community puts in a list of projects that it is wanting for the 50-50 cost sharing. One of the factors will be the specific projects, whether they meet the criteria and take into account some of the global issues as well. So you will get a significant variance from year to year. In fact, I have the list here. I am just wondering, I can probably imagine which two communities might be comparing their grants in the Member's constituency. I am just double-checking the numbers here. I think I know the two that he is referring to. It is done on a project-by-project basis. We are not slighting, we are not favouring. I will not even mention the two communities' names, because that is not the intent. It really was based on the two communities, based on a whole series of factors. It is always a judgment call, quite frankly. It would have been no different from previous ministers, I am sure. When you have twice as many applications as you do dollars, you have to try and figure out the balance back and forth. But it is not done on an immediate formula, so there will be quite a variance between similar sizes of communities. I am sure the Member can appreciate some of the reasons for that.

**Mr. Dyck:** Well, I understand that. In that case, in my discussions with them I can indicate that basically things have not changed, as they were in the past. I want to go back to the other day. I made a comment regarding Highway 32, this is in the town of Winkler, the Highway 32 in Pembina, the number of vehicles there. I indicated at the time there are 13 667 vehicles a day. Now, in discussion with the council there, my understanding is that they have requested lights at that corner. Now, is that correct? Is it being looked at? I know it is a very busy junction within that community. I am just

wondering if the Department has looked at that and where they are at.

Now, I also realize the Minister indicated the other day that they go on a two-year program, but with that, though, indicated they also looked at activity levels and I guess safety levels. I am just wondering if he could respond to that as to this Highway 32 in Pembina as to where they are at in this case.

**Mr. Ashton:** There has been work done, but it is very preliminary work. I do not have detailed information on that. Usually that is at a later stage of development, that information is readily available. So it is in a very preliminary stage of work.

**Mr. Dyck:** Okay, so preliminary work has been done, so how do they proceed then? They feel it is a real safety factor there with that activity, so what would be the recommendation and the process to proceed on this in order to hopefully in some way be able to alleviate some of the concerns they have?

**Mr. Ashton:** Essentially there is a process by which warrants are identified. Basically, it is a scale that reflects a number of the factors involved, and basically, then, what happens is if it meets the warrants, it would be put in. If it does not, in a lot of cases we are involved in discussions with the community on a cost-sharing basis.

So we are at that sort of stage where some preliminary work has been done, and there is communication back and forth. Obviously, that would be the focus of the communication, sort of to what degree it meets the criteria and if it does not meet the full criteria, to what degree we can look at other options such as cost-sharing.

\* (15:20)

**Mr. Dyck:** Okay, thank you. I guess I was just sort of waiting to see whether there was more coming on the answer. I guess my question still is are you suggesting that they continue to lobby to have this looked at, or is it being looked at? I mean, you mentioned criteria, and I understand that, but I think, though, as well, they need to

know the process and the route that they need to take.

**Mr. Ashton:** It is in the range of meeting the warrants. It is at that sort of stage. Of course, that is subject also to the funding constraints. It is like a lot of the other areas. We have capital needs in the province that do meet various different criteria, but then you have to factor in that end of it.

But that is the range it is at. It is within the range. So, if the Member is suggesting that something should be looked at and identified for further consideration, it is certainly being considered that way by the Department.

**Mr. Dyck:** Then I think from that I understand that I should indicate to the town council that they should pursue this and, I mean, continue to work at it. I know that this is a part of Highway 32 and that there are also upgrades needed on that with the traffic that is going through town. So I will indicate that to them, that they need to pursue this and continue to work at it.

I have another question. I guess it is last spring, I think it is, where on a lot of the secondary roads, they increased the speed limit from 90 kilometres to 100, is that correct? There was a petition that came out from one of my communities. It is off of Highway 32 and Highway 201. Now, there is a short distance there that still remains as 90 kilometres. I know the petition came in, and I believe it was sent to the Traffic Board. But I am just wondering if there is any further indication as to what has taken place there. I have not received any response, and so I am wondering as to where this is at at this point.

**Mr. Ashton:** It is the Board that would decide on that. I do not know the exact status of that in that particular area. The Member is correct. There was an increase and the reverse criteria set up. The Department's role is more of an advisory role than that. The Board actually determines the actual speed limits.

**Mr. Dyck:** The reason that I am bringing this up is that it is also like a paved road, and they come off of other highways which have been raised, and I guess the concern there was that it is a

good opportune time to give out traffic tickets, and that is what is taking place there. Again, like I say, the petition was sent, and it was sent to the Traffic Board, I believe, so if that is being looked at, and again, if you are not sure where the status is on that, I think they would just be pleased if they could get a response as to the request that they have submitted.

Do you have suggestions as to where they go for the answer, or does it come through the Department here as well?

**Mr. Ashton:** We will raise it and make sure they get a response.

**Mr. Dyck:** I thank the Minister for that. Then I have one last question, and that is again coming to the Highway 201 from Highway 32 and going east. Now I think the department is well aware of a lot of potato trucks coming in from, there is a community Gnadenthal and then to Highway 32 and then, of course, this adds to the truck traffic going on Highway 32 and going north.

The request has been made there for an upgrade to that. Is the department looking at that? I know that we talked. It has been mentioned a number of years ago. Are they looking at that? Is this in their long-range plan or is this not a concern out there? I guess I would appreciate a response on that, if I could.

**Mr. Ashton:** It has been identified as a project. It has not been one that has been identified as the top priority in the area by the region. So the work has been done, and it would be somewhat down the list in terms of priorities.

**Mr. Dyck:** I guess I would just like to add to that. I know that the Department is well aware of this, but as you have traffic of that nature there, it is in my opinion a good idea to do a little bit of preventative maintenance and that is before it gets totally hammered out—is a term that we use in our area—if it can be upgraded it would be a good idea. So I would just encourage the Department to look at that. The road right now, it is not a bad road. It is a good road, but it is also being used a lot, and a lot of heavy traffic out there.

I said I had one more question. I just found out a few more here that I would like to ask. Coming from the town of Morden and in the town of Morden, going north from Morden there is PR 432. I think the town and the municipality requested a two-mile distance there to be upgraded because of, I believe, a large feedlot in that area and also grain movement. I am just wondering, and this was a letter that was sent out by the rural municipality. I believe the Town of Morden also indicated that they would like to see that updated. Again, as the Department looked at that, did they have any plans for that in the future?

**Mr. Ashton:** That has been rebuilt, as the Member knows, within Morden; it is on the project list. So some of the work has been done in terms of the project items themselves. But it is sort of subject to the same constraints that I mentioned earlier in terms of the other project.

**Mr. Dyck:** Then I have one more question, and that is the question regarding upgrade on the PR 428, and that would be north of Winkler, for four miles. Now, what happened there was that the communities needed to combine their efforts and get a new landfill site, so there is a lot of traffic going down that. Now, of course, I think everyone would like to see the total upgrade of that 428 right through till Highway 23. But the request here is for four miles, because of the heavy traffic, which is specific to waste being hauled down there. Again, I am just wondering if the department has looked at that and whether there is a response to that.

**Mr. Ashton:** We are aware of the situation, and, of course, that was put up on a road that was not RTAC level, and it involves bridges. It would be a significant expense to bring it up to RTAC.

**Mr. Dyck:** Okay, so the answer is no? It is not being looked at? Or it is, they are aware of it, but it is not being looked at.

\* (15:30)

**Mr. Ashton:** One of the factors that is ultimate in those roads is that they do not have bridges. Once you are in anything involving bridges, as you would know, it is expensive. Given the other demands on the system, it would be very

difficult to give that a significant amount of priority, and I look at some of the other issues the Member has raised. For example, the Winkler project, which would be a fairly significant project, is not a minor cost. In making decisions between projects of that nature, and I do not want to just pick that project, but I am just raising it because it is one that the Member is very familiar with. It would be quite difficult to rate this particular project as being a very high priority, given the significant expense. I would sort of point in the direction of perhaps some of those alternate routes. Whenever you do not have bridges involved, it is a heck of a lot easier to accommodate the traffic than when you have the additional cost and complication of bridges.

**Mr. Dyck:** I thank the Minister for that, and I realize that there are bridges there and so on, but I guess my question just simply was to whether the Department was aware of the concerns that had been expressed. I see by the nodding of heads that they are aware of that, and so I appreciate that.

Now, it is absolutely correct about a priority situation, and I also understand we cannot do everything. Certainly the Town of Winkler, in a priority list, certainly would be looking at their Main Street. I believe, and I did not mention this the other day that, when we look at the Main Street in Winkler, they are ready and prepared to cost-share that. I think they have indicated that to you as well. They would be putting in the storm sewers, which is, of course, their responsibility, but I believe that they are ready to do that and are looking forward to a nod from the Minister on that one.

**Mr. Ashton:** Yes, I have just indicated that, in addition to having toured the area, I have had a formal meeting with them. They have communicated that. It is, I think, something that is positive whenever we do look at any redevelopment in an urban area. It does involve other factors, not just the road itself, and that is very much a part of it so. I appreciate the information the Member has put on the record, and I appreciate the fact that members are anxiously awaiting the capital program. But I will be in a better position to answer on that

specific project and other specific projects at that time.

**Mr. Edward Helwer (Gimli):** Madam Chairperson, just a couple of questions while we are on Highways and one thing and another. No. 8 Highway, north of 17 and south of 229, that is an area that was rebuilt about four or five years ago. It was not finished as a matter of fact. The surface there was only a temporary surface to keep the dust down and make it passable, but it was not completed. There was no layer of asphalt put on at all. In the wintertime, what happens here is, it heaves, especially the area around the curve. It gets really, really rough, and it is very rough for truckers and everyone alike. I wonder if the Minister could tell us where it is in the program, and when can we expect to see that one upgraded?

**Mr. Ashton:** That is another one I cannot give a definitive answer. It is one I know we have looked at, and the description the Member has put on the record is a fairly accurate description of it. I am not saying that the Member would not do that, but it gives a good representation of the background of that particular stretch of road, so that is one we are currently looking at, yes.

**Mr. Helwer:** I believe it was in the program for finishing or putting a lift of asphalt or two on there, I am not sure. I think it was within the next year or two. I think it was in the program. I do not think it was in last year's but I think it was going to be in this year's or the next year's.

**Mr. Ashton:** It was not in the program. There had been a fair amount of work done on the project in terms of the project development, but it is not in the program.

**Mr. Helwer:** Okay, so it is not going to be in this year's capital projects either, I gather.

**Mr. Ashton:** No, I was referring to the previous capital program. I mean, the capital program announced last year—it was not in that program and, obviously, the announcement on whether or not it will be in the current program we will come out with the announcement of the full program this year. As the Member knows, there is a two-year program, and it was not listed in that. But there has been a fair amount of work

amount of work done on it as a project, so it is something we are going to give serious consideration to.

**Mr. Helwer:** Yes, I realize that there has been considerable work, but the problem is if we do not complete the project and put a lift of asphalt on it, we are going to lose what we have there, and that will have to be rebuilt again. I think it would be in everyone's best interests, including Highways, to try to prolong the life of that road, and therefore, it will have to have a lift of asphalt put on it to complete that road. Otherwise, we will lose what we have there. So I would only hope that you would look favourably upon it and try to get it done as soon as possible. Number 8 Highway, as I might add, is a very busy road, and goes all the way up to Hecla. There is a lot of traffic on that road, heavy trucks to Gimli, one thing and another, so that road is important for the trucks and a lot of grain going through to Gimli and one thing and another, plus a lot of tourists who go to Gimli and also north to Riverton and Hecla.

The other question that I have is the illumination of some of the intersections and a couple in the area of Number 7 and Highway 415. That was asked for a number of times, and the municipality has asked for it. The municipality has passed resolutions asking for that one to be in a—can you give us any indication of when that intersection might be illuminated?

**Mr. Ashton:** What I want to assure the Member, by the way, while we get into specific information on that, is our commitment in the Interlake. The Member is aware of the work that is taking place on Highway 9. We are certainly aware of the circumstances on Highway 8. I know the Member for Interlake (Mr. Nevakshonoff) has raised concerns about a number of highways in his area as well, both on 6 and 7. We will certainly be looking at that. I have had the opportunity to travel most of the main roads in that area, not just as Minister. I have been on 7, 8 and 9 before, and I have been on 6 on a few occasions too, more than a few occasions, but I am aware of the particular challenges in that area. We are just getting the specifics on the illumination request. Basically it has been looked at and been communicated to

the R.M. that it does not meet the warrants? It does not meet the criteria for illumination.

\* (15:40)

**Mr. Helwer:** When you say it does not meet the criteria, do you mean there is not the number of cars or the amount of traffic on Highway 7 or on 415. What is used for criteria for illumination of intersections like that?

**Mr. Ashton:** It is a number of factors. It is the traffic volumes on both roads, it is accident history, sight lines, geometrics of the road. It is a number of factors. But there are criteria set, and it unfortunately does not meet the criteria.

**Mr. Helwer:** Some of the intersections are in the illumination process. Some are done with the cooperation of the local municipality. In this case, when the municipality has asked for it, has there been any discussion with the local municipality, the R.M. of Rockwood in this particular case, as to whether the illumination would take place?

**Mr. Ashton:** Part of it is that is the case, and the Member is correct, there is cost sharing, but it is influenced by where it fits on the warrant scale. What I can also undertake is to get the response to the R.M., which does indicate the specific number of warrants and how that relates to the threshold level. I will try to get a copy of that letter, if not during Estimates, after Estimates are completed.

**Mr. Helwer:** Another intersection just further down the road on Highway No. 7, just before 229 is the access to Komarno. One access is illuminated already on the corner of No. 7 and No. 229. That one has lights and is illuminated. But the one just south at the Komarno access has no lights. It is really a dark corner, really bad. I know the R.M. has written letters and asked for that a number of times in the past and nothing was done there. That one has a safety concern, I believe, because you are turning off the main 7 onto that access road. So I wonder where that one is in the process for illumination.

**Mr. Ashton:** We have responded whenever a community does raise this type of concern with us. Once again, I can undertake to provide the Member the specific response, which will

include the specific analysis of the warrants and how it relates to the actual threshold.

**Mr. Helwer:** Thank you. Perhaps I will just pass to my colleague the Member for Ste. Rose.

**Mr. Cummings:** Another issue that obviously is broad spread across agricultural Manitoba, vehicle inspections and safety, combined with spot checks in relationship to spring load restrictions and so on, we see a lot of activity out there.

Has the Minister and the Department planned any changes in this area, any stepped-up enforcement or any increase in safety inspections or any changes in regulation in this area?

**Mr. Ashton:** We are not currently changing the regulations or the inspections. I can indicate that, obviously, if problems do arise, we would look at them. Also in terms of inspections, obviously I think that is an important part of what does happen. I know it is not a very easy task for the department, but it is important to do that, and what we are trying to do, in addition to the inspection, is make sure that people are aware, particularly in the trucking industry, of what the regulations are. In some cases, we found specific circumstances where the root problem with overloads is often lack of understanding of the regulations and how they work.

So that is an area that we are also working on, and I do take it very seriously. I think it is important to note the degree to which overloads really destroy our highway system. Truck traffic, in and of itself, puts far greater pressure on our system to begin with. But properly regulated loads and proper equipment can ensure that that damage is kept to a minimum. But when people do overload, they may get a small benefit, personally, out of it. I am talking about those that do it deliberately. There are many cases where people perhaps are not aware they have overloaded, but those who do it may get a small benefit personally, but they are responsible for a significant deterioration that will then take place to the road system, so we do take it seriously.

One thing I know, as Minister, is I have been very supportive of the Department's efforts in this regard. As I said, there may be times

where we need the education as well, but I know everybody seems to want at the time some sort of exception here or exception there, and if there is an overload, there is always a good explanation for it. In some cases, that may be the case, but I as Minister do not believe it is appropriate to make it a difficult job. In this case, the Department suspects the job may be made more difficult.

**Mr. Cummings:** It does lead to an issue that arises, I think, in the Interlake, and certainly in the area that the Member for Gimli (Mr. Helwer) would represent and the area that I represent, the Member for Dauphin (Mr. Struthers) would represent, the Member for Russell (Mr. Derkach). Through that particular part of the Parkland and Interlake area, a high number of livestock, more and more of that livestock is moving on semis, some of them getting bigger and bigger, on a potload of cattle, when restrictions are on, using the out fifty or a hundred pounds a head on the cattle that you are moving.

When cattle are being moved long distances to market, that is one thing, but when they are moving them to pasture, I know the Ministry has provided some relief for the movement of livestock and feed in the spring, and particularly moving cattle to pasture. But the way the economy has folded out there now, we have literally thousands of head of cattle being moved on the highways. It does not take too much to be out, particularly on these big trucks, on the weight, on the overloads.

I heard the Minister say that he is not inclined to be overly flexible. Yet I have to indicate that out in that part of the province that I just indicated, we do not have a lot of road network, period. I mean, there are a few main roads which, no doubt, are easy to identify. You get very quickly into the three-numbered roads and the ones that are of a lesser standard, gravel roads, and then into the municipal roads.

But on a bad year, what we end up doing, I say we collectively as government, is end up putting some of these cattle operations—I would have to say I probably have more cattlemen as a percentage of my constituency than probably most other MLAs in this House. It does cause

untold havoc when they get caught in the middle of a restriction thrust. I happened to be in that area over the weekend. I have great sympathy for the people who are trying to enforce the regulations. I think the Minister and I would agree there. Let us not make their job any more difficult than it is. But I have to put on the record that I hope he will work with the Department and continue, and with the local R.M.s, if that is what it takes, to put as much flexibility into the system during some of these peak times.

\* (15:50)

I think that in part this year there may have been some issue around the timing of the restrictions. I know that there is debate, both pros and cons, about picking a date or whether or not it should be more flexible related to the actual conditions of the road when the restrictions are imposed. I wonder if the Department has been able to reach any conclusions or has any thoughts about whether or not they will continue with the present method of timing of road restrictions or whether this is an area that they might be reviewing as a result of this year being an extremely early spring. In fact, restrictions probably could have been on earlier than they were. Perhaps at the other end we are now seeing ongoing restrictions at a time that is literally trapping some of these people into a position where they have literally no choice but one way or another to break the loading restrictions.

I heard what the Minister said earlier. You are disadvantaging everybody if you are beating the road up and causing a lasting break-up of the road. I would be interested if the Minister has any thoughts in this area about what might happen in the future or whether he is indeed reviewing what happened this spring.

**Mr. Ashton:** Yes, I will be reviewing it. We have had a problem this year, the second year, that has been a problem essentially in the attempt to give advance notice and set some definitive times in advance. We ended up getting caught. The weather was a lot milder than anticipated. The restrictions should have been, what, probably at least two weeks earlier. Given that experience and whether it is global warming or just normal weather patterns or whatever,

there is a huge consequence to what can happen if you do not have the appropriate restrictions in place in the spring, as the Member will know. We will be looking at it. I think we may have to move those restrictions earlier. That does not mean necessarily that they cannot be removed if the conditions are appropriate. We ended up in a position where because of the policy that was in place, we could not have really done anything this year anyway, because it was a combination of—the appropriate time would have been earlier, but we had a sort of written policy and a commitment to stakeholders of an advance notice period of time.

That being the case, it will definitely be reviewed, and, quite frankly, I think we are going to have to look very seriously at changing the dates.

**Mr. Cummings:** Well, there is traffic that comes out of the North towards Winnipeg, in some cases heavy traffic that goes on to Pine Falls that comes through No. 10, No. 5, and then very often cuts off through The Narrows. When you get in that area, you have the main highway traffic, but you also have the local traffic that has very little alternative from time to time.

I know there is a section of highway in there that has been built up from The Narrows to Eddystone, and I will have to ask the Minister specifically, I assume that the area that was upgraded last year to Eddystone will be paved this year. I guess I want to encourage the Minister to continue to look at that section from Eddystone to Ste. Rose as part of a multiyear project to repair and upgrade, because this is not so much a constituency issue, although it is certainly important there and it is related to the questions I just asked, but the other thing that happens is you bleed off some of that traffic off No. 5 going south which may well end up at that traffic location in Neepawa that we were discussing earlier. You do bleed it off across The Narrows and on to some of the other highways through the Interlake and they cut across.

So, first of all, is the Minister prepared to tell us whether or not that pavement has been tendered or will be tendered at the Eddystone corner?

**Mr. Ashton:** I can indicate that I have driven that stretch of road in the past on a number of occasions. I am certainly aware of the concerns. I actually went up there a number of months ago, specifically drove down that highway to see the condition it is in. In terms of work on 68, we put out as part of our advertising schedule a significant project, over \$3 million, from 278 to east of the Mellenville drain, and I believe that will have been tendered currently. So it is going to be done.

**Mr. Cummings:** Thank you for that information. I would encourage you to continue to look at that road as part of a province-wide network. It is one of the first east-west connections you get in that part of the province. In fact, it is the only east-west connection because you have lake all the way around there.

It was always my view, and, of course, I could be accused of being a "homer" because it is part of the area that I represent but, in fact, when you take traffic off of Ste. Rose there, you reduce some of the north-south traffic on Highway 5 which is under pressure as well, and you do have the collateral effect of keeping what is virtually the only good east-west connection through there upgraded, because at Eddystone it splits north and south. It goes north and over to The Narrows, then goes south and services all of those communities along the west shore of Lake Manitoba.

So I do not want the Minister to dismiss my comments as only being those of a constituency representative. I think there are valid reasons to look at this as part of the big picture, as well, and he does not need to answer that question as long as he hears me.

**Mr. Ashton:** I can indicate that we are looking at further project development on that particular stretch. It has been identified by the Department. One of the reasons I went up there personally to look at it was to take a look at it from that perspective. I have driven roads in that area in the past, but it is interesting, all of a sudden when you are the Minister of Highways and you are responsible for the capital budget, you start looking at things differently. We have been following through in terms of 68 and will continue to look at some other project

development in there to deal with the concerns that the Member has raised.

**Mr. Cummings:** Yes, thank you. I appreciate the Minister inherited that one chunk that literally has exploded between Eddystone and Ste. Rose—and it held up—but the reason that I want to mention it in the way that I am is that it amazes me how many times you meet loads of timber going from the park to Pine Falls. The Minister might recall some of the outrage that was expressed over cutting rights, and service development on the east side, and so on. In fact, when Pine Falls was bumped out of the Atikaki Park area in cutting, they started cutting in the park on my side. So my argument was always, it depends whose park you are cutting in, how much it bothers you. When it is away from the urban centre, it did not bother people nearly as much. The parks on the west side of the province have always been multiuse parks, so just for a little history. I think the Minister might appreciate now a little better some of the debate that occurred about seven or eight years ago in terms of multiple-use cutting.

**Mr. Ashton:** Sorry, for interrupting the Member, but I had indicated before I would table the correspondence with regard to DFAA, and I am prepared to do that. It is quite extensive. It does include correspondence going back to June of last year and includes the previous minister and myself. Various other items are all, as far as I am concerned, public information and have been provided previously, so I am prepared to table them.

**Mr. Cummings:** We touched on the vehicle inspections, and that does relate to debate that has gone on over a number of years and some changing of responsibility. I am not talking only heavy vehicles, but also automobiles. What is the current status of inspections? There was a debate a few years ago about whether MPI should be carrying the vehicle inspections or whether the Department of Highways is going to do it.

**Mr. Ashton:** It went from MPI over to the private inspection program, and that is where it is currently. I might add, and I know we have had some discussions of this nature—I know the Member has been a former Minister responsible

for MPIC. I do believe that there should be, how can I put this, better co-operation, perhaps more co-ordination. There is on an ongoing basis, but I think there needs to be some discussion of the mandates of both MPI and the Department in this area, because there are different mandates. But, obviously, we are talking about vehicle inspections, for example, vehicle safety. It does affect both mandates. So I have met with the Minister responsible for MPIC, and we certainly will be looking at a number of ways of potentially working co-operatively in areas of common interest.

\* (16:00)

**Mr. Cummings:** As the Minister would also quickly recognize, this becomes a very sensitive issue regarding revenues and the source of those revenues. Insurance costs, when we have not only a Crown corporation monopoly insurance, we also have now, as a result of changes that were made with the concurrence of the present minister when they were the opposition, to go to not only a Crown monopoly but a Crown monopoly no fault, which makes it quite unique in North America really.

But that does raise the question of purity of revenue and sources of revenue. There has always been an issue about whether or not the motoring public appreciates whether or not the profits from insurance need to be buried in this area. Whether the Minister meant to or not, he has come dangerously close to the topic that was raised as a result of some comments I believe that his Premier (Mr. Doer) might have made about profits or the taking of dividends from some of the Crowns in the long run.

Is the Minister considering using any of the surplus money from MPI to deal with safety and inspection issues, as one example?

**Mr. Ashton:** I could step into my previous role as MPI critic, and I am sure the Member could step into his previous role as the minister responsible for MPIC. You know, I cannot comment on that issue. I do not think it would be appropriate in this particular venue.

I think MPIC has a very good track record in this province. It provides good service to the

public, does it efficiently. It is also a significant investor. It makes a significant amount of money on investing premiums. So, even then, when you get into issues of rates and other issues, there are aspects of MPI that are rate-collection driven, other aspects are investment-driven. So, even then, it is the various shades of grey in terms of the category of the money that is there.

My comment simply, though, was to point to this as one of those areas that has been previously done by MPI and is now no longer being done by MPI. There are other areas where MPI has been playing a significant role. I just look at some of the recent initiatives where there has been work done by DDVL and also with MPIC seniors drivers' awareness, for example, some of those kinds of areas.

I think there is a lot of crossover back and forth. There are probably situations certainly in our department where we have identified projects, but we do not have the budgets for them, which have been taken further by MPI because they do have the budget for it, which basically fits within both jurisdictions. I think the area that I was commenting on was more of not getting into the whole issue of dividends or anything of that nature but just the fact that regardless of the actual mandate, there is a considerable crossover in terms of MPI and DDVL, just on safety, for example.

Safety is the prime mandate of this department. It certainly is my prime objective as minister. In Autopac's case, even if the mandate is, and I know it is, to find and to include safety, but even if you look at it in terms of premiums—I mean, the fewer accidents, the fewer payouts, the fewer premium charges you have to make. So whether you run it through a direct mandate or you run it indirectly, it is the same difference.

So we are sort of looking at making sure we work on a co-operative basis. I mean, there have been times in the past where MPI and Highways were under the same minister. So we have had all sorts of different permutations and combinations. But I am not going to get into the issue of premiums or no premiums. That is well beyond the scope of anything that I have to offer as minister.

**Mr. Cummings:** But there is no question, if that discussion ever comes up, that this minister, his advice to his colleagues would be very significant. I think it is fair comment that, as regards the responsibilities in the two areas, yes, there is a lot of commonality. But there is also the potential for a great deal of angst in the public, and certainly on my part, if we should ever fall into what could be classified as a cross subsidization, I think MPIC, or MPI now, has a significant role to play in terms of safety promotion and all of those things. I do not have a problem with anything the Minister said in that respect. But we have two examples that I wondered if the Minister wanted to comment on. One is what I said earlier. His premier and I believe the Premier of Saskatchewan may well have made similar statements which seem to indicate, certainly in the case of Saskatchewan, that they were quite happy to balance the budget by reaping some of the premiums, if you will. In Québec, which our no fault system is modelled after, again their insurance surpluses were used to do road upgrades. The difference, I should warn the Minister, is that Québec had a huge surplus from no fault, and Manitoba is not yet in that position. So I would be looking for some assurance from this minister that he is not currently contemplating taking what appears to be fairly robust revenues from MPI. As much as it might be tempting, it would have a negative impact on our relationship to other jurisdictions in having one of the more reasonable cost insurance programs in the country.

**Mr. Ashton:** I think the Member is trying to tempt me to get into this debate again, and I would be more than happy in another area to get into that. I would note, for example, that his leader in the last election campaign talked about taking a dividend from Manitoba Hydro, announced it in Thompson. So it is an idea that has been discussed for quite some time and not just by members of this side, but I am the Minister of Highways and there is no dividend to give out of the Manitoba Highways Department. We are issued a budget, and I will put on the record as Minister of Highways that I will accept whatever comes this way. I have said this to the federal government, for example. There have been various programs announced, and it has almost got to the point where the amount of effort that goes in, you would almost be tempted

to say it is not worth it, the National Highways Program, two years down the line, 4 cents on the dollar, huge consultation process, but you know what? It is worth it. If I cannot get dollars, and it is 4 cents, I am sorry, basically that is what we have to deal with. So I am the recipient here I am not a potential donor. My view as Minister of Highways is that I will accept whatever funds come to this department because I know the needs out there and that is about as far as I will go. I think we will maybe have to save this discussion for other aspects of the Legislature, perhaps debate on the Throne Speech or budget.

\* (16:10)

**Mr. Cummings:** The other aspect of this, and I touched on it briefly before, but the Minister has obviously taken the opportunity to consider a little bit of the relationship between the Department and Public Insurance. There always has been some debate about whether or not—and there are two aspects to the debate. One is the jurisdiction over driver and vehicle licensing and the actual mechanical management of the process, and there is a relationship, and there is a cost for service that is represented in the Department's Estimates. I am quite willing to acknowledge that, as Minister responsible for MPI, I vigorously opposed that being dropped because it would have constituted a cross subsidization in my view. But the other part of that is whether or not the Minister, and I know he has not been in office all that long, but has he any comments or has he given any consideration as yet to this relationship, and does he plan any changes?

**Mr. Ashton:** I can indicate that I have had discussions with the Minister responsible for MPIC (Ms. Barrett), trying to get a clearer picture of a lot of these particular issues. I would not say there is a predetermined agenda on any of this, but when you have these overlaps in jurisdiction, it only makes sense to co-ordinate fairly closely between DDVL and MPIC, and that is certainly the spirit of our discussions. The answer basically is, yes, there have been discussions. One thing I have found is I guess I am out of the rookie stage as minister but still in the stage where, perhaps even more in the stage now where you go from trying to find out exactly what is going on to saying what changes

should or should not be made. In the case of DDVL and MPI, it is more a matter of seeing those overlaps and trying to get a clearer policy. I think any government needs that between these potential areas. No matter what the policy is, even if it is the same policy, you have to go through the process, analyze it and see if the current situation works and, if not, if there are better ways of doing it.

**Mr. Cummings:** That is a fair comment, and I would indicate to the Minister that it probably will be an ongoing issue. I would encourage him to look at it in terms of efficiency of operation for overall government service, which is an area that is always fertile ground, I think, for when we have a changing technology and changing demands out there. This is not a red herring that I am dragging up for the Minister to rise to the bait. It is a legitimate concern that I would be very interested in knowing what his thinking becomes as he has an opportunity to go through it. It is very complex and will no doubt continue to dog the Ministry and MPI unless there are changes that might occur.

If I missed this, we will move very quickly, but I understand the Minister said he was not contemplating any purchase of additional air equipment for fighting fires. There was an article in the paper shortly after the administration came in that looked like it was being considered, and if my colleague has asked the question and it was answered, then that is good enough.

**Mr. Ashton:** I indicated there is nothing in the Budget for that. Obviously, the cost of review, aircraft, and if opportunities do arise, we would not rule that out, but there is nothing in the Budget for it.

**Mr. Cummings:** The recent announcement of the change that was—the Minister and I probably could spend the rest of the day arguing about, but I will only ask briefly, the change of the \$50 charge—does that lie with Health only? Does it have any ramifications for Government Air in terms of ambulance supply? That lies with the Health Department, I believe.

**Mr. Ashton:** There has been some confusion amongst some members of the legislature as to what that fee applied to. It applied to

transportation, not to the air ambulance per se. This is what are called elective procedures—I think that is a misnomer—and includes people going for checkups for cancer treatment, various important medical appointments, people often in very great difficulty, people returning from operations. The air ambulance is not part of that, so the air ambulance is a separate issue, and the same sort of charges apply for ground ambulance there and accessing the ambulance, so it is quite a different thing. So, to make a long story short, it is a 100 percent health issue related to the Northern Patient Transportation Program, which is not operated by the Government. It is using standard commercial transport. It was questioned whether there was a \$50 charge attached for those who used it or actually more of a \$50 deductible is probably a better way, or user fee, or you can use whatever word you want, but it is strictly a Health program. It has no impact on Air Services.

**Mr. Cummings:** The second aspect of that dealing with Government Air, and I suppose my questions will be more general than specific, so I do not know whether you have appropriate people, if they are not too far away. Are there any major overhauls that were unexpected or any major—the reason I am asking the question is there was significant pressure over the last couple of years and this spring put on the firefighting equipment through the water bombers and the usage was very high. Has there been any requirement for increased allocation for maintenance and service to this equipment? I am asking if it is needed, not just whether it is actually here.

**Mr. Ashton:** I will get that information. I can take his notes and provide it to the Member as soon as possible.

**Mr. Cummings:** The second part of that, I suppose, in the drive to provide additional air service in the North, does the Minister see additional communities that would be able to be serviced by the air ambulance directly as opposed to only flying in to the current airports that they do?

**Mr. Ashton:** Having been involved in a lot of the original discussions with the dedicated air ambulance, what I can indicate, in the general

sense, is that there is a role for a combination of being able to access into major airstrips and having supplementary air ambulance that can bring people in from other communities or in some cases actually by road. There are a number of northern communities where there is no airstrip. The important thing that was raised at the time, which, I thought, was sometimes missed in the discussion, was that there is essentially sort of a stabilization period as well before you can transport. There is a halt medicine to transport itself, so the concern I had initially, I can tell the Member, as an MLA, was potential delays of access directly into communities. But, in actual fact, it is quite the opposite, there is a period of time, even in severe trauma, where you have to stabilize the patient. So essentially the current system is a balance of that. Being able to get into major strips, actually the air ambulance is able to get into a significant number of strips I know, but it is not a problem logistically. But I can certainly get more information in terms of specific airstrips for the Member.

**Mr. Cummings:** What I take from the Minister's answer is that that was not the primary objective, and that was really what I wanted to know. I understand the other things that he is talking about because at least some of the area that I represent can be very difficult to access or at least marginally capable of being accessed by ground transport.

**Mr. Ashton:** What I can indicate is that part of the upgrading of northern airports will accommodate a number of the communities to get the air ambulance in. So that will be a part of that aspect of it.

\* (16:20)

**Mr. Cummings:** I will reiterate the question that I was coming at before. Because of what I know, or at least I understand, would have likely been an increased demand and workload, and consequently hours being put on the air fleet that is being used to fight fire, has there been an increased demand on maintenance? Is there a requirement for increased budget, or has it been handled within the normal maintenance costs?

**Mr. Ashton:** There has been an increase in that area, but that is through the acquisition of the two aircraft by the previous government. So it is not related to other factors. It is fairly consistent with the number of aircraft that are in place and the usage. So it is not a growth net area, other than driven by the specific aircraft acquisition.

**Mr. Cummings:** I appreciate that answer, because, as I recall, the difficulty was that we needed not only to buy the aircraft, but even to fly the staff and the backup for the maintenance. I was suspicious that there might well have also been some demands on maintenance from the increased workload. The two Citations that are part of the Government fleet are not exactly new. Is there any thought on the part of the current government to replace or upgrade either one of those?

**Mr. Ashton:** This was raised previously, and I did indicate that we were continuing to do monitoring of the aircraft, but there are no plans, no identified need to replace aircraft. They are well maintained, and they are operating appropriately.

**Mr. Cummings:** It has always been somewhat of a difficult situation in terms of storage, in terms of where the aircraft like the CL 215s—I think that is the right designation of the big water bombers—are stored, and where maintenance is being done. Does the Minister or the Department have any plans for change in this area?

*Mr. Jim Rondeau, Acting Chairperson, in the Chair*

**Mr. Ashton:** The Member's colleague did raise that. It was indicated that the answer on that is no.

**Mr. Cummings:** The concern that I was expressing about the storage and the maintenance is that there was, at one time, concern about continuing access to the current maintenance structure at the airport. Is that tenure secure for the time being?

**Mr. Ashton:** I would probably best refer the Member to an answer that I gave to the Member from Gimli (Mr. Helwer), that we are basically—in four years there may be some prospect of

some longer term stability to be in that space. It is not an immediate problem.

**Mr. Cummings:** At one time in relationship to Natural Resources, there were other sites where equipment was located. I was curious, in that respect, if there was any move afoot to diversify the location of any of the fleet.

**Mr. Ashton:** There are no immediate plans of changes there. There had been some discussion related to fuel prices in one of the locations, but there has been no decision to move it from that location in terms of summer locations. We are basically keeping them in the existing locations, which worked fairly well in terms of the regional distribution and access to the forest fires and providing the services that are needed to maintain the aircraft in the summer.

**Mr. Cummings:** I guess the more things change, the more they are the same. Is the Government still following the same tendering policy, in general—and I do not need to know the specifics—but, in general, are we still following the same tendering policy for aircraft fuel, jet-B, et cetera, that has been used previously? As the Minister mentioned, that has become an issue before, and it is not cheap. I can see the Minister is nodding his head.

**Mr. Ashton:** That has not changed.

**Mr. Cummings:** Well, Mr. Acting Chairman, in moving from the aircraft, air services issue, I suppose this constitutes jumping back and forth. I hope I do not create problems for myself or staff, but the next part of the Estimates information that the Minister has supplied does lead to desk top issues. Of course, there has been a lot of pressure in this area. As I read this, I see that the numbers are not dramatically different, but I am looking in the Desktop Management Services, which I presume would fall under Government Services. If I am not doubling up on anything that my colleagues asked previously, I would be interested to know if this is now pretty well completed with these expenditures. Is this now sort of an operational budget that we are looking at, or is there continuing demand in this area in Government Services?

**Mr. Ashton:** Basically, it is in place and this is sort of the ongoing expenditure.

**Mr. Cummings:** I note that there are some minor changes there but probably I can accept the answer that this is normal operations.

When we get into the telecommunications side of this responsibility, I see considerable change in the figures. I have to indicate that, in going through this, I would like the Minister's assurance that while there was indicated some savings at the senior levels and the amalgamation, for the purposes of these Estimates as we see them laid out we do not have a blending of the costs. For example, in this area we have telecommunications. Are there any savings or additional expenditures that occurred from amalgamation in this area, or what is the genesis of the change in dollars that we see in the subappropriation 15?

**Mr. Ashton:** This is a service aspect that is related to the services provided through this particular part of the Department and it is charged back from the department, so the change is related to the amount of service from other departments which we provide.

**Mr. Cummings:** I am not sure that I picked up on where the Minister was leading with his answer. Is this a recoverable cost?

**Mr. Ashton:** Yes, it is and it is related to increased use of what is described as the provincial backbone, you know, the data backbone, so it is a recoverable cost. Basically, it is a service that we provide and we are compensated for within government.

\* (16:30)

**Mr. Cummings:** Well, I see the recoveries but I see at the bottom there is still a difference between or an increase—while there is an increase in recoveries, there still is an increase in the bottom line expenditures and what the Minister is indicating then, I take it, is that this is a real increase in cost in order to provide the services expected for the backbone network. Is that a fair observation?

**Mr. Ashton:** I can indicate, just to give some idea of some of the additional costs involved there, there is activity in terms of telephone inventory system which is non-recurring, replacing damaged analyzer monitoring equipment which is non-recurring, fleet net radios which is non-recurring, so there are a couple of aspects that are responsible for the amount that the Member referred to.

**Mr. Cummings:** I appreciate the reference. Is the fleet net system now largely in place in Highways or has it expanded to other departments as well?

**Mr. Ashton:** The vast majority of the fleet net radios are in Highways, 960 to be exact. Justice, however, does have 113 and Finance has 12.

**Mr. Cummings:** I was also thinking about emergency response, medical, ambulance services. We are not involved in supplying any equipment to them?

**Mr. Ashton:** We are not.

**Mr. Cummings:** Can the Deputy give me any indication whether or not the fleet net system still has some—I am led to believe it has—shortcomings in communication delivery? Maybe it is an unfair question because it is not directly related to the responsibilities you would be administering, but I am interested in the capacity of the fleet net system.

**Mr. Ashton:** Yes, there are some difficulties in the transition phase related to frequencies, and not everybody is able to be accessed directly. So that is probably what the Member is receiving feedback on. There are some difficulties, but we are working to overcome those.

**Mr. Cummings:** Well, this is not a high priority question, but when the Minister mentioned that one of the areas you supply fleet net to is Finance, is that mobile investigations or what?

**Mr. Ashton:** I must admit when I looked at it, I looked at that and I sort of had the same reaction as well, so I cannot answer that. We just provide the service; we do not ask what they do with it. We have the suggestions to cigarette inspectors. They are out in the field. So I am sure it is a very

appropriate expenditure. The Member could probably zip over—

**An Honourable Member:** Maybe we do not want to know.

**Mr. Ashton:** No, I know. The Member may want to zip over to Finance and ask it there and see if he gets the same answer from the Minister responsible for this.

**Mr. Helwer:** Just a couple of questions also on the Communications side. Last winter, the communications tower at Churchill went down. What is the status of that now? Has it been replaced or is something else taking its place? How are the communications to Churchill?

**Mr. Ashton:** We did meet with MTS following that. In fact, I went to Churchill with the Minister of Northern Affairs (Mr. Robinson). Basically, what was outlined at that time by MTS was a two-stage plan. One was to get the service up and running in the short run, but also to upgrade that portion of the line.

I would have to check with MTS on that. Unfortunately, we do not own the company anymore. We are not directly responsible for its operation.

**An Honourable Member:** Do not go there, Steve.

**Mr. Ashton:** Well, I could not resist that one.

The reason I can give some information is because, as minister responsible for Emergency Measures, I thought it was important to deal with that particular aspect because it did really isolate the community. It is a community that is very dependent on tourism, for example, and lack of phone service was a major concern. So we did meet with MTS officials.

Basically, they would be working on a satellite system I know, so I assume that is probably still in place, a satellite system that provides not necessarily fully equivalent service in the short term, but does give a reasonable balance.

**Mr. Helwer:** So you say they are operating on a satellite system at the present time. How long is it going to be before the new system gets into place or they improve the old system, whichever they were going to fix? I was not sure how it worked. I did not realize it was landline system, the old one. I thought they were all with a satellite or some kind of radio system. Has that changed?

**Mr. Ashton:** Yes, there is a microwave tower system. It is not a satellite system. It is like a land horizon-based system. Part of what will happen with the conversion, and this is not full conversion on that line, is moving to coaxial cable, so it moves from microwave to coaxial cable which greatly improves the reliability of the service. It is one of the biggest complaints in Churchill. The system was appropriate in the early 1970s but does not give the same quality of movement of data in particular but even reliability with phone service. What was ironic too, by the way, is during the period in which the phone lines were down, people were still able to access the Internet because they do that via satellite, by the way through the initiative of the community. I guess you can tell we are in the 21st century when, if the phone lines are down, you cannot make a phone call, but you can send out e-mail and in fact there was a picture of the tower at Chesnaye that had collapsed, and that was e-mailed out by the town via satellite, so go figure that one.

**Mr. Helwer:** That is what I was wondering, that is what I was trying to get at, whether there were some better ways of getting communication, whether it be satellite or Internet or whatever, hopefully I would think that in today's age with technology being available, surely there should be some system that would be more foolproof and work better up there. But I am glad to hear that they do have communication now and it will be improved up there in the near future.

While we are on the Churchill townsite, I notice we still operate the town up there and although the Department of Rural Development does, I guess, to some extent and some of the costs have been fairly stable there, but there has been some increase in the grants and some of the transportation of supplies and one thing and another. I wonder if you can give us some idea, a

breakdown of what some of those costs are and how the \$795,000 costs to operate the town of Churchill, if you could give us some information on it.

\* (16:40)

**Mr. Ashton:** We fund 90 percent of the deficits up to a maximum of \$795,000 and having personally delivered the cheque for the operating grant a number of months ago, I can indicate that was the amount that was paid out to the community at that time, and that is ongoing support for the complex.

**Mr. Helwer:** In light of the company taking over the rail line and the port there, or I guess the grain terminal anyway, that is handled now by the company that has the railway there, has that affected our costs of operation of the town in any way?

**Mr. Ashton:** No, it has not, there are ongoing efforts related to the complex, looking at alternative potential uses within the complex. We have been involved in the discussions, negotiations with the RCMP. There are also ongoing discussions about the location of the schools which are located outside of the complex. There has been a problem in the—*[interjection]* Duke of Marlborough School. The Chair is advising me from his knowledge of the North. Duke of Marlborough School with mould, so we are looking at other possible uses, and we are trying to work very closely with the community and I know the community is reactive in terms that the Mayor, Michael Spence in particular is in constant contact with myself and the Department on potential uses.

**Mr. Helwer:** Just on Churchill, OmniTRAX, the name of the company that owns the grain terminals and the track there, expects some extra activity. They expect to handle a lot of grain up there this coming summer. Hopefully, that town will be busier. That will help us. Perhaps, when the Minister goes up there, he could take the critic for Highways or Government Services with him.

**Mr. Ashton:** Just one? I certainly will keep in touch with the Member, because I am a strong supporter of Churchill, and there are some

interesting things happening up there. We have been working with OmniTRAX on the use of their facilities as a training facility. We have a distinct interest as a department, because we are involved with the operation of the complex. There are also other government facilities in the area.

One of the real problems we face is the lack of tradespeople in the area, so essentially if work has to be done we have to fly people up and fly them back. It is very difficult sometimes to even get people to go up, so we are very committed to setting up a trades training school in the town of Churchill. We have been very involved working with OmniTRAX and people throughout the area, even looking into Nunavut for that area. What I will do is keep the Member posted on that.

I know the Department of Education is doing a lot of work now on the viability of the potential training facility, and if things do develop on that, I would certainly have no difficulty taking both the critics up, because I think it is important. I always appreciated it as an opposition member when ministers were travelling in areas where they did take critics or local MLAs along. The money that is spent to get there is taxpayers' money anyway; it is not the Minister's money. I will certainly take that under advisement.

**Mr. Helwer:** I thank the Minister for his comments there. Just the other thing is, the road on to Gillam is completed—and it is gravel, of course—but how far is that from Gillam to Churchill yet? There is no road there at all.

**Mr. Ashton:** There is no road to Churchill. It would be quite expensive to build this, as the Member can imagine, but I did indicate to the Highways critic we were starting the process of at least looking at what would be involved in the extension of the all-weather road network. Whether that includes Churchill or not, I can indicate that various routes of Nunavut have been identified, some of which go through Churchill. There are also issues related to potential road connections, certainly winter road connections into Nunavut as well.

**Mr. Cummings:** I have a couple of questions about EMO. They are not specific to dollars, but more on the administrative side of EMO. I see that there has been some increased administrative support put in place. Can we attribute this to ongoing costs of the, for example, Red River flood, which is like three years behind us? What would be driving that at this time in terms of full-time equivalence?

**Mr. Ashton:** I think the lessons that were learned from '97, and certainly the Department is where there is the need to have some ongoing core competency in this area. We have moved, particularly with EMO, to move away from the extensive use of casuals, into identifying full-time equivalencies, which is, obviously, of importance to the employees, but I think it is also advantageous to us as a government. That is an ongoing issue. I am just advised, for example, that people have been casuals for the last seven years or so.

There are legitimate areas where you have casual employment, but, obviously, where you have people who have an ongoing employment relationship with an organization, it is often advantageous to both sides to move to a more normal employment situation. Obviously, if the demand is not there, you have the ability, in this case under the collective agreement, to lay people off, so we are not going to have an unnecessary staffing component.

But we did make a move. I think it was an important one, and I think it is good news for EMO, in particular, because, I mean, if you look at how quickly we went from '97 right into '99 and the fact that the '97 activities are ongoing and the program is only just closing currently, it shows the degree of the ongoing paperwork that is involved. I mean, there are claims that were initially established where they are still very much active, even though we have a very significant completion ratio. The Member is right, there has been some additional commitment here, and that is the rationale for it.

**Mr. Cummings:** Well, yes, and the Minister identified that this can be pretty troubling if you have an area like this where it can go from zero to a hundred pretty fast. I am wondering if the administration has given any consideration to

what might happen down the road if this goes quiet again.

The nature of the people who are being employed, is there any opportunity for job-sharing within the Department, or now that we have two larger departments, is this also a way of keeping the expertise available to Emergency Management?

\* (16:50)

**Mr. Ashton:** I think there is sort of a twofold answer to this. One is there is an increased role, I think, with an EMO in a number of areas. We are crossworking on an emergency plan, for example, and are currently in the process of updated revisions of that. That involves a fair amount of ongoing consultation with the municipalities and others, looking at other areas in terms of emergency plans, which I think are important.

So there is an ongoing role of that nature. Certainly, we do have the ability, if we have excess staff, to reassign people to other areas, and, certainly, there is some core competency there. It is very important.

But I think it is going to be necessary to maintain a certain core competency there. If you look at '97, for example, you had the core competency in place, and then you had the need to train hundreds of staff; you know, temporary staff. It was a huge logistical effort. I think it is wise to keep a certain base level in place, and I think that was essentially the same situation of the previous government. The only difference this time is we have moved from what I would consider to be overuse of casual staff into giving people full-time equivalent positions which I think is of benefit to both us and to the employees.

**Mr. Cummings:** I think I would agree that it would appear, at least, that we have had an experience of a few years where the demand is high, and the need to acquire people on very short notice and maintain them for a period of time was one of the challenges of dealing with a response to the emergencies that were presented, but one would hope that in the long run that that high demand will not be sustained, unless it is all

devoted towards the ongoing management and co-operation with the municipalities who are developing their emergency response systems. Then I would challenge the Ministry to be able to look at how they can maintain this expertise in the Department and have adequate workload distributed, so that it does not become an area of frustration for the employees who may well be well trained in an area where demand does not currently exist.

Perhaps I am not well-enough versed in how that is normally managed, and if that is the case, I would welcome the Minister or the Department saying so, because it strikes me that this is probably a tough area to manage in terms of keeping manpower on hand.

**Mr. Ashton:** What I can indicate is, since '93, the staffing level has not been shown on the books. So this is a more accurate reflection of the way they manage moving from casual to FTEs. Apart from all the employment aspects, it is a better reflection of what is actually going on in that area.

I would point out, by the way, we are also being called on increasingly for our expertise by other jurisdictions. So there is a role to play there. There have been a lot of disasters, whether it is global warming or whatever.

**An Honourable Member:** Flood, fire and pestilence.

**Mr. Ashton:** There is something about the last decade that has been pretty disconcerting.

**An Honourable Member:** I thought you were going to fix everything. You will not need them at all now.

**Mr. Ashton:** Well, one thing we cannot control is the weather. I can assure the Member of that. It is of real concern. *[interjection]* The Member for Brandon West (Mr. Smith) says it is a federal responsibility.

I can indicate, though, that there is, I think, a real need to keep core competence, because you can cut back the basic ability of the staff, the staffing component, over time, and you may save a few dollars here and there, but you will

not have that ongoing activity, and when you do hit a crisis situation, you will, I think, regret it. When I say you, I am not saying the Member personally, but I am saying in a general sense.

The key point to emphasize here is since 1993, I mean, a lot of these people have been working in the system. This is pre-'97 and it is pre-'99, so we have needed that staff even outside of the last two or three years which have been extraordinary in terms of emergencies.

I am actually very proud of the fact we have been able to make this move. I think it is sound planning for the future. There are some very good people working in their very difficult circumstance. I think the members, although not directly affected by the Red River flood, will, like anyone, know of some of the frustrations.

EMO is out on the front lines. If someone has a complaint about their claim, I am sure members know what happens. It is very stressful for everybody involved, but it is also stressful on staff. In good conscience, I just could not see the degree where we had casual staff with no long-term employment circumstances, in fairly long-term relationships with EMO, put in a very stressful situation.

So I am glad we have been able to rectify that, and I think in the long run it will pay off in the sense that next time—because there is always going to be a next time—disasters are going to happen. They do, unfortunately, on an increasing basis recently. But when that situation does happen, I think we will have that core competency in place, and we will be able to learn.

One of the things I have done as Minister since coming in is try and learn from the experience. I have talked to a lot of the R.M.s, taken some of their feedback into account. There are lessons that can be learned. You know, even when you do a fairly good job, there are ways you can go and deal with it better. One of the initiatives we took as a government initially was to develop a flood strategy which aimed at resolving some of the outstanding issues on the claims side, closing out the program with due notice.

Quite frankly, I view the shift in the staffing component to be part of that as well.

**Mr. Cummings:** I thank the Minister. I do not have a problem with what he has indicated. He now is prepared to put people who have been not in permanent positions but were there. He is telling me that the majority of these positions were in fact existing but not reflected as FTEs. Do the numbers pretty well balance in that respect or has this been any addition beyond what were the other operating for us now?

**Mr. Ashton:** There has been some fluctuation in terms of the very casual, but it is basically a general reflection of that. It is not an increased staff per se. It is a better reflection of the previous general range we were in for staffing.

**Mr. Cummings:** I should point out to the Minister that with the way the Estimates books are structured and the way the two departments have somewhat divergent responsibilities, in order to pull the questioning together, I think we have kind of disadvantaged some of your staff a little bit over this period. But in developing the direction for Government Services, there is always a balance that is required to be struck between owned and/or leased-to-own property in the combination side responsibility of Government Services.

*Madam Chairperson in the Chair*

We have not had a lot of time for new policy, if you will, to be implemented or new direction to have been given. Since the Minister came to office have there been any major leases undertaken or any construction plans put in place for a combination for government?

\* (17:00)

**Mr. Ashton:** We are involved with some initial discussions, 155 Carlton, for example, but most of what is in place has been ongoing. There were some significant shifts of locations in the past government. We have been involved with some discussions involving RHAs providing the service in terms of their dealings with private landlords, and we will be increasingly involved to that level too.

It is important that we use some of the same standards that we use for extended government. I mean, RHAs may be autonomous organizations to a certain extent but they are essentially spending the same taxpayer dollars. We are going to be involved more in that. We have already actually initiated that service to assist the RHAs in dealing with it.

I think it is important to note that the Department of Government Services is in a position of being able to, in many cases, have a very standard pattern of leasing that is advantageous to us. We are large buyers of leasing service and that gives us the opportunity to have certain conditions in the lease and obtain certain advantages that perhaps other purchasers of leasing services cannot obtain, so it is very advantageous to us as a government. What we do, obviously, whenever there is a space need that does arise, we look at it on a case-by-case basis and basically continue with similar sorts of policies that were in place with the previous government.

**Mr. Cummings:** Because Government Services, as the Minister says, can be a major player frankly, you can influence the market significantly if you choose to martial your resources or your forces in terms of construction and/or leasing. There have been some comments that I seem to recall over the last six months. They are fairly interesting. I do not disagree with the general thought that there are parts of the downtown area of Winnipeg that need business and need business support. At the same time, over the last number of years of trying to make sure that budgets are balanced, limited resources are stretched as far as they can be. There had to be some pretty difficult decisions made about the cost of government space. Some of that has been negative and some of it positive in terms of certain areas where government offices are located. Government has had to exercise some leverage, if you will, in order to acquire reasonably priced accommodations.

I am interested to know if the Minister has any predisposition or if he has given any direction to the department about accessing additional space downtown.

**Mr. Ashton:** Yes. We are essentially sort of the service providers. The policy decisions of that

nature are essentially broader decisions that particularly emanate from the Department of Intergovernmental Affairs. I would suggest that the Member would probably raise it in that area. We are not involved in any major acquisitions of space currently. No, it has not really been an issue per se.

I do know that there is a general policy, and I believe to a certain extent even with the previous government, but I cannot speak for any internal policies and whatnot. I think there is a recognition of the need to be aware of that in terms of space in downtown areas. I think that is important.

I know our Minister of Finance (Mr. Selinger) in his capacity as Minister responsible for Manitoba Hydro has already made comments. There has been some debate or exchange in the Legislature on that. I am not trying to suggest that we would not be looking at the downtown area, but essentially we are the service delivery agency. We get directions from departments of what they need. We accommodate that. If there is an overall policy of government to look more closely at the downtown, we would certainly follow those policies.

**Mr. Cummings:** Well, I understand what the Minister is saying, but I also take it that he is leaving himself open to whether or not there might be direction from Government as a whole, that Government Services would be then asked to respond to. What I said earlier about the acquisition of reasonable cost accommodations for Government Services, provided it is relevant to the needs of the department that may be involved. I would ask the Minister, however, if he is prepared to defend his department and take a position himself in relationship to making sure that he does not get backed into taking on unnecessarily high costs in what might be inappropriate locations.

I will give him an example, so he knows that I am not falling out of a tree here. There were core samples stored in the Eaton's complex that were in very expensive accommodations. In fact, there even had to be, as I recall the situation, reinforcement put in place in order for that storage to be accommodated. We found that

accommodation to be very expensive. How it got there and how the decisions were made, I do not need to rephrase that, but I want to use that as an example to encourage the Minister to defend his department against what might be blind or at least non-thinking policy direction where they get backed into some unnecessarily expensive locations.

I am not suggesting that government should use its power to cripple landlords. That is not a fair approach either. But with all of the sacrifices that have made over the last dozen years in order to get government, the average cost of government accommodation down to something more comparable to commercial rates, I think was worth the effort, and I would hate to see it unravel. So can the Minister give me some assurance that he is at least interested in staying within what would be normal commercial rates for the acquisition of government space?

**Mr. Ashton:** I think it is important to note that is an ongoing mandate of the department. We do it on a regular basis. We have had significant reductions on lease rates, for example, through renegotiations: 155 Carlton, from \$17.78 a square foot to \$16 a square foot, a significant saving on an annual basis; 213 Notre Dame, basically the square footage there was decreased from 4149 to 2211. What I think needs to be recognized here is that essentially our role is to find the best space that meets the requirements of the department that needs the space and also complies with overall government policies. It can be very easily identified in the analysis if there are additional premiums that are paid, for example, for certain types of space. I mean, that will be very much, as the Member knows, a part of the process of going to Treasury Board, justifying any additional costs that are in place. Those arguments will essentially involve some potential cost factors, but those are clearly identified.

My commitment as Minister basically is to make it clear—and I think it has to be made clear within government sometimes—because Government Services is often the messenger. People shoot the messenger. You know, people assume that we are the ones making the policy decision behind the move. We are not. Government Services, as the Member knows, basically

provides the service; finds the lease premises; negotiates the lease, and proceeds from there. I view it very much as an important responsibility.

\* (17:10)

We have had cases, for example, where we recently have been involved with some leases that have been cancelled: 209 Notre Dame, for example, it has relocated to owned facilities; 209 Notre Dame again, a second location; relocated to owned facilities; 1011 Rosser moved into owned facilities. In fact, we recently moved a significant component of the Department of Family Services into the provincial building in Thompson, once again owned facilities.

One of the things I do take seriously by the way is, we ended up with some vacant space in our own facilities while we were leasing space elsewhere. Part of the problem is that sort of internal "competition" that you end up with where, if you have charges that are given internally and then people are able to go externally, you have to be careful there is no incentive for people to go to an external landlord situation where your own premises sits empty. I do not know too many business people that will set up a business on one side of the street and have a vacant property across the street and then rent from the vacant property and empty their own business out because the rate across the street is cheaper than their rate. When you own the building, you rent from yourself. It is sort of a basic principle. So I have been, if anything, doubly vigilant on that end.

I strongly believe—I mean there are many cases where leased facilities are a better option than owned facilities in terms of building new facilities. But if you have buildings that are sitting there—and we were in the position in Thompson, for example, where half the provincial building was sitting empty. There were numerous leases that were signed by government departments, for good reasons in terms of service delivery, that were signed in other locations. I am glad that we are able now to have much higher occupancy. I know there are similar situations with the RHA in Brandon, you know, in terms of moving into leased facilities versus owned facilities. I want to stress, what I mentioned earlier, we are going to be

doing a lot more work involving RHAs to make sure that RHAs follow the same basic principles in terms of leasing that government as a whole does because there should not be two different standards. There should not be higher lease rates negotiated by RHAs or worse tenant conditions in place than are in place for government as a whole. That was, unfortunately, the result of the system that I inherited where there was not that involvement of our department.

As I said before, we basically can sit down with landlords and give them a standard lease. It is not a standard legal lease. It is our lease. This is the Government lease. We are sort of, like I say, the Wal-Mart of leasing. Wal-Mart, when they negotiate with suppliers, they are pretty determined. They just go in and they basically say here are the conditions, and we do that as a government. That is not being unfair to landlords, but it is getting the best deal for the province.

So I agree with the Member, and I can assure him that I will definitely take the role of Government Services to include getting the best deal possible for the people of the province.

**Mr. Cummings:** The Minister does not have any philosophical disagreements with build lease-to-own types of arrangements if they do seem to be financially acceptable to the province.

**Mr. Ashton:** Yes, you basically have to look at, based on the economic circumstances, the business case. What has happened, for example, the last number of years, is governments used to build. Governments have advantages in terms of finance rates, so there may be time periods where it is appropriate to build. Other cases, over time, it has shifted toward a lot more leased premises. It was not strictly a philosophical decision, it was the fact that leased premises for various factors were proving to be less expensive on a square-foot basis. I have never seen any difficulty with that because our intention is not to pay more than we should, and that includes paying more to be in a private location or paying more to sort of build a building and then proceed with it. Those decisions should be based on the business case, and that is the policy of the Department and will continue to be the policy.

**Mr. Helwer:** I just have a couple of questions here. Your Government Services capital projects are down to \$12.6 million from the \$24.5 million last year. Could you explain what some of these capital projects are, and why is there such a decrease from last year?

**Mr. Ashton:** What has happened, and I am just going to get the detailed information for the Member, is there was an increase last year through the Special Capital Initiatives. So what we have done is there has been a return to more of the actual capital expenditures experienced the last number of years. I just want to run through, so the Member can see some of the fluctuation that takes place, and then we will get into the details. We go back to '92-93, it was \$11.1 million; it was then \$9.4 million in '93-94; \$12.6 million in '94-95; \$12.2 million in 1995-96; \$13.5 million in '96-97; \$14.8 million in '97-98; \$19.9 million, '98-99; '99-2000 was running at \$38.5 million.

One of the big projects that was included in that was the Headingley corrections project which was \$21 million. So what has essentially happened is we have returned to a more normal level now that the Headingley corrections facility has been basically completed. I can give the Member—I do not know if he wants it read in the record—but I could probably give him a list of some of the projects, new projects. I will open the suggestion to the Member. If he wants it read in the record, I can do that as well.

**Mr. Helwer:** If he could give me a list of some of those—do not have to give them to me today but sometime—I would sure appreciate to have a list of the projects. Were part of some of these last year's in response to the problem of getting ready for Y2K, the computer system and getting ready for the millennium, the Y2K problems?

**Mr. Ashton:** Not on the capital side, no.

**Mr. Helwer:** There were not any investments for the Y2K, but it was mainly on the maintenance side. Am I right?

**Mr. Ashton:** In terms of our department, there were some buildings had it reviewed in terms of their potential problems with Y2K. But the prime co-ordination for Y2K came out of the IT

section of Finance. So our overall budget was not affected in any major way.

**Mr. Helwer:** Yes, because the desktop publishing was a separate project, and that was funded separately, but I was just wondering if part of the capital was because of Y2K. You say it was not; it had nothing to do with it.

Just next on the Air Services capital projects, you said there were no new aircraft purchased or anything like that, yet you have \$1.9 million in the capital for Air Services capital projects. What is that for?

**Mr. Ashton:** It is a change in accounting policy. These were expenditures that were listed as operating expenditures before, and since they extended the life of the aircraft are now considered to be capital, so it does not reflect any change in the actual levels. It is strictly an accounting change.

**Mr. Helwer:** So these are mainly on the Citations. Are these also on the 215 water bombers? Is that included in that also?

\* (17:20)

**Mr. Ashton:** Yes, that is correct.

**Mr. Helwer:** Okay, so those are basically the fleet of the aircraft. The water bombers, the two Citations. Are they the only ones that are in that fleet?

**Mr. Ashton:** It is any of the major expenses for any of the aircraft in the fleet. What I can do is I can also provide the Member with a list of some of the repairs, mostly engines from planes, landing gear. It is probably easier to provide sort of a detailed list.

**Mr. Cummings:** I recognize this is not an area we are going to want to pursue, but basically what we are saying is that significant purchases such as an engine were once considered capital and are now maintenance or vice versa. It is the opposite.

**Mr. Ashton:** It was considered operating and is now considered capital. I think that makes sense when you look at the cost of engine replacement

on the aircraft. We are looking at a quarter of a million dollar acquisition cost per engine, so that now is accounted for as a capital expenditure rather than an operating expenditure.

**Mr. Cummings:** For the record, I suppose businesses would look at that and say that depends where you want it. It depends on whether you are not paying tax on it. It would certainly be treated differently on another accounting basis. That is why the three farm boys on this side are blinking at what the Minister just said. Okay, I believe the Member for Emerson had some questions which would be related to Highways actually.

**Madam Chairperson:** Member for Pembina. Emerson

**Mr. Jack Penner (Emerson):** You know, I have been called the Member for Pembina, the Member for Rhineland, the Member for Emerson and sometimes even the Member for Rhine on Emerson. As long as I am not called late for dinner or something like that. Just a few questions on Highways projects in the constituency of Emerson.

As the Minister knows, my constituency covers the eastern half of the southern portion of the province and in depth on the eastern side runs virtually almost all the way to No. 1 Highway. It covers a fairly large section of the real estate of the highly developed portion of the province of Manitoba. The pork industry has really taken off in much of that area. The industrialization of the area would have been in an area from Winkler west all the way to the Ontario border to Lake of the Woods, and it encompasses a tourism area, a very significant tourism area from Buffalo Point all the way through to the lakes, almost to Falcon Lake, and also services some fairly large industries such as Canamera Foods at Altona.

It really requires a significant amount of interactive kind of roadways in that area. There are and have been a number of projects started in that area. The one that I think is most significant was one that was started under the former Minister of Highways, Mr. Driedger, when he initiated the village access road program. Virtually all the villages between Gretna and

Winkler or Altona and Winkler have been connected in one way or the other with basin AST-type roadways.

The only village that is not connected, and that was promised a number of years ago, and last year I think we finally gave them word that this would probably be the year that we would connect their village as we did all the other villages to a surfaced roadway, is Rosengart, in the extreme southwest part of my riding. That community has been left out continually by Highways through no fault of their own or no fault of the Member's because the Member has pestered, probably is the word, the Deputy Minister as well as the former ministers about that roadway. I wonder whether the Minister could tell us whether the Deputy Minister has informed him of the need of that road to be done and the urgency because of commitments, previous commitments that have been made, and whether he could give us maybe a date line as to when we could do that road, because it would not take a huge amount of money to finally have kept our word as a Department of Highways.

**Mr. Ashton:** I am not going to get into the issue of discussions with the Deputy Minister. The Member is a former minister. He knows that basically departments provide advice and governments make decisions and I think that is certainly my view of the way things operate. In terms of whatever commitments were made or were not made by the previous government, I cannot answer to that. I have sat down at numerous meetings where I have heard various different degrees of commitments back and forth, but the previous government was in place for 11 years. Presumably if items were priorities, there was 11 years to implement them, so I cannot vouch for what members, et cetera, did or did not say.

What I have to deal with is obviously the fact that we have \$1.9 billion worth of project requests out there and a \$100.5-million capital budget, so certainly if the Member is lobbying on behalf of that particular project, I would appreciate it in that context but I cannot speak to advice from the deputy or lack of advice in that sense. I mean that is privileged information, and I think it is important that I rely on my deputy, my senior staff, but as the Member will notice,

certainly in Estimates I am the one that responds largely because I think that is the appropriate thing. The buck stops with the Minister when it comes to the Department.

**Mr. Jack Penner:** I agree with what the Minister says, however, the policy decision was made and I think the direction was given to the Department that we would do a village access program and that we would provide all the villages in the area with surfaced access. I mean that decision was made. I was wondering when the Department was going to get around to finalizing that program that was initiated under the auspices of the former minister, Mr. Driedger. I am wondering if the Minister—maybe Premier would be a good word for the Minister, I think he would make a good Premier—whether he has been apprised by the Department of the lack of completion of that program and that there is one village left out, that village being at the extreme west end of 243 and I believe 502 is the other highway off the end there and Rosengart coming right off of that, so there is a small, little stretch that needs to be done connecting that village and I was wondering whether the Highways Department had in its plan this year to finalize that program.

\* (17:30)

**Mr. Ashton:** We are going back to the previous minister, and I cannot speak for Mr. Driedger anymore than I can speak for the two previous ministers who presumably made the decision not to cash flow this particular project.

What I am doing as minister is reviewing the entire program. Quite frankly, I do not see much evidence of a particular commitment if we are going back to Albert Driedger. I mean he was the Minister pre-'93. Presumably, Mr. Findlay and the Member for Lac du Bonnet (Mr. Praznik) also looked at capital programs in terms of cash flow and compared the criteria that are in place in other areas, so I am essentially in the same position. We will look at all potential projects, but as for some commitment that was made seven years before, in terms of this government, that is no more binding than it obviously was on the two previous ministers.

**Mr. Jack Penner:** Well, I appreciate what the Minister says. However, the reality remains that there was a program announced by Mr. Albert Driedger, the previous minister, and it was a continuing program. There were, I believe, about a dozen villages in that area that needed access and were given access, roughly about that. It was done over a period of time, and it was scheduled. It was determined that it should be done over a period of time.

There is only one village that remains to be done under that program, and I am asking this minister whether he would believe that it should be the Department's responsibility to finish a program that was started a number of years ago.

I know Mr. Findlay worked on it and I know that Mr. Praznik worked on this. I am wondering whether we are going to finalize the program of providing access to all of those villages that were initially designated to receive access, Rosengart being the one that is still without service to access. I am sure it would not cost a great deal of money to finally complete the village-access program. So I again ask whether it would be the intent of the Department to finalize that program.

**Mr. Ashton:** Well, I am not aware of what program the Member is talking about. It seems to me that there were two intervening ministers of Highways. I have not seen any indication, from any of the records I have seen, of such a program. You know I am assessing each project on its own merit. I think that is the only appropriate way to deal with it.

I have a lot of respect for Albert Driedger, but in terms of politics, that is like ancient history. I mean 1993, there are a lot of things that have happened since then. For example, the previous government significantly changed the thresholds for many of the significant expenditures in place, four laning, paving. A concern was raised yesterday in regard to Hamiota and the fact that under the old standards there was a full shoulder and a pavement, and we are going to have a project in that area that is going to have a 0.8 metre pavement and partial shoulders. That was a decision of government in 1995.

So what I am doing is basically what all ministers of Highways have done, and that is you take the budget that is there and you look at the needs that are in place. You try and set up some consistent criteria, and then you make the decision on that basis. I think that is the only appropriate way to deal with this or any other project.

**Mr. Jack Penner:** I should ask him whether Snow Lake got a runway for their airport.

I wonder if we could go on to another project, and I will leave that with the Department. The department knows what we are talking about and the Department knows what the project is. The Deputy Minister has been out there to look at that whole area, and I appreciated that.

A bridge on Highway 201, north of Letellier, is in progress. There has been some engineering work done and there were some budget allocations in that last year. Is there any further continuation of that project that is going to continue this year?

**Mr. Ashton:** Yes. I am advised we are doing some design work on that right now. There are some funds allocated for that.

**Mr. Jack Penner:** Is there any construction going to take place as I think was planned for this year?

**Mr. Ashton:** We are still very much in the design stage, not even to the land acquisition stage. There would still need to be line acquisition in that area I am advised. As the Member would know in terms of the process of development of projects, it is still in a fairly early process.

**Mr. Jack Penner:** I wonder if the Department would be able to identify whether land acquisition has proceeded in any of those cases. I think the Hooles are either—I would really like to know whether their property is going to be required or not, and that would give them an opportunity to plan ahead. I do not know how far that has proceeded.

**Mr. Ashton:** We are in discussion on an advance purchase with the Hooles. I am not sure of the exact status of it, but there are discussions.

**Mr. Jack Penner:** Mr. Minister, once you know how far that has advanced, maybe you could apprise me of the progress that has been made on that particular property. That is the only property that I would worry a bit about, because they live right on the river. They will either have to further flood proof their property, spend more money on it. If the Department wants to purchase it, then I think we should probably give them some clear indication as to what the intention is, and then they could get on with planning their lives.

So once you have been fully apprised of that project and the advancement of purchase of the property, I would appreciate it if you would provide me with that information.

**Mr. Jack Penner:** Highway 12, south of St. Malo and north of 201, that section was I believe in the advanced planning stages of upgrading and shoulder widening. Is that going to proceed?

**Mr. Ashton:** Just for clarification. Is it 12 or 15?

**Mr. Jack Penner:** I am sorry, 59. Sorry about that. I was looking at 12 on another project.

**Mr. Ashton:** I was wondering if I could get the details on it yet because looking at the map obviously 59 goes through St. Malo. It is developed as a project. There is some indication that it could cost considerably more than was originally estimated, so we are looking to that aspect as well. It is a fairly significant undertaking, so it is at that level and would involve quite a considerably higher degree of expenditure than was originally anticipated by as much as 50 percent. So that is one of the things that is being looked at in terms of that project.

\* (17:40)

**Mr. Jack Penner:** Just one more question, Madam Chairperson, on that specific project. If I remember correctly, the funds were actually allocated for that project—correct me if I am wrong. But it was my impression that the funds had actually been allocated a year ago or just

better than a year ago in budget for that project, and then for some reason the dollars disappeared.

Could you give me some clarification as to what happened there?

**Mr. Ashton:** Yes, I think the distinction is that it is a program, but it was never cash flowed. I should also mention one of the other complications apart from the cost factor is the fact of right-of-way issues, right of the widening, so apart from budgeting issues there are also some operational factors that have to be dealt with.

**Mr. Jack Penner:** Madam Chairperson, No. 210, 12 to Woodridge was the road bed which was built a couple of years ago with the understanding that it would remain as was for a couple of years and then we would make consideration of basin AST. Is there any provision being made for funding for basin AST on the completion of 210 from Woodridge to No. 12 highway?

**Mr. Ashton:** Basically, it was part of the program but not cash flowed by the previous minister. It is one of those projects that does not meet the normal criteria in terms of traffic count and other criteria. I have been in discussions with municipal officials from the area, and I know they are certainly aware of that. But it basically was not cash flowed in last year's budget. Obviously, we will look at this project and other projects, in light of our upcoming capital program in terms of whether it would be cash flowed or not.

**Mr. Jack Penner:** As the Minister is well aware, there are certain projects at some time that do not always meet criteria. I think an airport runway at Snow Lake was one of those issues that never met criteria of the Department, but a minister made a decision because of the request of a member of the Legislature for that region, to build a runway even though it did not meet criteria.

I was wondering whether the Minister might make the same kind of consideration for this road, setting aside some of the requirements for criteria.

**Mr. Ashton:** I do not know the circumstances in Snow Lake, but the traffic flow on this particular stretch of highway is 130. The normal threshold—especially this is not a main arterial road; there is other access in that area—is 400. So what I told the municipality and what I will tell the Member, as well, is that basically given those circumstances it does not meet the criteria of the Department. It does not meet any of the criteria established by the previous government and the criteria that have not changed. We are trying to work within those guidelines. The criteria may change over time.

So in fairness to the communities in that area, you know, I certainly have not indicated that we are going to take it out of the program, but we do have to look very carefully at it. The difficulty is there are all sorts of roads that have 300, 350, you know, double and in some cases triple the traffic volume that we are saying no to. They are not even under consideration; they are not anywhere close to being programmed. So it is a dilemma. I think every Minister of Highways would love to be able to pave every road, but on a regular basis I am in a position, as Minister of Highways, as were previous ministers, of having to send letters to people who write and indicate that these are the basic criteria.

What I have indicated to the municipal councillors that I met with in terms of this is that I will undertake to review the criteria. Obviously, this is the first capital program that we will be bringing in. I have seen this with other ministers as well—

**An Honourable Member:** Very popular document, you know.

**Mr. Ashton:** Oh, yes, well-read document, as the Member points out.

**An Honourable Member:** It could be a bestseller.

**Mr. Ashton:** What I want to stress is that certainly I will be looking at the criteria, but I do not want to underestimate the difficulties we are faced with, with the same kinds of pressures the previous government had. Yet it is nowhere near

the normal criteria, and that is one of the reasons that obviously I do have to look at this project and figure out the validity of the criteria and whether there are any other arguments, other than the normal arguments. As I said, it is about one-third of the normal traffic volumes for surfacing.

**Mr. Jack Penner:** I find it interesting that the Minister has a short memory when it comes to building airports in northern Manitoba, especially in his constituency, and that he does not remember. *[interjection]* You were at the meeting when we had the meeting right at the airport. So that is fine. *[interjection]* Memories will come a long way.

Highway 332 north of 14 at Rosenfeld, is there any consideration of reconstructing that road so it will bear traffic throughout the year? Really what we did was we destroyed a fairly decent road, because it was slated to be surfaced. What we have done now is brought the road bed lower than the fields on both sides of the road in some places. It is simply impossible to travel that road in spring some days, and it is impossible to travel that road in winter many times. It becomes impossible because it storms in so bad. If we are not going to surface that road, are we considering reconstructing it so it is at least travelable throughout the year, that it will stay clear of snow and will be passable during the spring and fall of the year during the rainy seasons? It is an absolutely horrible provincial road in this province.

**Mr. Ashton:** First of all, by the way, I would just like to advise the Member, in terms of memories, I am not the MLA for Snow Lake, never have been. I think he is probably confusing Jerry Storie, back in '93, who would have been the Member at the time. I am not the MLA for Snow Lake and I have no knowledge of the Snow Lake airport issue. So I appreciate whatever the Member did for Snow Lake, but it was not me, and I was not at any meetings in regard to it either, so I know nothing about the background of that.

This particular highway, I am advised that it was reconstructed. There has been some post-construction gravel put on it. I am just wondering if the concerns relate to this particular

year, if there are any problems right now during the spring?

**Mr. Jack Penner:** The road was reconstructed roughly about four years ago, 332. We cut down the road in preparation to lay a base for surfacing, which I understand is the normal engineering practice. Everybody agreed that was the right thing to do. We were given to understand that in order to bring the road level to the height that it should be, there would be aggregate added and a surface put on top of that. It was our understanding that it was concrete supposed to go over top of that to be a load-bearing road because it does connect the port of Gretna and is and could be used as an alternate flood route if it were finished. However, the roadbed being in absolutely deplorable condition virtually every spring of the year and impassable many days in winter when there are snowstorms because it is lower in some areas than the actual lay of the land is because that is the way it was built. I am wondering whether the Highways Department is considering reconstructing that roadbed to build a decent gravel road out of it or whether we are actually finally going to surface it as initially was intended. Could the Minister give me an indication of what the Department's plans are on that?

\* (17:50)

**Mr. Ashton:** Well, there are a number of factors, and I think the Member is aware of one of the major difficulties. The sub-grade is lower because of the existing bridge decks. There has been work done on this area. There was additional gravel in the '99-2000 program. That is one of the reasons I was asking in terms of current experience with that because the previous fiscal year did include that, and there was a second lift of construction gravel in '97-98.

In terms of the long term, there has certainly been some discussions of looking at additional gravel, granular base coarse. In terms of paving, it is considerably below the threshold again and so on. Its average daily traffic count is 205, so any decision on paving would have been long term in that sense. But I appreciate information on what the situation is if there is an ongoing problems this spring because there has been

some work done in the area. We are looking down the line at additional gravel, which is essentially sort of a reconstruction. But if there are any ongoing problems with that road, I would appreciate hearing about it, and if there is anything we can do certainly on the maintenance side in the meantime prior to any capital work, I certainly would be willing to look at that.

**Mr. Jack Penner:** Madam Chairman, the Minister is obviously not knowledgeable, and that is understandable, but the Department certainly is knowledgeable, and the Department knows what the base construction is. All I am asking is: Are we going to get a travelable road built there of one form or another or are we going to leave it in the mess that it is because it is simply not passable? The reason you have not got any traffic numbers on that road, sir, is that it is simply impassable many times of the year. It is simply impassable. I came down that road a year and a half ago in spring, and I got stuck with a four-wheel-drive truck right in the middle of the road, and I kid you not. I was trying to phone the Deputy Minister of the day to come pull me out because I would have challenged him to come down that road even with a four-wheel drive. You could not do it, because I got stuck. We got a four-wheel-drive tractor in, the neighbour pulled me out with his Versatile tractor and pulled me back to his yard, and I turned around and drove back to Altona. That is how bad it was.

And it is that bad in winter. We went to a concert at Lowe Farm. There was a bit of drifting, and had we not had a four-wheel-drive vehicle, you could not have gotten through. So that is the state of the roadway. Are we either going to lift the road so it becomes passable in winter and shape it so that it is driveable? It is either one. Either we finish it and finish what we started—and quite frankly I am a bit embarrassed at our Highways Department that it will start a project and never finish it. It is embarrassing, and it is embarrassing for us as representatives to come back and try and give excuses to our constituents. No wonder people become cynical about government at times, and this one is truly an embarrassment. This is not your fault, Minister. It was a project that was started but it was never completed, and all I am asking is

whether the Department finally will complete that road.

**Mr. Ashton:** As the Member points out, I have not been the Minister of Highways for the last 11 years. I have not been in government for the last 11 years, and I would hope the Member would have phoned the Minister of Highways rather than the Deputy Minister because it is ministers—you know, that is where the buck stops, and if the Member is saying that the road did not receive the attention it should have from the previous government, I would suggest he take that up with his own colleagues.

I inherited this. I have only been the Minister for a number of months, and I tell you, I know something about poor roads. There are lots of them all over the province. I have many in my own area that are in very poor shape and with significant traffic flows, so I know of what I speak. I have been stuck in the middle of roads myself. What I am saying is I try to identify some of the problems that are there and I do not think it is fair to criticize the Department per se. I think in the end, the bottom line is governments make the decisions.

Obviously the previous government made the decision to do some of the work that I outlined, the second lift of gravel, and the reconstruction had taken place. There is a problem with the grade, there is a problem with the bridges. There was nothing other than long-term discussions in terms of upgrading that road and obviously that was the decision of previous governments and I am looking at it in that light.

The reason I mention in terms of the maintenance side, that is something at least we can control in the short run and I would rather, I think, take the Member's concerns as advice type of thing, because I think we could debate this back and forth but you know I was not Minister of Highways for the last 11 years. There were three former ministers and I think probably, and I do not want to criticize it because I do not want to turn this into a political discussion which would be all too easy, but they obviously faced the same budget pressures and they decided to do what I outlined, which is do what they could within the limited circumstances.

We will look at it. I mean, I cannot solve all the problems overnight. I can indicate that this government did inherit the highway system as it was. I mentioned before, 70 percent of gravel roads are substandard, 30 percent of our paved surfaces are substandard and this is before we get into any issues of surfacing new areas, and that does happen. I mean we are obviously going to look at circumstances where paving is legitimately required, surfacing is legitimately required but in this particular case it is a fairly significant problem. It will not be solved overnight and above me on what had been put in place there really was not anything in the program, so I do not think it is fair to criticize the Department. I think responsibility lies with governments, and I will accept the responsibility this year. I mean, you know, as of this year on, I am not saying that it is necessarily reasonable to say, in cases such as this, that I should accept full responsibility but obviously I have to make decisions, along with my government colleagues and collectively we have to make decisions.

I just hope the Member was as vociferous with his colleagues in government, his ministers of Highways, because they had 11 years to fix this highway. They did some work which I have noted, but it was not an NDP government that was in for 11 years.

**Mr. Jack Penner:** Just one very brief last question. Madam Chair, 305 La Broquerie south, I wonder if there are any plans to reconstruct 305. That is the road that is called hog alley, I think, in Manitoba. I think there is some 50 barns down that road now. I think if the Reeve is correct in his analysis, there will be another 50-some-odd built over the next two or three years. It is a provincial road, and I think there is roughly about a \$50-million or \$60-million investment that has been made there now. There will be at least that much more that will be required for that road. I wonder whether the Department is considering upgrading that road?

**Mr. Ashton:** Yes, we do have a consultant doing work on that right now. I can get the name of the consultant. We do not have it handy, but we can make the Member aware of the name of the consultant and obviously keep the Member—*[interjection]* The advice I get is it is probably Stantec, and we certainly would welcome any

feedback from the Member on that. I know it is an issue that has been raised with us so we are aware of it. I am certainly aware as Minister.

**Mr. Jack Penner:** One final question, Madam Chairman. The intersection at La Broquerie, there have been some requests by the R.M. of La Broquerie to four-lane a small section of that because of the busy intersection there. Is there any consideration of doing some design work on that?

**Mr. Ashton:** Yes, we have met with them, and the regions are working with them right now to work on a possible design to resolve that.

**Mr. David Faurshou (Portage la Prairie):** Just knowing that we only have a brief 30 seconds here, I want to ask the Minister whether I am at the right Committee of Supply to ask questions in regard to the International Joint Commission. Is it his department through Emergency Management that is the liaison or the point department with the International Joint Commission's current undertakings?

**Mr. Ashton:** That would be the Minister of Conservation (Mr. Lathlin).

**Madam Chairperson:** The hour being 6 p.m., committee rise.

## INDUSTRY, TRADE AND MINES

\*(14:50)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Industry, Trade and Mines. Would the Minister's staff please enter the Chamber.

We are on page 109 of the Estimates book, Resolution 10.2 Business Services (b) Industry Development—Financial Services (4) Mineral Industry Support Programs (a) Mineral Exploration Assistance Program \$2,750,000.

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** I believe the Member was talking about the stresses that the construction industry is feeling in terms of good quality aggregate sources, and this is not a new topic. It has been something that Manitoba has

been facing for at least 10 to 20 years. Some municipalities are faced with importing aggregates from quite a distance, and it does mean a great deal of additional expenditures that they have to face.

I think it would be fair to say that we would like to increase our supports into this area and are trying to meet all of the demands that are being made of the Department. We have just increased, actually, the amount of support for Geological Services, something that we have not done for many years. We will be trying to restore some of our knowledge, look at reserve estimates. I believe the last time we looked at the Capital Region was back in the late '70s, early '80s and so the demand continues and our reserves—again, it is just like any other mineral deposit. It becomes depleted, and we know that much of Manitoba's pits are depleted. We have a substantial program, actually, rehabilitating deposits which have been used up.

So the Member's question about reserves is a point well taken. We do not have a good handle on reserves or on the financial impact of sterilization or the depletion of those deposits. It is an area that government needs to spend more attention on.

**Mr. David Faurshou (Portage la Prairie):** Mr. Chairperson, I appreciate the Minister's comments in this regard. I would hope the concerns that I believe have been expressed here today, there is an opportunity to take action on those. Then in a most comprehensive way not only a further investigation as to where deposits are but clearly an evaluation of the quality of those deposits and taking that point one step further in actually evaluating the utilization of those deposits. I am quite aware of deposits that are almost inaccessible because of municipal roads that are just not constructed in a fashion that can allow for heavy equipment extraction. This is a concern that contractors that are responsible for highway surfacing are experiencing to obtain those aggregate deposits.

So I would encourage the Minister that within the overall study and evaluation of this concern encompass that avenue as well. If she has any comments, I would appreciate them at this time.

**Ms. Mihychuk:** I think the Member is absolutely correct. There are different specs required for different end uses, and the Government does not have comprehensive or even a partial compilation of that. Most of the work has been focussed on determining the grading specs of material, but that is not the only criteria. It is not only how much coarse versus fines versus sands there is in a deposit, it is also what is the lithological make up of the particulates within that deposit.

Certain end uses have very high specs, and Manitoba has only very few deposits that would meet those specs. I think that debate is very appropriate. We should ensure that those deposits that meet those specs are preserved and utilized for those high-end uses. We would hate to see very high quality material used for something that was unnecessary because again we are forcing ourselves into a position that we would have to then import the material from a much, much greater distance and horrendously more expensive.

In the Toronto region, I know that for years gravel has been imported on barges for about 100 miles. That can end up adding the price to a construction project, whether it is a hog barn or a road substantially, so his point is well taken. I think that further sophistication is warranted and the Department would be well advised to explore that type of more sophisticated analysis.

\*(15:00)

**Mr. Faurchou:** Mr. Chairperson, I appreciate the comments. I believe the Minister is aware of a situation that occurred within the constituency of Portage la Prairie where a road surfacing firm made significant overlays within the city of Portage la Prairie and those asphalt overlays virtually disintegrated over a period of just one year because of the quality of the aggregate that was used within the asphalt-making process.

I would like to ask the Minister: Is her department responsible for the actual analysis of the aggregate? Do they provide that to industry, or is the industry responsible for doing that analysis themselves? How is the relationship between her department and industry in this regard?

**Ms. Mihychuk:** There are specs defined by the Department of Highways, not our department. The other assurance that private-sector individuals or organizations or municipalities should take when they are dealing with contractors is to contractually ensure that the specs are met and that there is a certain life to the project. So it is not particularly in our area. Like I say, we have not really been putting that information together.

**Mr. Faurchou:** Mr. Chairperson, I would like to ask the indulgence of the Chair as to whether I can revert back to a particular Industry question that pertains to Portage la Prairie. Would the Chair like me to pose the question to ask whether or not it will be in order?

**Mr. Chairperson:** What line would that be? I will ask for the consent of the committee.

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Chairman, I think we established at the start that we would be able to move back and forth. I hope that still is applying. I had advised my colleague of that just simply for when he could be available to ask questions.

**Mr. Chairperson:** We can go back, but once the line is passed, there will be no end to these proceedings—if it is a line already passed.

**Mr. Faurchou:** I would ask if there is unanimous consent as to whether I can revert back to an Industry question on a section that has already been passed.

**Mr. Chairperson:** Is there consent from the committee? *[Agreed]*

**Mr. Faurchou:** Thank you very much, Mr. Chairperson. One industry within the limits of the City of Portage la Prairie was an entity known as CalWest Textiles, and I was wondering whether or not the Minister had any developments in that regard. The persons that had previously been employed in this textile plant in Portage have not heard of any developments. I would like to ask the Minister if she has had any progress in this regard.

**Ms. Mihychuk:** This is an operation which had ceased its business when I came into office. We

have had the opportunity, though, to meet with some workers, employees' group—I think that was in the late fall—and at that time updated the individuals that the Department was actively looking for prospective purchasers for the whole business. There was some interest, and unfortunately now at this point those interests have ceased. At the present stage, Shindico is actively looking for a purchaser for the property, and the receiver is selling the equipment separately.

**Mr. Faurichou:** So then my understanding in reporting back to those who held out hope that they would be able to restore their employees in the textile industry are remote.

**Ms. Mihychuk:** It is very difficult, and, I mean, the opportunity is there because the plant is still there with the equipment, but, as the Member knows, the Department has made efforts to find purchasers across Canada and North America. We do not want to give up hope completely, but it does not look very good having this plant be mothballed for this length of time. The word has gotten out and individuals in that industry are aware of the opportunity. It is a very difficult situation.

**Mr. Faurichou:** I thank the Minister for her response and I appreciate the work that she has done on behalf of the former employees of Portage la Prairie. I certainly hope that she will be successful in helping the employees, if not to restore their employment in the textile industry, that they have opportunities to have employment in other industry sectors.

One other plant in Portage la Prairie that had Industry and Trade contact was the K&G Mushroom facilities that are to the south and west of Portage la Prairie. There was a multidepartmental effort to relocate the composting component of that industry under-way, and I am wondering at this point in time, it has yet to see construction activity at the site, where I know the former minister had an opportunity to turn sod there last year, and I wondered if she could assist those interested in understanding where this project is at this point in time.

**Ms. Mihychuk:** It is my understanding that the project is close to initiation, that the client chose to wait until the whole financial package could be secured and completed—and this has taken some time—and that the analysis is that everything is positive, and it looks like we may see something in the next month or two.

\* (15:10)

**Mr. Faurichou:** I am most anxious not only for extended employment opportunities, but the composting activity within this industry is one that is very aromatic, and there are residents within the area who are most anxious to see the change of locale for this process. So I hope to convey to them the Minister's message.

In regard to K&G Mushroom, I know that they are in this changing and expansion of their processes to increase their production. They had expressed to the Government, to ask for assistance in bringing some experienced personnel from India to Canada, so that they could oversee not only the construction and the initial initiation of the new composting process, and I was wondering whether the Minister has had any briefing on that situation or whether that is another department.

**Ms. Mihychuk:** It is another department. It is Labour and Immigration. We are not aware of the situation, but we would be pleased to follow up on that issue and consult with that department and get back to the Member.

**Mr. Faurichou:** I appreciate the Minister's willingness to work with the company. I might just leave a potential suggestion as to, within her portfolio of Industry, a very vital element of progress is to make certain that industry has the expertise that they need to expand and to potentially structure her department so that companies that are looking to bring in persons that enhance and expand their activity in our province are not impeded through the immigration process. I would encourage her to draw a stronger relationship and liaison with the other government department responsible for Immigration because I certainly believe it would be an enhancement of what the Minister is attempting to do on behalf of all Manitobans.

**Ms. Mihychuk:** I just wanted to inform the Member that the Provincial Nominee Program has been expanded from 200 to 500 and that a component of that initiated by our department was a business sponsorship program and 50 of those spots will be designated for individuals who wish to set up businesses here in Manitoba. That is just an indication of the importance that we see as an economic opportunity with immigration. In fact, the department of Immigration and our department is working closely on this issue, and there are a number of opportunities. So I take his words wisely and continue to work with Immigration closely.

**Mr. Faurschou:** I appreciate the Minister's response, and I hope that other industries and employment opportunities are forthcoming for Portage la Prairie and area. We are most anxious. It is a concern within the constituency of Portage la Prairie with the closure of Portage Manufacturing that was the last combine manufacturing plant in all of Canada. They closed approximately two years ago, and the more recent closure of CalWest Textiles has left the constituency of Portage la Prairie very much wanting for employment opportunities.

I would like to thank the Minister for the opportunity to revert back to those two points. I would like to turn the microphone over to my honourable colleague for Morris.

**Mr. Frank Pitura (Morris):** I was wondering if I could get leave from the Minister to ask questions in two general areas. One is on the Industry side and another one on the Mining side.

**Mr. Chairperson:** Is there leave? *[Agreed]*

**Mr. Pitura:** I thank the Minister for granting me leave. My colleague the Member for Turtle Mountain (Mr. Tweed) had discussed with the Minister, I believe, in the first day of the Estimates process with her department about a machine that was being developed by a couple of my constituents in the Oak Bluff area.

It is called the TR-6000, and it is a machine that is designed for applying liquid hog manure or liquid manure of any sort in any kind of soil condition. They are fairly excited about this

piece of equipment because it not only can inject manure into the soil, it does it to the ISO, I believe, 14 000 standards, which is a fairly high international standard, and the machine is also set up to apply liquid manure and fertilizer in combination, and constantly monitors the soil nutrients, and then it determines how much liquid manure and fertilizer combination to apply to the soil so that the waste management guidelines that are put out for the hog industry can be easily followed with this machine.

I know that the gentlemen in question, if I could use his name, M. Guyot, is the engineer who is designing this whole piece of equipment. He has had previous experience, I believe at Valmar Industries at Elie, and helped to develop some equipment there. He has been in touch with the Minister's department on several occasions with the intent of securing a Technology Commercialization Program grant in the neighbourhood of \$50,000. At this present time, they have a pilot vehicle or a prototype. They have demonstrated it; they have tested it.

The second stage now is to produce a market machine. This is what they are requesting the commercialization grant for. They have been invited by the provincial Department of Agriculture to demonstrate their prototype out, I believe, in Saskatchewan or Alberta as a made-in-Manitoba technology. Their desire is to have it as a made-in-Manitoba type machine.

\* (15:20)

They are telling me that they have frustrations. They are saying that they are having some difficulties making communication with the Department staff. I have names here but I am not going to use names, because I realize, with issues like this, there has to be two sides. Sometimes it is very difficult to deal with the proponents because of the way that they approach the Department. I realize that could be an issue.

I would just ask the Minister that since that day in Estimates I am told by the proponents that nothing has happened. So I am wondering if she could comment on that. Actually, one comment I will leave with the Minister on this one is that if there is any way that I could be of service in this

area between both groups, to me, most of the time it is strictly communication and perception, so I would be willing to do anything, but I was wondering if the Minister could comment on that.

**Ms. Mihychuk:** We have just been discussing this issue with staff. It is my understanding that the Department will be reviewing the application again and that the Department will be in contact with the applicants on Monday.

**Mr. Pitura:** Maybe just for the Minister's information, if I could go through the numbers here, that with regard to the \$50,000 that is requested, I believe that they are in excess almost of \$1 million or very close to \$1-million worth of expenditures right now. So the \$50,000 does not constitute a great deal of money, and I do not think money is the issue. It is a case of having the support out of Manitoba in terms of what they are attempting to do and having that moral support, some financial support, but giving them that feeling that they can move ahead and start to commercially produce this machine here in Manitoba.

One other thing, I do not know if the Minister has seen this—have you seen it? *[interjection]* Okay.

**Ms. Mihychuk:** The issue of due prudence on investments and wise decisions is one we take very seriously and \$50,000 is a considerable amount of money when compared to \$1 million of investment. It may seem minor but \$50,000 is a big expenditure. We want to ensure that the application complies with the criteria that they are attempting to access, to the fund that they are accessing.

I know that senior staff will have another look at it, help to direct this project into the proper funding vehicles and make sure that we are not seen to be obstructionist at the least. It fits with an overall vision of livestock management and dealing with manure and the need for fertilizers and the whole agricultural industry. So we will endeavour to move this along, and I am confident that senior staff will have another look at it and be in touch by next week.

**Mr. Pitura:** Mr. Chairman, I thank the Minister for her comments. As I indicated earlier, if I can be of assistance in any way please do not hesitate to call on me to help out. It is always interesting in having a new Manitoba business.

If I could switch over to mining, a mine. I would just like the Minister, if she could, to give me an update on the titanium deposit and the relationship of Gossan Resources, Cross Lake First Nations. With regard to the development up there and that deposit, is it going ahead, or is it not? What is happening?

**Ms. Mihychuk:** The deposit has been identified. There has been considerable work. The next stage means a fairly significant investment that requires to be done to define the deposit. We are working with Cross Lake Nation and council, have had meetings with them. There has been a change in representation from Cross Lake on the minerals guidelines group, so there has been some changes there. We continue to provide support to both sectors in this deposit, which is the Cross Lake band and Jim Campbell of Gossan Resources. So the issue is still under negotiation.

I understand that this year there may be some work by a third party. That is probably pre-emptive, so I do not want to go any further. But the issue is still out there. It looks like a promising deposit, and I hope that a settlement can be reached soon.

**Mr. Pitura:** I thank the Minister for that information, and I will attempt to have her keep me updated as time goes on, and now I would like to pass the microphone over to my colleague from Turtle Mountain.

**Mr. Tweed:** Mr. Chairman, I am ready to pass the mineral exploration line, or do we do that as a whole package? Then I will ask the rest of the questions in that area then.

Under the Manitoba Potash Project: "Increase associated with the increased interest cost." Is that a loan?

**Ms. Mihychuk:** This relates to our interest in the Manitoba Potash Corporation where we have

interests amounting to 49 percent. Our partner is Potamine and this is basically an inactive corporation at this time as we look at potential opportunities for either divesting or developing, and the monies here are accounted to The Loans Act and relate to maintaining our responsibility as a 49 percent partner in this project. Relate to leases and other costs related to our share of maintaining this corporation.

**Mr. Tweed:** Do we have appointments to that board or organization?

\* (15:30)

**Ms. Mihychuk:** Yes, we do. The current board members are Oliver Boulette, Jim Crone and Lyle Skinner.

**Mr. Tweed:** Has the Board met since September?

**Ms. Mihychuk:** There was a telephone meeting between Potamine and the Manitoba Government.

**Mr. Tweed:** Where is Potamine from?

**Ms. Mihychuk:** It is owned by the French government.

**Mr. Tweed:** The Minister had stated—and she can correct my statement if I am wrong, but is the department reviewing this project? In her last comments to the Member for Morris (Mr. Pitura), she talked about 50 000 of those compared to a million, and we are now looking at a \$30,000 increase on \$175,000.

**Ms. Mihychuk:** Yes, we are looking at the potash deposit. The previous government had made an analysis or a decision to divest our interests in this holding. It is a substantial potash deposit in the Russell area and has defined specs that have been done. We are reviewing Manitoba's position in that decision and will be looking at global opportunities.

This has been a fairly stagnant industry that had considerable reserves. The price of potash was relatively stable, and bringing on new green fields was considered to be unlikely. There has been some movement in the potash development

in Asia, and there has been closure of some of the holdings in eastern Canada, which lead us to re-evaluate Manitoba's position on the potash deposit.

It is obviously our hope that Manitoba could develop a potash mine and successfully employ hundreds of people in the Russell area.

**Mr. Tweed:** Based on the history of it, is it the idea that if a potash mine were to be developed that the Manitoba Government would be a partner at 49 percent?

**Ms. Mihychuk:** It is really premature to come to any conclusion as to the ownership structure of a potential mine. We are just, at this point, looking at doing an evaluation of Manitoba's position, so it is really premature to make that decision.

**Mr. Tweed:** How long has the Manitoba potash project been operated?

**Ms. Mihychuk:** The corporation was established in the mid-'80s.

**Mr. Tweed:** We will go to the next. The Acid Rain Abatement Program in Flin Flon, can the Minister tell me what that is?

**Ms. Mihychuk:** In 1991, the Government of Manitoba completed an agreement with Hudson Bay Mining & Smelting whereby the province would provide financial assistance of \$55 million toward the construction of environmental improvements to the plant in Flin Flon related to sulphur dioxide reduction agreement or emissions. Manitoba entered into an agreement with the Province of Saskatchewan also, whereby Saskatchewan contributed 14 percent or \$7.8 million towards the project.

In October 1996, Hudson Bay Mining & Smelting approached the province requesting an extension of the repayment of the loan for an additional three years to June 2000. Over the next few months, a number of options were considered. In January 1997 officials agreed that Hudson Bay would repay 50 percent on June 14, 1997, and the remaining 50 percent would be on June 14, 2000. Hudson Bay has met their commitments under the second agreement.

As part of Hudson Bay Mining and Smelting's project 2012, the province signed a third agreement dated March 14, 1999. The repayment schedule provides for \$2 million each year beginning June 14, 2000, through June 14, 2005; \$4-million repayment in 2006 and 2007; and a final payment of \$7.5 million on June 14, 2008.

*Mr. Cris Aglugub, Acting Chairperson, in the Chair*

**Mr. Tweed:** Mr. Acting Chair, the reason, then, that the figure went up \$30,000 was because of the extension of time. Is that an interest cost?

\* (15:40)

**Ms. Mihychuk:** That is correct. The money is related to an increased cost of interest charges.

**Mr. Tweed:** Was the loan taken out at a reduced rate?

**Ms. Mihychuk:** It was based on a loan rate of 5.5 percent.

**Mr. Tweed:** If the Minister is right, the next question would be: Does she consider this to be a subsidy to business?

**Ms. Mihychuk:** Well, as far as I can tell, that seems below Crown corp rate, so I would say, yes, it is.

**Mr. Tweed:** Can the Minister tell me what the Specialty Minerals Incentive Program is?

**Ms. Mihychuk:** The Specialty Minerals Incentive Program is relatively new to the Department. This program was started last year and provides some assistance to those minerals which are not traditionally mined such as nickel, copper, silver, gold and base metals. This applies to minerals which include lime, building stone, silica sand, magnesium, and there were a number of projects that we considered to be favourable and wanted to encourage the economic development of those prospects. So this is a program that was initiated to stimulate that type of activity.

**Mr. Tweed:** Are there any specialty mines in Manitoba, and if so, where?

**Ms. Mihychuk:** There are a number of them. There are granite quarries in the Bissett area; there are peat deposits that would be eligible for this that are in the Beausejour area; there are peat deposits being mined in the Interlake as well as potentially bentonite being mined again in the Roseisle area. In addition, there is a quarry that was used for building stone up at Snow Lake; the lime quarries around Ashern are also an industrial mineral, so there are a number of different commodities that are being mined in Manitoba.

**Mr. Tweed:** Is the program being accessed, is it done by application, or how?

**Ms. Mihychuk:** Yes, individuals or companies are encouraged to apply to the Department. There are not specific offering dates. There is continual acceptance of application. Treasury Board approval is required, and we have had some interest. There have been six applications, and two of those applications have been approved.

*Mr. Chairperson in the Chair*

**Mr. Tweed:** Are there restrictions on the amount of what a person or company can access out of this fund?

**Ms. Mihychuk:** It is a maximum of \$50,000 per project.

**Mr. Tweed:** Now, is that a maximum based on a percentage or is it just based on \$50,000?

**Ms. Mihychuk:** Fifty percent of the project costs are covered up to \$50,000.

**Mr. Tweed:** So 50 percent of the program costs up to \$50,000 can be accessed. So would that suggest that, at \$250,000, we are looking at roughly five projects?

**Ms. Mihychuk:** If we were at the maximum, that would be true, but we do not have and have not had full take-up of this project.

**Mr. Tweed:** Can the Minister explain to me what the Prospectors' Assistance Program is?

**Ms. Mihychuk:** The Prospectors' Program provides 50 percent of approved expenditures, up to a limit of \$7,500.

**Mr. Tweed:** What would I be doing to access that fund? Am I just an individual or a corporation?

**Ms. Mihychuk:** The program is set up to encourage prospecting and prospectors, so it is not eligible for the majors or incorporated companies. These would be individuals who are interested in doing some prospecting. You would be doing claim staking, some line traversing, taking some samples, doing that kind of mapping, some hard rock, and some surface samples. Then what normally would happen is you would develop a report based on your work in the summer and would be flogging your terrific find to another company that hopefully would buy it for further development, or you would work with other partners to try and get further funding for more exploration.

**Mr. Tweed:** Is that a fund that is accessed every year?

**Ms. Mihychuk:** Yes, it has been available and it is accessed. Last year, actual payments were \$93,000. The year before, it was \$122,000 and the year before that was \$90,000. So it is a program that is being accessed.

**Mr. Tweed:** Again, if I am not in the right area, just tell me and we can figure out how to get there. If I want to do a feasibility study on an industry or an opportunity in Manitoba, are we in the right department for that? Are we in the right area?

**Ms. Mihychuk:** Yes. There are a number of sources in Government for funding feasibility studies, and this is one of them. You could make application for funding under the Business Development Fund.

**Mr. Tweed:** I just had a couple of questions. I am wondering if I could have leave to go back to that and just finalize it.

**Mr. Chairperson:** Is there leave?

**An Honourable Member:** Leave.

**Mr. Chairperson:** Leave granted.

**Mr. Tweed:** The Manitoba Business Development Fund offers money to certain or some individuals in businesses to do feasibility studies on business opportunities in the province. Is that correct?

**Ms. Mihychuk:** That is correct.

\* (15:50)

**Mr. Tweed:** I know that it has been reduced and I know we discussed that. Is that something that, year over year, is usually fully subscribed to?

**Ms. Mihychuk:** It is a program that is utilized and close to using the total amount of the fund, yes.

**Mr. Tweed:** Has the fund ever been used for a feasibility study on gaming?

**Ms. Mihychuk:** Not that we are aware of.

**Mr. Tweed:** Mr. Chairman, I am just kind of working on memory here, but at one point in time the province was asked to support the Centre on Disability Studies. I honestly cannot remember all the details, but I believe it was approved. I am just wondering if the Minister can tell me if that is still being funded, or I guess where it is at today?

**Ms. Mihychuk:** Well, yes. In fact, the group came forward and felt quite frustrated. There was approval for the Canadian Centre on Disability Studies, and it was contingent on them raising additional funds to trigger the release of our money. That was inhibiting the centre's ability to function, so we have made the commitment. It was budgeted, and we have released those funds to the centre.

**Mr. Tweed:** Just for clarification then. I guess I would ask how much has been released to them and out of what fund?

**Ms. Mihychuk:** The total commitment was \$500,000. It was a number of departments involved: Education, this department, Health, Family Services, and \$50,000 was released under the previous formula where they had to match with private contributions; \$450,000 we have just received approval to release to the centre.

**Mr. Tweed:** I was not setting it up to be a trick question or anything. I was just curious to be reminded of the details. I think you mentioned it. There was a contribution and a matching dollar agreement. Have they raised any more money privately to the Minister's knowledge?

**Ms. Mihychuk:** Just the \$50,000.

**Mr. Tweed:** I am going to ask this question, and you can tell me if I am still in the right area or not. These are just constituency issues. One is in Carberry, Manitoba, with the opportunity for development for Midwest Foods. I am wondering if the Minister has had any meetings or conversations with (1) the company and (2) the people in the community and surrounding municipalities?

**Ms. Mihychuk:** Yes, I can inform the Member that we met with Midwest Foods in November of last year, and we have agreed to participate in a feasibility study. They are at this time determining the scope of that study.

**Mr. Tweed:** I am presuming that the scope would be as to what the benefits are to the corporation as well as the communities?

**Ms. Mihychuk:** The private sector, in this case, Midwest, is looking at the scenario and determining what is best for its own interest.

We have indicated that we are interested in participating in economic development, so they are assessing the situation based on their own needs

**Mr. Tweed:** Has the Minister met with the community or any members of council from the surrounding R.M.s that encompass Midwest Foods?

**Ms. Mihychuk:** I have met with members of the councils in that area at the convention of AMM in the fall, I believe, or it could have been early winter. At that time, there was considerable interest obviously by municipalities that were hoping for agricultural diversification and opportunities in the potato industry.

I do know that there have been numerous meetings with department officials, including our Department of Agriculture, Intergovernmental Affairs and Conservation.

**Mr. Tweed:** Has your department taken the lead on this now that they have agreed to the feasibility study?

**Ms. Mihychuk:** The Government is working as a team on this and basically responding to the private sectors needs, but there is an assessment of the environmental conditions, agricultural, industrial and infrastructure. At this point, again it goes back to the private interests or what is best for the corporation. They are the ones that are basically calling the shots.

**Mr. Tweed:** More for information than anything, I am sure that the Minister with the department of Environment or Conservation involved, I think just based on what I have seen and heard in that particular area, there is quite a concern over some of the environmental issues of the old plant. I would, I think, be quite comfortable in saying that the people that live directly surrounding that particular business venture are anxious to find some relief from some of the problems that have occurred and, with the expansion and the need for a new waste treatment plant, see that as kind of their hope to relieve some of those pressures.

That is it for this line, Mr. Chair.

\* (16:00)

**Mr. Chairperson:** Item 10.2.(b)(4)(a) Mineral Exploration Assistance Program under the Mineral Industry Support Programs \$2,750,000-pass; (b) Manitoba Potash Project \$204,200-pass; (c) Acid Rain Abatement Program - Flin Flon \$292,900-pass; (d) Speciality Minerals

Incentive Program \$250,000—pass; (e) Prospectors' Assistance Program \$125,000—pass.

10.2.(c) Manitoba Trade and Investment Marketing (1) Salaries and Employee Benefits \$2,046,900.

**Mr. Tweed:** Can the Minister just advise me who the manager is of this?

**Ms. Mihychuk:** The position is occupied by Rod Sprange, and that has not changed.

**Mr. Tweed:** Have there been any new people added to this department? I notice they have 34.5 full-time employment. Are they full?

**Ms. Mihychuk:** There are presently three vacancies, and one individual moved from the Economic Development Board into this area.

**Mr. Tweed:** So the three vacancies, it is not two vacancies with the transfer; it is three vacancies, and you have one new person there.

**Ms. Mihychuk:** The three vacancies, we had four vacancies. One was a retirement, and this individual filled that position.

**Mr. Tweed:** I know that we have talked briefly in other conversations in this Estimates. I read in the paper one of the big concerns in Canada is the high reliance on the American market for their exports. I am told Japan is our second highest export market. Is that true?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** What does the Minister see as the biggest opportunities in the next year or 18 months for trade investment around the world?

**Ms. Mihychuk:** This is an area that Manitoba has been very successful on. There is a concern about being too dependent on our neighbours to the south. That is why the branch is looking to diversify and encourage Manitoba exporters to look at a number of different opportunities. That is why our agents are located in Asia, Europe, Mexico and South America, but we continue to promote opportunities in the United States. There are a number of them, and we have been successful at penetrating that market. I think

there are a number of opportunities there as well. So, yes, it is a concern and we try to diversify our exports.

**Mr. Tweed:** I do not necessarily need a number, but how big is the trade from Manitoba with the rest of Canada?

**Ms. Mihychuk:** Our exports to the rest of Canada amount to approximately \$8 billion, and those outside of Canada amount to about the same amount, \$8 billion.

**Mr. Tweed:** Mr. Chair, can the Minister tell me about the Manitoba Trade centre?

**Ms. Mihychuk:** We are presently in discussions with the Winnipeg Chamber of Commerce, Winnipeg Economic Development Agency and the federal government to look at sharing the space.

**Mr. Tweed:** The only reason I asked that question is I noticed that there was a reduction—I am not sure I am in the right line here—in their accommodation costs. I just wondered have they moved or are they moving? Have they negotiated a new contract somewhere else?

**Ms. Mihychuk:** The accommodation costs are reduced because we were successful in negotiating or obtaining a lower lease rate at 155 Carlton. We have not moved Trade into co-location facilities and are actively looking for such an opportunity. So the reduction is based on the lower lease rates at 155 Carleton.

\* (16:10)

**Mr. Tweed:** I am assuming then that the lease at 155 Carlton has been renegotiated.

**Ms. Mihychuk:** Yes, and that was reflected in the earlier Estimates for the other branches as well. If Manitoba Trade does move with this project, and we are hopeful and supportive of that initiative, then government has other departments and units that are prepared to fill those spaces at 155 Carleton.

**Mr. Tweed:** Mr. Chairman, may I ask what those are?

**Ms. Mihychuk:** I have been informed that the U.S. is absorbing the majority of our capacity, but we are still making links with the Japanese market and look forward to a mission from Japan related to this sector.

**Mr. Tweed:** Is the Export House still functioning and operating?

**Ms. Mihychuk:** The initiative is still ongoing, but the house itself is being dismantled, and that was a decision made by the private-sector interests.

**Mr. Tweed:** I know at one time there was talk of, I think, either extending the contract or looking at a different deal. I am presuming that did not happen, or they did not ask.

**Ms. Mihychuk:** The private sector decided to go with dismantling the house because refurbishing or renewing the house was deemed not to be financially expedient.

**Mr. Tweed:** Having not been by there recently then, is it under deconstruction right now?

**Ms. Mihychuk:** It is starting. Some of the landscaping and exterior components of the project have been removed.

**Mr. Tweed:** Mr. Chair, more of a general question, just wondering: Does the Minister have any trade missions organized in the next little while, and could she perhaps tell us where and what her intentions or hopes are from the trip?

\* (16:20)

**Ms. Mihychuk:** There are pressures and interest by industry in having us take trade missions. I have been somewhat hesitant, given the expenditures, and I want to be sure that the mission is going to be productive and economically successful. Last year, there were two missions planned; one to Jalisco and the other to Chile. It was my decision to go to only one of those two, and the choice was Jalisco. Since then, I have had considerable pressure to go to Chile. There was disappointment, I understand, that I did not attend.

Having been on one mission, I have to say I worked very hard, had an experience of a lifetime, a real opportunity, and can honestly say that it was a benefit to business and industry. In that culture, having a minister present does open doors, and I would never consider it if that was not the case. So I would be prepared to do it again. I think that the feedback from industry, as well, was that it was useful for them and increased opportunities. So in terms of trade missions that are prepared, I think we have several that the Department is leading. I know that the Premier (Mr. Doer) is going to China in the fall with Team Canada, and I will not be participating. He takes a team with him.

In terms of departmental missions, there is potential for Chile. There are a number of outgoing missions. A mission to Korea, Taiwan and Hong Kong, agri-food TAC to China in April of 2000. In May, outgoing would be a business mission to Turkey in the Middle East, in June International Financial Institution mission to Washington, information and technology mission to Hong Kong and Taiwan and information and technology mission to Chile in June.

In August there are outgoing missions in the agri-food sector to Mexico and a multisector business mission to Brazil. September there is a mission to Chile and Argentina. In October a business mission to Iran, Saudi Arabia and the Middle East, another one for Manitoba and Canada Mortgage and Housing to Chile. So there are a number of missions that are planned and as has been the practice in the past and given the tough financial straits left by the previous government—I am teasing the Member. He looked to be relaxing too much. But I am not going to blame all of our financial woes on the previous government although sometimes we are tempted to get into rhetoric. We do need to be prudent when it comes to travelling. I try to do that. We try to make the most and be most effective with trade missions. The Department has been very successful. All you have to do is look at the export numbers to see how effective that division has been. So I am very supportive of their efforts and will basically do what they instruct me to do.

**Mr. Tweed:** Maybe we can get them to instruct you to send me. I am not sure, even though made in jest, that I can let the Minister off entirely on the situation that was left to her. I think if anybody were to check the records they would see that this new government has been left with more financial wherewithal than any government ever to come before. I do not want the Minister to ever think that—

**An Honourable Member:** Tax and spend, tax and spend.

**Mr. Chairperson:** Order, please. If the Member for St. Norbert (Mr. Laurendeau) wants to speak, he can be recognized.

**Mr. Tweed:** I do not think that the Minister will ever have to fear from this side of the House if she decides to travel and create business opportunities in the province of Manitoba that we would be critical of that. We recognize that, I think more than ever, your department is the engine that will drive the economy. I guess that is one of the reasons why I have some concerns in some of the reductions, not necessarily in this area. But I think we all recognize that if opportunities are out there, we have to have people out there selling the province. I think the Minister should feel very comfortable, and we will expect results and question some of the opportunities, but I think, if we are trying to do what we are all supposed to be trying to do and that is create more trade and investment in the province, then we will support you in that.

A lot of the concerns that people expressed to me, particularly in the smaller markets of Manitoba, is the lack of ability to develop an export plan or to get into it. Has the Minister offered any new plans or have any of the plans that were in the previous, last year's, administration been changed, or are there any new programs that are being made available?

**Ms. Mihychuk:** No, I do not want to meddle and interfere with tremendous success, so the program is continuing as it was. There is growth in this sector. Things are moving along quite well, and we will be very supportive of the initiatives. I think that the management has shown vision, and I look for direction from the experts. At the present time we are satisfied with

the growth that we are seeing and continue to support this division.

**Mr. Tweed:** I think we are prepared to pass this. *[interjection]* Oh, I will defer.

**Mr. Marcel Laurendeau (St. Norbert):** Seeing as you said I should be recognized, I wanted to at least clarify a couple of items with the Honourable Minister. Has the Minister finally recognized the Department that she has come into has been properly organized and run over the past 10 years, especially under the leadership of the Honourable Member for Turtle Mountain (Mr. Tweed) when he was the Minister? Could the Minister comment on that?

**An Honourable Member:** Mr. Chairman, on a point of order.

**Mr. Chairperson:** There is a point of order being raised. The Member for Lakeside (Mr. Enns), please state your point of order.

Does the Honourable Minister wish to answer the question?

**Ms. Mihychuk:** Let me just say that we will continue the things that are working and modify the ones that are not. We are moving in that direction. I am very pleased that actually this has been a fairly cordial Estimates process with the Member and I agreeing on many, many issues.

\* (16:30)

**Mr. Chairperson:** Item 10.2. Business Services (c) Manitoba Trade and Investment Marketing (1) Salaries and Employee Benefits \$2,046,900—pass; (2) Other Expenditures \$2,284,800—pass; (3) Grants \$250,000—pass; (4) Less: Recoverable from Rural and Urban Economic Development Initiatives (\$1,000,000).

**Mr. Tweed:** Just a question for clarification, Mr. Chairman. Is that number an ongoing deficit or a negative number and with the elimination of Rural Development, will that money come out of IGA?

**Ms. Mihychuk:** Yes, this is a continued support from Intergovernmental Affairs and has been the

situation for a number of years, and it helps support the trade program.

**Mr. Chairperson:** The next item for consideration is item 10.2.(d) Small Business and Entrepreneurial Development (1) Salaries and Employee Benefits \$1,140,800.

**Mr. Tweed:** I appreciate the help of my colleagues, Mr. Chairman, but their exuberance is only exceeded by—anyway, I just have a few questions, Managerial. Can I ask who that person is?

**Mr. Chairperson:** Will the Honourable Minister introduce her staff.

**Ms. Mihychuk:** The head of this branch is Tony Romeo, and he has been the manager for two years.

**Mr. Tweed:** Were there any vacancies when the Minister took office in this department?

**Ms. Mihychuk:** Yes, there was one vacancy and it remains unfilled at the present time.

**Mr. Tweed:** I am wondering if the Minister would just update the House with the agreement that Canada and Manitoba signed on the Business Service Centre. I know at one time it was recording huge numbers of access, and I guess I am just wondering if that is still happening and where it is going.

**Ms. Mihychuk:** This is another great program. I sense from the Member across the way that he was impressed with the unit as well, or the branch.

This is a five-year agreement with the federal government, and we are two years into the program. The number of visitors continues to climb. Last year, we had over 60 000 interactions with this unit and they have been very successful at reaching out. I have to say that it is one of the services that is quite spectacular, and I encourage all Manitobans to go and visit. They provide a resource library, computer support, personal business advice and mentorship and all kinds of support services to the small business sector.

**Mr. Tweed:** Part of the appropriation of this department is Access to Capital under the Business Start Program. Can the Minister advise if there has been any changes to that program?

**Ms. Mihychuk:** No, there have been no changes.

**Mr. Tweed:** Mr. Chairman, can the Minister advise of the success rate of this program?

**Ms. Mihychuk:** The average loan loss rate is 17 percent.

**Mr. Tweed:** That is not the question I was asking, but that is a good answer. What I was asking is, is the uptake on this program, is it high or is it consistent across the last four or five years?

**Ms. Mihychuk:** The uptake is quite good. It has been relatively stable at 40-to-50 loan guarantees made per year.

**Mr. Tweed:** Does the Minister have a breakdown as to regions of the province that are accessing this the most?

**Ms. Mihychuk:** The breakdown is approximately one-quarter rural and three-quarters urban.

**Mr. Tweed:** The access to capital and, I am guessing, the co-operative development, it says, provides administrative support to the co-operative loans and loans guarantee. I have again a constituency issue that falls under that. I know that the citizens of Gladstone-Austin, the gang project on natural gas—I am just wondering, has the Minister had an opportunity to meet with this organization?

**Ms. Mihychuk:** No, I have not had an opportunity to meet with this group, but the Deputy Minister met with them last week.

**Mr. Tweed:** I am wondering if I might be able to obtain an update as to where the project might be. I understand it had to do with a certain amount of money. I think they were looking for approval to access the fund or to utilize a fund. Could I just get some information on it?

**Ms. Mihychuk:** The project involves expanding service in their existing franchise area. Right now they are in the process of developing a business plan and doing a feasibility study, and then they would be eligible to apply to this program.

**Mr. Tweed:** Does the Department help in any way, or do they have access to any assistance for the feasibility study?

**Ms. Mihychuk:** We have a staff member from the co-op unit that has been assigned to this project to provide consulting resources to the group.

**Mr. Tweed:** Do you have that person's name?

**Ms. Mihychuk:** The individual is Dave Kerr.

**Mr. Tweed:** Pass.

\* (16:40)

**Mr. Chairperson:** Item 10.2. Business Services (d) Small Business and Entrepreneurial Development (1) Salaries and Employee Benefits \$1,140,800—pass. (2) Other Expenditures.

**Mr. Tweed:** Just under Grants and Transfer Payments, could the Minister just advise what this involves or what it is?

**Ms. Mihychuk:** This is support to the Manitoba Marketing Network.

**Mr. Tweed:** Which is?

**Ms. Mihychuk:** The Network is a 15-year-old private-public partnership between members of Manitoba's business community and the provincial Department of Industry, Trade and Mines. Its purpose is to provide practical marketing advice to small-business owners. The free marketing advice is dispensed by Network members who are currently involved or have been involved in successful businesses. These members volunteer their time because they believe in the importance of small businesses in our economy. The Network provides practical advice based on real experience to approximately 150 clients per year.

**Mr. Tweed:** And it falls under Grants and Transfer Payments? Does that dollar value just constitute consultation fees?

**Ms. Mihychuk:** Their expenses include advertising, which is the majority of their expenses, workshops, office supplies, business and promotion, insurance, directors' meetings. That is a breakdown of their expenditures.

**Mr. Tweed:** Just following that same path, Mr. Chairman, under Communications, what would that involve?

**Ms. Mihychuk:** The Communications line is defined on page 81 and includes advertising, telephone costs, electronic communications services, postal services, and other advertising of the Canada/Manitoba Business Service Centre.

**Mr. Tweed:** In the notes that follow at the bottom, it talks about a decrease in the bad debt provision for Business Start Program loans. Is that seen as a problem?

**Ms. Mihychuk:** This is a positive. This is actually decreasing the amount of losses that we expect to incur. We found that we had been over-allocating in this area.

**Mr. Tweed:** We will pass this.

**Mr. Chairperson:** 10.2.(d)(2) Other Expenditures \$741,400—pass; (3) Grants \$30,000—pass.

10.2.(e) Access 204 Manitoba (1) Salaries and Employee Benefits \$283,800.

**Mr. Tweed:** You are on 10.2.(e)?

**Mr. Chairperson:** We are now on 10.2.(e)(1), yes, Access 204 Manitoba.

**Mr. Tweed:** Mr. Chairman, the name has obviously changed to Access 204 Manitoba. I am wondering if the Minister could tell us what changes in focus and direction this organization will be taking.

**Ms. Mihychuk:** This is basically a re-look at the call centre initiative. They are going to be concentrating on higher-end operations, focus-

sing their marketing strategies in areas of e-commerce and providing desktop support. Service centres are the new wave of the future in terms of the evolution of call centres. They pay better. They deal with incoming calls and provide technical support. A good example of these types of centres is NISSAN [*phonetic*] support services provided by IBM across the U.S. That is a good example. I will leave it at that.

**Mr. Tweed:** I thought you had two or three. Does the Minister know if there are currently any applications before the department for assistance in establishing new or expanding old call centres?

**Ms. Mihychuk:** The department is in discussions with a number of companies that are interested in either locating for the first time or expanding their operations.

**Mr. Tweed:** Can the Minister tell us approximately how many people are employed now in Manitoba under the Call Centre Team initiative?

**Ms. Mihychuk:** There are approximately 9000 people employed in this industry.

**Mr. Tweed:** Although reducing the Department's budget line, not necessarily on this particular side of it but on the funding side, would the Minister agree that the call centres have been good for the Province of Manitoba?

**Ms. Mihychuk:** I think that it would be fair to say that at a time when unemployment rates were substantially higher and this was a new industry, it did establish Manitoba in the call centre industry and in fields which provided service and was in a growth sector, but I think that Manitobans would like opportunities that are higher skilled and provide more opportunities and better wages. So I think that the evolution is timely and important and provides more opportunities for Manitobans.

\* (16:50)

**Mr. Tweed:** Do we have any numbers today that would indicate how much e-business is being done in the province?

**Ms. Mihychuk:** No. We do not have statistics but it is growing rapidly. As I have mentioned before, we will be bringing in facilitating legislation which will allow more and more e-commerce to be done between companies in the private sector, between citizens and businesses and with government. It is recognized as the way of the future. There have been challenges with the technology and the costs involved, and I think that we are seeing a rapid change in those factors. We know that there are a number of businesses that have gone totally online. I know that Mind Computer, for example, is virtually paperless. I have also heard that Nygard is, as well, online and does a lot of his business using e-commerce.

So I think it is clear that this is the way of the future. Manitoba must come into the new world and the new economy, and this is one initiative. Access 204 is, of course, Manitoba's area code, and we want to promote our area code as a good place to establish service centres. We have a favourable time zone which allows for favourable hours of service. We have a multicultural population with numerous language skills that are available. We have a very good workforce and the business climate is very positive.

This team which has been very successful at bringing in call centres is now going to turn their marketing strategies and skills to bringing in e-commerce opportunities and these types of service centres.

Also, I recently was at a internal trade ministers' meeting where the present federal government had representation from a committee that they had created to look at e-commerce and the new economy, and one of the areas that they recognized as leading edge was this type of service centre. We have indicated to that committee and to the federal government that we feel we are leaders in this evolution and would be very interested in participating in projects that would enhance this particular area.

**Mr. Tweed:** I noticed that there were five employees. Were there any vacancies when the Minister took office?

**Ms. Mihychuk:** There were two vacancies and there still remains two vacancies in this unit.

**Mr. Tweed:** Is it the intention to fill those positions, those vacancies?

**Ms. Mihychuk:** One position is held vacant. It provides support for the Manitoba Call Centre Association. The other position is vacant as the individual is on maternity leave.

**Mr. Tweed:** There is one support person who works with the Manitoba Call Centre Association?

**Ms. Mihychuk:** The position is held vacant and the funding of that position is used to support the Call Centre Association.

**Mr. Tweed:** So then on top of the grant of \$45,000, there is one value salary going to the association.

**Ms. Mihychuk:** That is the offset to the grant amount, and it remains the same as last year.

**Mr. Tweed:** Just for understanding, then, of the five full-time equivalents, one is away on a maternity leave; the other one is kept vacant. Is that salary funding the \$45,000 that we see in the Grants?

**Ms. Mihychuk:** It is equivalent to the salary provision, so it offsets that salary, approximately. But Treasury Board wanted us to report the salary line, even though the position was vacant.

**Mr. Tweed:** Again, just for clarification. You provide a grant to the Manitoba Call Centre Association for \$45,000, and then you provide the equivalent of one full-time salary also to the association?

**Ms. Mihychuk:** I understand that the salary total of \$283,800 represents the four salaries of the four individuals that work in the unit. The equivalent to the fifth salary is the \$45,000, which is recorded under the Grants line. So it is not \$45,000 plus \$38,000 or something. It is that the grant to the Call Centre Association is \$45,000.

**Mr. Tweed:** So, in reality, then, you would have four full-time people in the office, which is now three because of the maternity leave.

\* (17:00)

**Ms. Mihychuk:** That is correct. There are four full-time positions that are within our department's staff complement, and they are augmented by secondments. At the present time we have a secondment from MTS, Manitoba Telecom, and we have until recently had a secondment from Economic Development Winnipeg. The expectation is that that type of relationship would continue and that secondments would be available for this team.

**Mr. Tweed:** So the Call Centre Association basically uses \$45,000 of the \$283,800 that is shown as full-time Salaries and Employee Benefits?

**Ms. Mihychuk:** No, the Call Centre Association receives \$45,000 of the \$471,000.

**Mr. Tweed:** So then you are saying that you have got five full-time employees less two vacancies right now in the Department. Is that correct?

**Ms. Mihychuk:** Yes, that is correct.

**Mr. Tweed:** One person is away on a maternity leave and the other vacancy you do not fill but transfer some of that funds to the Grants under \$45,000?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** Does that not indicate that you are double-booking that line on the \$45,000, like it is showing up as an expenditure under Salaries and Benefits, and it is showing up as another expenditure under Grants?

**Ms. Mihychuk:** The way that it is reported it looks like there are five positions and the total is represented under \$283,800. However, the salary for that one vacant position is not included in those salaries, the \$284,000 approximately represents the salaries of four individuals. The fifth salary is represented under the Grants line, the \$45,000.

**Mr. Tweed:** I hate to disagree, but you are showing one managerial position at \$77,600. You have got three technical and professional staff. Are you saying of those three there are only two, and they are each earning \$70,000?

**Ms. Mihychuk:** Yes, that is correct.

**Mr. Tweed:** To me then it is shameful accounting. Whether we did it as a previous government or not, why would you not show it as one less? You are still showing the grant. I guess I am a little confused at the amount of money that you are paying two technical supports. You are paying them basically the same value as you would managerial, and you are flipping the balance down into a grant. Should it not show up on a line as being the actual?

**Ms. Mihychuk:** I take the Member's comments as being valid. It is confusing. The recommendation was to present it in this way. I think the record would indicate where the monies are going clearly. But without the recording in Hansard of these Estimates I have to grant the Member's point that it would be very difficult to figure this out.

**Mr. Tweed:** Perhaps next year we can work on correcting that for whoever it may be so that we do not have to stumble through this. I think that purely for accounting purposes, and probably accounting that should be done right would indicate that there would be four employees and not a vacancy and that the grant would actually show as a grant for clarification. I would agree with the Minister and hope that she would do that.

The recoverable from Rural Economic Development Initiative, REDI, what does that entail?

**Ms. Mihychuk:** This is similar to the trade program where there is some cost recovery from the REDI program, and it helps cover the cost of, formerly, the Call Centre Team and now Access 204.

**Mr. Tweed:** It is a recoverable from REDI. How is that done? Is that done in a form of a transfer

of funds? It is showing as a negative, and I am not sure how, as a recoverable, it is that way.

**Ms. Mihychuk:** It is shown as a negative because it is a transfer-in, so it is monies that are coming in from the REDI initiative that helps cover the cost of this unit, so what was the total cost of \$755,000 is reduced to \$557,000 with that contribution.

**Mr. Tweed:** Will that continue with the elimination of the Rural Development Department?

**Ms. Mihychuk:** Yes, it is continuing on under Intergovernmental Affairs.

**Mr. Chairperson:** Item 10.2.(e) Access 204 Manitoba (1) Salaries and Employee Benefits, \$283,800-pass; (2) Other Expenditures, \$246,700-pass.

**Mr. Tweed:** I did not see where you got that number from. How much?

**Mr. Chairperson:** It is \$426,700. That is in the Main Estimates book. Shall the item pass. Pass.

10.2.(e)(3) Grants \$45,000-pass; (4) Less: Recoverable from Rural and Urban Economic Development Initiatives, negative number. I have to read this even if we do not have to pass this: \$198,200, negative.

10.2.(f) Industrial Technology Centre \$765,000.

**Mr. Tweed:** Just asking for the reason why that number would be reduced.

**Ms. Mihychuk:** The Industrial Technology Centre is very successful. It is a special operating agency. It has been able to generate more funds on its own and therefore requires less operating funds from government.

\* (17:10)

**Mr. Tweed:** You have got to love that. Is the intention to continue to reduce the funding as it becomes-will it ever become wholly independent?

**Ms. Mihychuk:** This facility provides a wide range of support to small businesses and to larger. When I took a tour of the facility, there were some, I think, line stabilizers being tested for Manitoba Hydro. So I think that this is a support to small, medium, and large businesses in Manitoba. There is no charge for the services. We are helping the commercialization and development of a number of products.

So do I see it as ever not being supported by government? I would tend to think that that would not be the case. I think that it does provide a good service. It provides that opportunity to look at product enhancement and testing. It is a form of research and development, in my opinion, and is very useful to industry. So I hope it continues, and I hope that we are able to fund it. I think we should fund it, because it provides a useful service.

**Mr. Chairperson:** 10.2. Business Services (f) Industrial Technology Centre \$765,000—pass.

10.2.(g) Health Research Initiative \$3,000,000—pass.

10.2.(h) Manitoba Centres of Excellence Fund \$384,000.

**Mr. Tweed:** Just the note reflects decrease in non-recurring funding. Is that the requests for assistance are down?

**Ms. Mihychuk:** That is correct. There is a reduction in the cash flow requirements of the centres.

**Mr. Tweed:** Mr. Chairman, is the amount of \$450,000—again, these numbers, 450, we are not talking of any combination of mining and industry, trade? This is strictly the industry, trade number? Can I ask how much of that 450 was accessed this year?

**Ms. Mihychuk:** All of those funds were accessed.

**Mr. Chairperson:** 10.2.(h) Manitoba Centres of Excellence Fund \$384,000—pass.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$26,254,900 for Industry, Trade and Mines, Business Services, for the fiscal year ending the 31st day of March, 2001.

One question from the Opposition critic.

**Mr. Tweed:** Just for clarification, we have more pages on the Mineral Resources and Geological Survey. That is yet to come? I noticed when you said mining included, I wanted to make sure. Okay.

*Resolution agreed to.*

**Mr. Chairperson:** The next item is 10.3. Mineral Resources (a) Manitoba. Geological Survey (1) Salaries and Employee Benefits \$2,972,300.

**Mr. Tweed:** There is a brief description of what Mineral Resources is. Can the Minister just elaborate a little bit further? In the comments it says: provides authoritative documentation. Tell somebody who does not know what that means.

**Ms. Mihychuk:** This is a group of individuals who have expertise and geological knowledge. They range from environmental, geological expertise to hydrology to surficial geology all the way through base metals and mineral deposit support. So it goes from a wide range of expertise from all types of geological landscapes and types. Most individuals of the Professional and Technical group, which is the heart of the unit, have a minimum of an undergraduate degree. Many have graduate degrees and PhDs.

They provide very professional technical support in the form of maps and geological reports. They also participate in national and international studies related to geological services, and they range all the way from managing manure and soil types to the Red River flood and dealing with the frequency of flooding in the Red River Valley to locating new nickel deposits up North or looking for routes for roads or transportation or the location of hydro lines. All of that type of information is provided by this area.

I think it is fair to say that not only the member across the way does not know what this group does, but probably the majority of

government does not know what this group does, and I think there is a bit of a misnomer that frustrates me to no end to have everybody designated under a Mines category, when the Department has a wide range of ability that spans a much wider span than the mining industry itself and has expertise that well exceeds that one sector.

So this is a group that provides that basic geological support. They provides maps. They give an indication where mineral deposits might be, and I know that in November—and I hope the Member across the way can come to our convention—the teams of the field crews come in from all over Manitoba and present an initial result of their field program, both in a poster map type and a short written format, and that information sometimes has very exciting results. Platinum, diamonds, gold are found by provincial geologists every year, and we provide that information to the private sector. It is available and many of the industry representatives are there to pick up the hot new tips provided by these very skilled individuals who have, year after year, gone out to serve Manitobans and, just for the record, I want to, again, thank them for their dedication.

Just two days ago, we went to Thompson to a mid-continental mining conference, and the head of Geological Survey was talking about the old days when geologists went up, the whole crew went up—it is usually two or three people in a tent camp in northern Manitoba—for three to four months and never came out from their field location, not for weekends, not for holidays and not even for the birth of their children.

So those days were the time when we were dedicated, and we were staying out there no matter what.

I think that is not necessarily a good thing for families. I think a much more reasoned approach. I encourage family visits and people getting out of the bush. You know you get that bush fever. That is sometimes a reality. So it leads to some very interesting stories. If the Member ever has an opportunity to visit these individuals, I am sure he would find it fascinating. They challenge themselves physi-

cally, and they, themselves, are challenged by Manitoba's wilderness and nature.

\* (17:20)

**Mr. Tweed:** It is a little more evident, Mr. Chairman, that the Minister is in her element in the mining area. I accept the invitation today for the November meeting but would hope that the Minister would send me a notification through the mail. Unfortunately this past November, through the transition, I either lost it or did not receive it, and would certainly enjoy going.

First of all, I will ask who manages this.

**Ms. Mihychuk:** The acting ADM is Christine Kaszycki, and the head of Geological Survey is Eric Syme.

**Mr. Tweed:** Under the Managerial position, though, that would be the ADM. Am I correct in assuming that?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** Were there vacancies? I guess there would be no amalgamation here between departments. There is no crossover with Industry, Trade and this part of the mining department?

**Ms. Mihychuk:** There was one vacancy in this area, and it is still vacant.

**Mr. Tweed:** I think we may have touched on this before, but I see that you have added some additional Professional/Technical support. Are they the on-the-job positions? Is that what this is?

**Ms. Mihychuk:** Yes, we are very proud actually to say that we have increased the support for Geological Survey and providing this type of basic information. There is one FTE for the area of land-use planning, and one FTE is used to provide salaries for graduate students that are very effective ways for the department to do a partnership.

It not only provides them with the support, experience and opportunity to lead a geological crew or be a senior member in a geological crew,

but provides us with new people that may be interested in coming in to fill vacancies, and it provides us with the much-needed information. So deploying graduate students is a very effective way of achieving geological information. The other half-time FTE is to increase one position from a half time to a full time in pre-Cambrian mapping.

**Mr. Tweed:** I notice in the notes explanations of what the expenses were. It says, provision of severance pay. Was there somebody terminated or somebody quit? I presume terminated?

**Ms. Mihychuk:** There was a retirement of the former ADM.

**Mr. Tweed:** Could I ask who that person was?

**Ms. Mihychuk:** Garry Barnes.

**Mr. Tweed:** I have no other questions there, unless we go right to Other Expenditures. Or do you want to pass the other line first?

**Mr. Chairperson:** 10.3.(a) Manitoba Geological Survey (1) Salaries and Employee Benefits \$2,972,300—pass. 10.3.(a)(2) Other Expenditures \$1,467,600

**Mr. Tweed:** I was just wondering if the Minister can advise us as to the increase in transportation costs.

**Ms. Mihychuk:** That is providing support to the additional field crews that were able to mobilize. Many of them would be in remote locations, so there would be additional support for a government vehicle or helicopter support or a boat or various other means of transportation, but it is related to providing more geological crews in the field.

I just wanted to add that having geological information of this kind has—the increased support has been requested by industry members for many years. This is a way of providing that type of support to industry as well as every other factor that would use geological maps, which includes environmentalists, planning, individuals and Aboriginal treaty land entitlement. That information is used by all kinds of sectors. So

this is another area where government does help industry and I think is very valued.

**Mr. Tweed:** You are showing an increase in accommodation costs. Has it moved or has the rent gone up?

**Ms. Mihychuk:** The Mines branch and Geological Survey are located at 1395 Ellice Avenue. There were increased costs related to maintenance and utilities.

**Mr. Tweed:** Pass these.

**Mr. Chairperson:** Item 10.3. Mineral Resources (a) Manitoba Geological Survey (2) Other Expenditures \$1,467,600—pass.

Item 10.3.(b) Mines (1) Salaries and Employee Benefits \$1,507,900.

**Mr. Tweed:** Were there any vacancies in September in this department?

**Ms. Mihychuk:** No, there were no vacancies.

\* (17:30)

**Mr. Tweed:** Are there any now?

**Ms. Mihychuk:** Yes, there was a position transferred from Industry over to this division to create the position of a mines claims inspector. That position is still vacant. We are in the process of advertising a recruitment for that position, and it will increase our mines inspectors component to two positions.

In the past, Manitoba traditionally had two claims inspectors to ensure that claims were staked in accordance with the laws. They were reduced to one position which resulted in a number of fraudulently staked claims in the southeast portion of Manitoba. This will, I hope, rectify that situation and ensure that the laws of Manitoba are indeed complied with.

**Mr. Tweed:** May I ask who is the Manager for this department?

**Ms. Mihychuk:** The Director is Ernie Armitt.

**Mr. Tweed:** Does this department serve as an advisory board as much as anything to the Department?

**Ms. Mihychuk:** It is a regulatory service. It records claims, quarry permits and deals with issues of land tenure. It is a regulatory branch of the Department.

**Mr. Chairperson:** Item 10.3.(b) Mines (1) Salaries and Benefits \$1,507,900—pass; (2) Other Expenditures \$605,000—pass.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,552,800 for Industry, Trade and Mines, Mineral Resources, for the fiscal year ending the 31st day of March, 2001.

*Resolution agreed to.*

**Mr. Chairperson:** The next item for consideration by the committee is item 10.4. Community and Economic Development (a) Community and Economic Development Committee Secretariat (1) Salaries and Employee Benefits \$564,400.

**Mr. Tweed:** Mr. Chair, I am wondering who chairs this, and where does it show up on the chart?

**Ms. Mihychuk:** The Committee is a committee of Cabinet, Community and Economic Development. It is chaired by the Premier (Mr. Doer). The secretary to the Committee is Eugene Kostyra.

**Mr. Tweed:** Were there any vacancies in September or October 5 when you took over?

**Ms. Mihychuk:** The political staff from the Economic Development Board that were in the unit resigned in September. Two permanent civil service positions were returned to the departments where they were seconded from. Two individuals were transferred into the Department, ITM. Two individuals remained in this unit to work in Community and Economic Development.

**Mr. Tweed:** So that accounts for, I believe, six people of the nine, two political, two civil and two into the Department.

**Ms. Mihychuk:** I detailed six positions. Two permanent civil servants returned to their seconded departments; two were transferred into our department; and two remained with CEDC. The remainder were the political staff that resigned.

**Mr. Tweed:** Are there any vacancies now?

**Ms. Mihychuk:** There are two vacancies.

**Mr. Tweed:** Asking for information, but is this the way this department has always presented its budget Estimates?

**Ms. Mihychuk:** I am told that this is presented in the same way as the former Economic Development Board.

**Mr. Tweed:** The Premier chairs this board. Obviously, the Minister does sit in the Committee.

**Ms. Mihychuk:** Yes, I am a member of the Committee. I am the Vice-Chair. Also, members of the Committee are the Minister of Intergovernmental Affairs (Ms. Friesen), the Minister of Agriculture (Ms. Wowchuk), the Minister of Aboriginal and Northern Affairs (Mr. Robinson), and the Minister of Education and Training (Mr. Caldwell).

**Mr. Tweed:** Are there any major economic activities taking place right now that have been promoted or prompted by this secretariat?

**Ms. Mihychuk:** This committee has been basically formed approximately one month ago and it plays a co-ordinating role when dealing with economic initiatives. So it is fair to say that there is a hefty agenda and recommendations are provided which go through to Treasury Board in the normal format and then ultimately the Cabinet.

**Mr. Tweed:** Obviously, this organization or secretariat had then little or no involvement in the Schneider's deal?

**Ms. Mihychuk:** This committee was not created at that time, but the ministers who sit on this committee were active when that proposal came forward as well as the Secretary who provided support for that project as well.

\* (17:40)

**Mr. Tweed:** I am assuming that this committee in the previous government was referred to as the Economic Development Board. Is that correct?

**Ms. Mihychuk:** That is correct.

**Mr. Tweed:** Mr. Chair. Has the mandate of this group or committee changed?

**Ms. Mihychuk:** Yes, it has changed in several areas. This is a group that provides policy and plays a co-ordinating role. It does not, as was the case in the past, deliver projects on its own or initiate and then present projects. This is a group that also strongly looks at promoting community development, particularly in the sectors of northern, rural, Aboriginal. So it differs fairly substantially from the former ADB.

**Mr. Tweed:** The organization having just been organized, can I ask where the Secretary of the committee, where is his office?

**Ms. Mihychuk:** The offices are found at 155 Carlton.

**Mr. Tweed:** Pass that.

**Mr. Chairperson:** 10.4. Community and Economic Development (a) Community and Economic Development Committee Secretariat (1) Salaries and Employee Benefits \$564,400—pass; (2) Other Expenditures \$375,100—pass.

(b) Grant Assistance—Economic Innovation and Technology Council \$1,023,900.

**Mr. Tweed:** Can the Minister just reason for us why she would remove a million dollars from that fund?

**Ms. Mihychuk:** Yes, we have discussed this item previously, but the present chair of the EITC council has indicated that, in fact, the fund

itself—the intent, I think, was good but what happened was that they became known as a funding agency, and applications started to flow in where projects were not successful at receiving money at other avenues. They started to line up for this fund.

The recommendation was that the new government look at the role and mandate and the structure of this group and recommended that it also include broader representation and that it be an advisor to government at a high strategic level and that the direct grants were, in fact, hindering their ability, and they were forced to become application review committee rather than looking at their very purpose. So it is my understanding that this fund was used for the SmartPark and that the million dollars that were removed from this, of course, will help us deal with the balanced budget legislation and with meeting our other commitments in the Budget.

**Mr. Tweed:** I guess, just to make note of the description of this portion of the Department where they talk about the EIT Fund, it still seems wanting or whether it is still playing a role. Will it be the responsibility of the EITC to still administer the \$500,000 that is left in the fund?

**Ms. Mihychuk:** The \$500,000 has been allocated to commitments made by the EITC council, and that will be playing out over the next several years.

*Mr. Doug Martindale, Acting Chairperson, in the Chair*

**The Acting Chairperson (Mr. Martindale):** Item 10.4.(b) Grant Assistance—Economic Innovation and Technology Council \$1,023,900—pass.

Item 10.4.(c) Economic Innovation and Technology Fund \$500,000—pass.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,463,400 for Industry, Trade and Mines, Community and Economic Development, for the fiscal year ending the 31st day of March, 2001.

**Resolution agreed to.**

Item 10.5. Amortization of Capital Assets \$477,800—pass.

Resolution 10.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$477,800, for Industry, Trade and Mines, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2001.

***Resolution agreed to.***

The last item to be considered for the Estimates of the Department of Industry, Trade and Mines is item 1. Administration and Finance (a) Minister's Salary.

\* (17:50)

**Mr. Tweed:** Just I think more in a summation of what we have just been through. I want to thank the Minister for the answers and, in advance, for the answers that were promised to come through paper or some other form of communication.

*Mr. Chairperson in the Chair*

I think that I want to acknowledge that I recognize the Minister's enthusiasm for the job, and for what she is doing. I think she has, or at least I get a sense that she has, an understanding of what may or may not need to be done to stimulate a lot of the economic activities in Manitoba. I think the only thing I would note—I hope she is strong enough and capable to convince her colleagues, whom a lot of us on this side do not necessarily see as being goal-oriented and driven to the fact that what makes Manitoba run is the economy.

We always look for more and an increased spending in several departments and several areas. I often commented in the past that this department, to me, is the engine of growth for the province. I think there have been some cuts made. I am not saying they are not necessary, but I more or less put out a caution out there—every now and then, a province needs the ability to wiggle a little bit when we are competing, not only with provinces across Canada, but states and other countries. I think that having that ability to manoeuvre a little bit is something that this department should not too eagerly give up.

We all know the stresses and demands that are put on Health and Education. The Minister alluded to it somewhat in her comments that the Province is in good shape. It is also a time for other departments to be cautious, and to be concerned about their rate of spending, and recognize that if we are going to continue to spend on an 8-to-1 ratio, that this department is going to have to crank it up and produce the revenues that will allow that to happen, or the Minister is going to have to be able to convince her counterparts that spending and increases at a rate of 6 percent in a budget are high. It is just not something that governments are doing at this point in time, or businesses are doing. I think the Minister knows that the businesses she is representing, and trying to attract to Manitoba would suffer if they saw an increase in their expenditure line of 6 percent overall, and at the same time being asked to reduce the spending of the Department that creates the economic growth.

So with those comments, I appreciate the comments of the Minister and, as I said, I am not here to necessarily criticize. I am here to find out answers and to find out if there are things that we could do better. I felt that way when I was a part of government, that we are not always right, and we should accept and listen to some criticisms just to make it a better program and a better package, and the bottom line is, it is better for Manitobans.

With those few comments, Mr. Chairman, I am prepared to pass the Minister's Salary.

**Mr. Chairperson:** Item 10.1.(a) Minister's Salary \$27,300—pass.

Resolution 10.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,310,400 for Industry, Trade and Mines, Administration and Finance, for the fiscal year ending the 31st day of March, 2001.

***Resolution agreed to.***

This completes the Estimates of the Department of Industry, Trade and Mines.

Is it the will of the committee to call it six o'clock? *[Agreed]* Committee rise.

Call in the Speaker.

**IN SESSION**

**Mr. Speaker:** The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. Monday.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 1, 2000

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