



Second Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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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.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, 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.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
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.
SCHELLENBERG, 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, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 10, 2001

The House met at 1:30 p.m.

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

#### Manitoba Hydro Lines Routes

**Mr. Ron Schuler (Springfield):** Mr. Speaker, I beg to present the petition of Erna Weins, Steffie Karpiak, Valerie Jaworski and others, praying that the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro (Mr. Selinger) consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

#### Kenaston Underpass

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, I beg to present the petition of Margaret Gannon, Linda Wight, Kevin Halko and others, praying that the Premier of Manitoba (Mr. Doer) consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

**Mr. Frank Pitura (Morris):** Mr. Speaker, I beg to present the petition of Megan Provencher, Ken Kateryniuk, Dan Radicks and others, praying that the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

### READING AND RECEIVING PETITIONS

#### Manitoba Hydro Lines Routes

**Mr. Speaker:** The honourable Member for Springfield (Mr. Schuler), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Clerk, please read.

**Madam Clerk (Patricia Chaychuk):** The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT the R.M. of East St. Paul has the highest concentration of high voltage power lines in a residential area in Manitoba; and

THAT the R.M. of East St. Paul is the only jurisdiction in Manitoba that has both a 500kV and a 230kV line directly behind residences; and

THAT numerous studies have linked cancer, in particular childhood leukemia, to the proximity of power lines.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Legislative Assembly of Manitoba request that the Minister responsible for Manitoba Hydro consider alternative routes for the additional 230kV and 500kV lines proposed for the R.M. of East St. Paul.

#### Kenaston Underpass

**Mr. Speaker:** The honourable Member for Fort Whyte (Mr. Loewen), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Clerk, please read.

**Madam Clerk (Patricia Chaychuk):** The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT the intersection at Wilkes and Kenaston has grown to become the largest unseparated crossing in Canada; and

THAT the volume of traffic for this railroad crossing is twelve times the acceptable limit as set out by Transport Canada; and

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over 8 tons of emissions and cause approximately \$7.3 million in motorist delays every year.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

\* (13:35)

**Mr. Speaker:** The honourable Member for Morris (Mr. Pitura), I have reviewed the petition and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Speaker:** Clerk, please read.

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

THAT the intersection at Wilkes and Kenaston has grown to become the largest unseparated crossing in Canada; and

THAT the volume of traffic for this railroad crossing is twelve times the acceptable limit as set out by Transport Canada; and

THAT vehicles which have to wait for trains at this intersection burn up approximately \$1.4 million in fuel, pollute the environment with over 8 tons of emissions and cause approximately \$7.3 million in motorist delays every year.

WHEREFORE YOUR PETITIONERS HUMBLY PRAY THAT the Premier of Manitoba consider reversing his decision to not support construction of an underpass at Kenaston and Wilkes.

## MINISTERIAL STATEMENTS

### Building Consensus Forum

**Hon. Tim Sale (Minister of Family Services and Housing):** Mr. Speaker, I have a statement for the House.

I am pleased to rise today to inform the members of our Assembly, and all Manitobans, about the Northern Housing Forum entitled "Building Consensus" that took place in Thompson on Monday and Tuesday of this week. Housing is an integral part of our Government's Northern Development Strategy, and developing affordable and appropriate housing is necessary to ensure the liveability, health and character of the communities of our North.

The forum was developed in a unique way with the co-ordinated efforts of our province and the key northern organizations, including the Northern Association of Community Councils known as NACC, the Manitoba Métis Federation, Manitoba Keewatinowi Okimakanak, MKO, the Assembly of Manitoba Chiefs, as well as the northern urban industrial communities. Each contributed a staffperson, a technical person, to the planning of the Assembly and each had voting delegates to the Assembly in appropriate proportions.

The main goal of the forum was to give northern communities and stakeholders an opportunity to discuss common areas of need and priority in housing and to identify opportunities to partner between communities, First Nations, governments and others. The forum provided residents of northern Manitoba, those most familiar with the housing needs and challenges in their respective communities, the opportunity to discuss, prioritize and vote upon relevant issues and resolutions in regard to issues of rehabilitation, construction, maintenance, energy conservation, new technologies suitable for northern conditions, community development and education and training programs.

I am delighted to report that the forum was both well attended and successful. The forum, which is the first in a series of planning processes, will lead to action being taken to address the poor living conditions in northern, rural and remote communities.

Manitoba and the five partner organizations have agreed to a long-term partnership that will, among other things, deal with some of the development issues that have prevented the investment of the private sector in the North, in

particular in housing. It is recognized that there is a need to develop a co-operative and collaborative strategy with Canada and First Nations communities in support of housing for all Manitobans. Thank you, Mr. Speaker.

**Mr. Glen Cummings (Ste. Rose):** I thank the minister for his statement or report, if you will, on the meetings that occurred earlier this week. The point, I think, that is most important to remember around this discussion is that there has been considerable turmoil in housing in this country over the last half a dozen years or more. As was discussed in Estimates this morning, by the minister at least, one of the most troublesome aspects is that we have seen withdrawal on a broad basis from the housing responsibility of the federal government.

I would recognize and compliment the fact that this forum is offering an opportunity for those who have a lot at stake to talk about some co-operative development, and at the same time I hope we all have an opportunity to put some pressure on the federal government to consider the direction that they intend to take.

\* (13:40)

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I ask for leave to speak on the minister's statement.

**Mr. Speaker:** Does the honourable member have leave? *[Agreed]*

**Mr. Gerrard:** I welcome the comments of the Minister responsible for Housing (Mr. Sale) and would just add that one of the developments over the last number of years which I think is quite promising is the increasing involvement of various people in the North, and particularly in the First Nations communities, in the building and construction of housing in their communities and elsewhere. I think that this is an area of entrepreneurship that is welcome and needs to be encouraged and developed further.

### Provincial Mining Week

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** I have a statement for the House. I am very pleased to draw members' attention to the proclamation in

front of you that proclaims May 11 to 17 as Provincial Mining Week in Manitoba.

The samples in front of you are Manitoba granite, supplied by the courtesy of Canital Granite, a Manitoba producer of granite since 1986. Canital harvests the rock composed primarily of feldspar and quartz from three quarries about 80 kilometres east of Winnipeg. The blocks are cut, transported from the quarry to the processing plant here in Winnipeg where they are further cut and polished for use in a variety of products.

Granite continues to be popular for its unique decorative attributes, along with its versatility and durability. More and more homes are using granite for countertops and flooring, especially in this excellent economic environment in Manitoba and all the more reason to celebrate Mining Week in Manitoba, given some of the positive developments that have taken place over the past year.

Hudson Bay Mining & Smelting is investing approximately \$1 billion in Manitoba over the next 16 years to extend copper and zinc mining in the Flin Flon and Snow Lake regions. Inco Ltd. is investing \$70.4 million towards deepening its Birch Tree Nickel Mine in Thompson. New Britannia Mine in Snow Lake is well positioned to continue operations long into the future. Record demand and prices for commodities like platinum, palladium, tantalum, diamond has fuelled exploration of these known traditional commodities. Most notable is the diamond rush currently taking place in the northeastern part of the province. Unprecedented levels of exploration for tantalum are taking place in southeastern Manitoba, home to Canada's only producing tantalum mine, the Tanco Mine at Bernic Lake. Most importantly, we need to celebrate Provincial Mining Week to salute the mining communities and their residents who keep mining alive.

It is important to recognize the rich history of Manitoba's mining communities. The strong-willed, self-reliant residents are the backbone of the mining industry and have contributed greatly to its success. I would encourage all honourable members to join me tomorrow morning, at 10 a.m., for a tour of the Great Canadian Mine

Show exhibit that will be stationed at the front of the Legislature. The Great Canadian Mine Show will be making the rounds of Manitoba communities throughout the year to draw attention to the minerals industry and the invaluable contribution it makes to the livelihood of all of us in Manitoba.

**Mr. Mervin Tweed (Turtle Mountain):** I thank the minister for her comments in declaring and proclaiming Mining Week in Manitoba. We on this side too believe it is an important part of the Manitoba economic environment. We recognize the fact that mining has done well in the past years. Certainly I can say on this side and I think members on this side would certainly say they were proud to be part of a government that recognized the importance of this sector in the North. We did so by offering things like \$9 million to encourage mining and investment and exploration. The minister mentions about new exploration, and again we have discussed this in Estimates about the MEAP program with three years of additional funding of 8.2.

I can tell the minister, while I share some of her optimism, that there are certain challenges ahead for this industry, as we all know. I refer briefly to a PricewaterhouseCoopers report, and I know the Government is familiar with that company, on Canadian mining taxation, 2001. It has suggested that Manitoba, just four years ago, ranked seventh in terms of effective corporate mining taxes. Today they are tenth. I know that is a concern, and that is a concern that we all have to deal with. As we discuss differences on how we approach things, the mining industry has told us that meaningful tax relief is important for them to be competitive and competitive around the world.

\* (13:45)

One of the other notes I make mention of in the submission, it just states that the overall average corporate tax in Canada is just over 44 percent. Manitoba is now 46 percent. Latin America is averaging 28.5. I offer this not as much as a criticism but a suggestion that there are opportunities and ways of enhancing the mining industry's opportunities in Manitoba. We certainly know that it is a great job provider in the province of Manitoba and they provide top-

quality, high-end paying jobs. We must be aware of that when we are talking about encouraging and enticing new companies to set up and develop in the province of Manitoba that something they are considering is the tax rates they are charged.

On behalf of my colleagues, I join with the minister. I welcome her proclamation today. Mining Week allows us to recognize the values, and we share in that same happiness and wish Mining Week to be very successful.

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, I ask for leave to speak on the minister's statement.

**Mr. Speaker:** Does the honourable member have leave? *[Agreed]*

**Mr. Gerrard:** Mr. Speaker, I wish to not only emphasize the importance of mining and the mining industry, but to try to stress the importance in this industry, as in agriculture, of thinking of the value-added dimension as well as the basic industry.

It was a number of years ago, under a previous government, where Manitoba lost a research and development value-added initiative in this area because Alberta was more forward thinking than the government of Manitoba of that day. I think we need to be on the look out for areas of value-added where we can promote and make sure is happening in Manitoba the research and development and value-added aspect as well as the basic mining.

## TABLING OF REPORTS

**Hon. Scott Smith (Minister of Consumer and Corporate Affairs):** Mr. Speaker, it is my pleasure to table the Annual Report of the Public Utilities Board for the year 2000.

## Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery, where we have from Hastings School 45 Grade 9 students under the direction of Mr. Barry Wittevrongel and Ms. Theresa Oswald. This school is located in the

constituency of the honourable Member for Riel (Ms. Asper).

Also in the public gallery, we have from John Taylor Collegiate 41 Grade 9 students under the direction of Mr. Frank Boehm. This school is located in the constituency of the honourable Member for Assiniboia (Mr. Rondeau).

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

### ORAL QUESTION PERIOD

#### Arena/Entertainment Complex Crocus Fund Investment

**Mr. John Loewen (Fort Whyte):** Mr. Speaker, as the Premier (Mr. Doer) found out with his Government's purchase of the Pan Am medical clinic, in any deal the devil is in the details.

I notice from the prospectus that was issued by the Crocus Fund, January 12, 2001, and on which basis Manitobans invested over \$25 million of their retirement funds, funds they are counting on for their retirement, invested on the basis of this prospectus. This prospectus clearly indicates that any investment by the Crocus Fund in real property or in interest in real property that has a debt or an obligation that is secured or that is held primarily for the purpose of gaining or producing growth revenue that is rent, is illegal.

I would ask the Premier of this province when he became aware that an investment by the Crocus Fund in the proposed new arena was illegal?

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** The labour-sponsored funds have certain investment opportunities which are called "eligible" and certain other ones which are "ineligible." They also have a proportion of their investment allowance which allows those funds to invest in any venture that they choose, so I will take the information as notice. I will investigate the investment, but there are two categories in which Crocus could invest in the Pan Am Games, both

under special authority by the previous Minister of Industry, who has the authority to grant that or perhaps they are using their allowance which allows them to invest in any investment.

\* (13:50)

**Mr. Loewen:** Mr. Speaker, my question to the Premier (Mr. Doer) is: Given in the prospectus issued January 12, 2001, which was used by the Crocus Fund to convince Manitobans to invest over \$25 million of their retirement income in this fund, given that in this prospectus it states—and I am asking the minister—if the following ineligible investment and interest in real property or a debt obligation that is secured by an interest in real property, when did the Premier become aware that it was going to be illegal for the Crocus Fund to invest in real properties such as a downtown arena?

**Ms. Mihychuk:** Mr. Speaker, I would be glad to try to clarify the information, but I would not want the member across the way to mislead the public on the investment of Crocus or their ability that a labour-sponsored fund has to make investments. There is the ability of labour-sponsored funds to take a certain portion of their portfolio and invest in what is called "ineligible"—[interjection]

**An Honourable Member:** Not illegal.

**Ms. Mihychuk:** Not illegal investments. So I would suggest that the terminology that the member across the way uses, he needs to be careful with the terminology, because what we are talking about is fairly technical, and there is a degree of flexibility that Crocus has to make investments in anything that they would choose.

**Mr. Loewen:** I will ask the Premier (Mr. Doer) this: Given that they misled Manitobans by issuing a prospectus which clearly states, and I will quote: The following investments constitute ineligible investments and interest in real property or a debt obligation that is secured by an interest in real property, will this Government allow people who invested on the basis of this prospectus and who invested for a minimum hold period of eight years, will the Premier allow these people to withdraw the \$25 million investments that they made this year?

**Ms. Mihychuk:** Mr. Speaker, the member across the way may be opposed to investment in a new entertainment centre, but he is probably one of the only Manitobans opposed to it. The fact is that Crocus does have the ability, flexibility under the plan that was eligible during the previous government and is still eligible now.

They have an AGM coming up on Saturday. I suggest that the member attend, but I would be glad to provide more information to the member opposite about what investments are fully legal but are not eligible to be counted into their tax credit allotment. That does not make it illegal. I would suggest that the member watch his language when he is talking about labour-sponsored funds and Manitobans' investments.

#### **Mental Health Care System Accessibility—Rural Manitoba**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, we have heard from a rural Manitoban who has a serious concern about the lack of availability for treatment for residents outside of Winnipeg. The family doctor referred his daughter to the Health Sciences Centre for psychiatric treatment but was turned away at the hospital and instructed to seek help in rural Manitoba with a community mental health worker.

Does the Premier (Mr. Doer) find it appropriate that when a patient is referred to psychiatric treatment she is denied and told to go to a counsellor?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, I would be happy to follow up on that particular circumstance if the member would provide me with particulars and details. My experience often with questions of members opposite is they have not been entirely factual of all sides, and I would appreciate if the member would provide me with those details. We certainly will follow up because we follow up on all those issues and try to deal with them.

**Mr. Murray:** Mr. Speaker, the individual that brought this to our attention has indicated to us that he has sent a letter to the minister and the minister is aware of it.

So I ask the question to the Premier. This father was told by someone at the psych health at the Health Sciences Centre that all requests are automatically refused and are told to see a counsellor instead to cut down on the waiting list. Is the Premier going to allow this policy of treating rural Manitobans as second-class citizens to continue?

**Hon. Gary Doer (Premier):** Mr. Speaker, I find it passing strange. Today, we both attended an opening, by the way of a capital that was not in the Budget but has now been incorporated, of a wonderful health care facility for \$37 million, \$34 million of which came from the provincial Government.

\* (13:55)

Mr. Speaker, I think that the new Boundary Trails hospital with its CAT scan that is now in operation, with the three radiologists that are now using digital technology, with the three operating rooms which are state of the art, with the dialysis units that are being expanded, with some of the imaging and computer work that is there, and with the broadband connections to the other facilities, will be a wonderful improvement, and to suggest that people of rural Manitoba get second-class treatment is wrong.

We are proceeding with the Brandon Regional Health Centre, something that was promised seven times by members opposite. We need not apologize for that.

**Mr. Murray:** Mr. Speaker, when the Premier makes comments about the Boundary Trails facility, he is absolutely correct in everything that he says about it, but he forgets one thing, that it was started by members on this side of the House.

Mr. Speaker, this family that I am referring to lives 32 kilometres from the Health Sciences Centre and yet has to travel some 80 kilometres to get to Morris where the nearest community health care worker is located.

Mr. Speaker, unlike a psychiatrist, a counsellor cannot make a diagnosis or prescribe medication and does not have training in special needs. So my question is: Can the Premier please

tell this father and daughter, and all Manitobans, when will he start ensuring our health care system offers equal access to all Manitobans?

**Mr. Doer:** The minister said he will take the specifics as notice, but we have just had a new announcement in the last period of time on eating disorders, a program that is available for all Manitobans, a program that was recommended to the members opposite and not proceeded with, Mr. Speaker. We have had mental health strategies in place that are getting acceptance from the consumers of mental health and the other professionals of mental health.

The member opposite is right. The tenders for the Boundary Trails hospital went out in June 1999. The only problem was there was not any money in the capital budget.

Mr. Speaker, there was no accounting for the capital budget, and that is why the Auditor did not give you a good housekeeping seal of approval. That Boundary Trails hospital was cancelled in 1990; it was cancelled in 1995. Thankfully the equipment that we put in place will give first-class treatment to all Manitobans with that announcement today.

### **Health Sciences Centre Out-patient Pharmacy**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, with the closure of the out-patient pharmacy at the Health Sciences Centre, many patients fear for their health and well-being as their very lives rely on the medicine they receive to treat their illnesses.

Mr. Speaker, the Branum family whose seven-year-old son, Nicholas, is dependent on the out-patient program to provide vital drugs to treat his leukaemia have joined us in the gallery today.

Can the Minister of Health explain to the Branums and to all the Manitoba families who are affected by the closure of the pharmacy at Health Sciences Centre, why he allowed the situation at the centre, out-patient pharmacy, to degenerate to such an extent that the health of its patients is now at risk?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, as I indicated in the Chamber last week, a decision was made by the WRHA last year with respect to the closure of that pharmacy because of the inability to attract and maintain pharmacists at the Health Sciences Centre pharmacy because of a shortage of pharmacists. A decision was made to consolidate services at Misericordia Hospital.

Mr. Speaker, processes were put in with respect to trying to provide for those services. It is quite clear that there have been difficulties, and I have met with several of the parents who are involved in this. I have also met with CancerCare Manitoba with respect to this. I will complete my answer next time.

\* (14:00)

**Mr. Maguire:** Can the Minister of Health inform Lloyd Agnew, another constituent who is in the gallery today as well, along with other impacted citizens, whether or not the minister can guarantee kidney transplant patients, like Lloyd's wife, Sherry, who is dependent on anti-rejection medication, that the quality of service she and others will receive will not be compromised due to a lack of management by this Government?

**Mr. Chomiak:** As I indicated earlier, this decision was made regretfully. The service that was provided at Health Sciences Centre was started about, I think, 20 or 30 years ago, Mr. Speaker, in order to help facilitate services to patients.

It is a little bit more complex, which is why I met with CancerCare Manitoba in regard to this. There is a move and a desire on some people's part to have a pharmacy, in fact, at CancerCare Manitoba. There is also a need and a desire to have some services at Health Sciences Centre.

The attempt to deal with this situation was to have the resources transferred over to Misericordia Hospital and attempt to put in place a system—*[interjection]* If the member wants to hear the answer, perhaps the member will listen to the answer, Mr. Speaker. I will complete my answer next time.

**Mr. Maguire:** Can the minister explain why the out-patient pharmacy was transferred to the Misericordia before the pharmacists were properly trained and before the computers at the two facilities were compatible?

**Mr. Chomiak:** Mr. Speaker, there was a planning process, and a transitory stage was put in place. Obviously, there have been problems. What I have done is I have asked Dr. Brian Postl of the WRHA to put all of the players—*[interjection]* I have asked him to get together with all of the partners and come up with different alternatives to see if we can provide a better service or revamp the service that is already provided to make sure these things do not occur, and I am expecting recommendations shortly in order to improve the service.

#### **Health Care System Hallway Medicine**

**Mrs. Louise Dacquay (Seine River):** Mr. Speaker, yesterday I had a very disturbing call from a constituent who took her grandmother, 88 years of age, to Victoria Hospital on Sunday evening. Her grandmother not only spent three days in hallway No. 5—apparently they are numbering the hallways now—but had to wait 12 hours before having her ankle cast. Could the Minister of Health explain to my constituent why her grandmother had to spend three days in a busy hospital hallway when it claims to have eliminated the culture of hallway medicine?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, on today's date two years ago, when the member opposite was a member of the government, there were 29 people in the hallways.

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

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, at that time, Victoria Hospital, which has difficulty, made a proposal to that government to expand. I can indicate that shortly we will be officially announcing the expansion of Victoria General Hospital in order to deal with the difficult structural situation they face there.

**Mrs. Dacquay:** Mr. Speaker, could the Minister of Health please explain to my constituent and all Manitobans why the number of patients being treated in hallways at the end of April was more than four times higher than last year, if he has solved hallway medicine?

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

**Mr. Speaker:** Order.

**Mr. Chomiak:** As I have indicated in this House, we have put, since the time we came into office, the number of people in the hallways on the Web site for people to compare and to look at so that we could chart our progress. CIHI, which members opposite referred to yesterday, indicated that Manitoba had done the best job of any jurisdiction in the country with respect to hallway medicine, 80% reduction, and in fact that other jurisdictions, including Ontario, adopted Manitoba's hallway position. Mr. Speaker, we are not perfect—

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

**Mr. Speaker:** Order.

**Mr. Chomiak:** Mr. Speaker, as I said previously, there are some structural problems in some facilities which we have identified, which were identified two years ago, but we are now moving on with respect to Victoria Hospital. That should clear up the situation with respect to the Victoria, which has been a difficulty and problem.

**Mrs. Dacquay:** Could the Minister of Health please explain to my constituent why her local hospital has had to resort to numbering its hallways?

**Mr. Chomiak:** Mr. Speaker, I cannot answer that because the numbering in the hallways commenced when the members were in government, firstly. Secondly, what I can indicate is that we have done a better job in dealing with the hallways than any other jurisdiction in the country, and that has been recognized nationally. Thirdly, we are still taking effort. When there are problems, we will do everything in our power to try to solve those problems, and we are working at those problems.

One of the difficulties we are dealing with is a major capital expansion at Victoria Hospital, which I think will satisfy the needs for oncology day surgery and related surgery that relate to that particular facility.

### Health Care System Hallway Medicine

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Speaker, I would like to ask the Minister of Health what he has to say to my constituent who brought her mother to the Grace Hospital as she was having a stroke. They got to the hospital at quarter to three in the afternoon, and she was not seen until eleven o'clock that evening after she got progressively worse.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, again, I would like to see the particulars from the member opposite. I do know that, in terms of statistics, two years ago at this time when the member opposite was a member on these benches, there were 29 in the hallways and they were doing nothing to deal with the situation. We have launched a comprehensive program to deal with the situation, and we will work at it every day and we continue to work at it.

**Mr. Laurendeau:** I am glad the minister has some heart and feeling for my constituents. Mr. Speaker, this lady waited until eleven o'clock in the evening. I wonder if the minister could tell me if he is changing the waiting rooms now into a stalling room to prevent his hallway medicine.

**Mr. Chomiak:** Mr. Speaker, I can indicate that, in fact, we have taken more initiatives and put more measures in place than any other government to deal with this situation and that continues, firstly. Secondly, the culture of hallway medicine that—*[interjection]*

**An Honourable Member:** It is a culture now. Hallway medicine is a culture now.

**Mr. Chomiak:** Well, Mr. Speaker, if the Member for Russell (Mr. Derkach) wants to comment perhaps he can ask the question next.

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

**Mr. Speaker:** Order.

**Mr. Chomiak:** As I indicated, we put the numbers up on the Web site so people can take a look. We work at it. There are improvements that are going to be made as we speak, that are being made, and we continue to deal with this issue. We have done better than any other jurisdiction in the country.

**Mr. Laurendeau:** I am wondering if the Minister of Health could tell me if it is appropriate for a patient who is suffering from a stroke to wait in the waiting room, not in the hallway receiving services but in the waiting room. Is that appropriate for her to sit there for 10 hours in that waiting room before receiving service from the hospital?

**Mr. Chomiak:** Mr. Speaker, I do not question the professionalism of the triage nurses or the doctors who provide and prescribe this service. They work very hard under very difficult situations to provide service to patients and from what I hear in the system, do an excellent job. There are 14 million contacts in our health care system yearly, and the vast majority of people are very pleased with the professionalism, the dedication and hard work of our professionals.

\* (14:10)

### Health Sciences Centre Out-patient Pharmacy

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, my question to the Minister of Health: In the book on the safety of health care in America called *To Err is Human*, there was an emphasis on the need to put in place processes which are safer. Clearly closing the out-patient pharmacy at the Health Sciences Centre and forcing children with cancer and their parents to engage in shuffle care to get prescriptions filled at Misericordia is opposite to the need to move towards a seamless single-window approach to health care, which is more efficient and safer.

I ask the Minister of Health to report to the Legislature today the details of the medication incidents in relationship to children with cancer which have occurred since the closure of the out-patient pharmacy at the Health Sciences Centre.

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, as I understand it, the HSC pharmacists and technicians who shifted from HSC to Misericordia to provide the service were involved in two. One was an alleged incident of an inappropriate dosage, which, I am advised, when reviewed was not a difficulty or a problem.

There was a second incident over the weekend where the HSC pharmacist and the HSC technician, if I understand it, who had shifted over to Misericordia to assist in providing those same prescriptions, is what I am advised—there was a dosage error, Mr. Speaker.

Mr. Speaker, that is one of the reasons why I have called in CancerCare and all of the players and asked Brian Postl to review all of the options and come up with a plan.

**Mr. Gerrard:** Mr. Speaker, I ask, in view of the serious incident and the minister's acknowledgement that he actually shifted pharmacists to Misericordia to help with the situation, when will the minister return to the vision which he initially had of seamless in-patient and out-patient care and make sure that the pharmacy at the Health Sciences Centre is available? When will the minister end the Chomiak shuffle service?

**Mr. Speaker:** Order. May I take this opportunity to remind all honourable members, when referring to members, it is by their constituency or ministers by their portfolios and not by their names. I would ask the co-operation of all honourable members.

#### Point of Order

**Mr. Speaker:** The honourable Member for River Heights, on a point of order?

**Mr. Gerrard:** Yes, I ask the Speaker to review this, because clearly we refer to Faurschou Farms or Duff's Ditch or other circumstances. I think "Chomiak shuffle service" is appropriate.

**Hon. Gord Mackintosh (Government House Leader):** On the point of order, Mr. Speaker, the member knows full well that former members of the House can be referred to by name; the people are in this House in view of their function that they serve the public in.

Mr. Speaker, the member knows also full well that there is one way to challenge a ruling of the Speaker.

**Mr. Speaker:** On the point of order raised by the honourable Member for River Heights, the Manitoba practice has been to recognize members by their constituency or ministers by their titles held and not by name. If members are not pleased with the ruling, there is always the opportunity to challenge a Speaker's ruling. That opportunity is always open to all members.

\* \* \*

**Mr. Chomiak:** Mr. Speaker, this is far more complex than I think the member opposite probably understands, with respect to this particular issue.

**Mr. Speaker:** Order.

#### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, all too often the Minister of Health is using his personal attacks against members in this House. This member, who is a cancer specialist, does know better. He knows a lot better than this Minister of Health ever will.

**Hon. Gord Mackintosh (Government House Leader):** On the same point of order, what I did just hear was a personal attack from the member opposite. There has been no citation of any rule or *Beauchesne's*. I know the member was looking for one. He did not find one. This is not a point of order, Mr. Speaker, it was an interruption of an answer to an important question.

**Mr. Speaker:** Order. On the point of order raised by the honourable Official Opposition House Leader, I will take the matter under advisement to peruse Hansard and consult the procedural authorities, and I will report back to the House.

\* \* \*

**Mr. Chomiak:** I will rephrase that. This is a far more complex issue than the member, in his

statement, is purporting to address. The member is alleging that somehow this Government made the decision to move that particular pharmacy. The WRHA found itself in a situation where they were short of pharmacists. There were a number of options that were available with respect to how to deal with the situation. A decision was made to consolidate operations and Misericordia put in place a transfer service and tried to accommodate all of the needs in the system.

Clearly there have been difficulties, which we have acknowledged and which I indicated earlier in Question Period have been put to Dr. Brian Postl, the head of the health authority, to meet with the parties and put together different options to look at how the situation can be improved. How more clear can I be?

#### **Health Care System Quality Assurance**

**Hon. Jon Gerrard (River Heights):** Since the approach to health care is broader than just a pharmacy that we are dealing with and books like *To Err is Human* emphasize that there could even be a \$100-million saving in health care if we got things done safer, when will the minister carry forward the recommendations of Judge Murray Sinclair to improve quality assurance throughout the whole health care system and make sure that these sorts of problems do not arise?

**Hon. Dave Chomiak (Minister of Health):** In fact, that question raised by the member goes even further than Judge Murray Sinclair's recommendations. If one were to look at the recommendations made by Ken Fyke in Saskatchewan as well as the recommendations that were made by the Québec commission, there seems to be a convergence of views that quality approach and quality management of error and potential errors in the health care system needs to be addressed across the system. That is one of the reasons that when the Sinclair commission reported, we put in place the Thomas commission to review Sinclair and advise the Manitoba government how quickly, what recommendations we can move on immediately, what we can do in the short term and what we can do in the long term to ensure

that the recommendations of the Sinclair commission are put in place and not overlooked.

#### **Census Confidentiality**

**Ms. Nancy Allan (St. Vital):** My question is to the Minister of Industry, Trade and Mines. Recently Manitobans received in their mailboxes a census form to be mailed back to the federal government. I am wondering if the Minister of Industry, Trade and Mines could inform this House exactly what the importance is of filling out those censuses and mailing them back in. Could the minister particularly address the issue of confidentiality that has been raised with me by one of my constituents?

**Hon. MaryAnn Mihychuk (Minister of Industry, Trade and Mines):** There has been some concern by Manitobans about confidentiality of the information that is being collected through this census. The information is used purely for statistical reasons; it is not transferred to Revenue Canada or anybody else that does not absolutely need the information, and that is only the Statistics Bureau.

Part of the reason why it is so important for Manitobans to fill out the census form is that we cannot afford to lose one more penny to eastern and central Canada, and for every Manitoban missed, we will ultimately lose \$32,000 to our Treasury. So, Mr. Speaker, I urge all members to use their influence, all Manitobans to co-operate and fill out the census.

\* (14:20)

#### **Health Care System Hallway Medicine**

**Mr. Frank Pitura (Morris):** Mr. Speaker, a constituent of mine recently wrote to me about his deep concern with the present state of health care in Manitoba. He noted that his wife has been in the emergency room of two Winnipeg hospitals and was in hallway No. 3 once and in hallway number 9 on her other visit.

My constituent has no complaints about the health care professional with whom he and his wife were in contact. He does, however, have a

complaint about the way the health care system is being managed. Mr. Speaker, why, if the minister kept his promise to end hallway medicine, was my constituent's wife in hospital hallways on two occasions this spring?

**Hon. Dave Chomiak (Minister of Health):** Mr. Speaker, as I indicated on November 22, 1999, when we launched our hallway medicine initiative, we put in place the most aggressive series of programs that have been put in place in Manitoba history to deal with the hallway situation. After six months, we looked at the charts and the statistics, CIHI looked at the charts and the statistics, and across Canada we have done a better job of dealing with the hallway situation than every single jurisdiction in the country.

At the time, we also indicated there were some problems in two particular institutions—*[interjection]* I will complete my answer if members will let me next time, Mr. Speaker.

**Mr. Pitura:** I ask: Why, when the health budget was increased by 22 percent since 1999, are Manitoba patients still being treated in hallways?

**Mr. Chomiak:** Yes, the long and the short of it is when members opposite were government, they closed 1400 acute care beds.

#### **Highway Conditions R.M. of Argyle**

**Mr. Mervin Tweed (Turtle Mountain):** As the example today indicates that hallway medicine continues to exist in Manitoba and now, due to restricted access to some certain rural hospital facilities, a new culture is developing in Manitoba called highway medicine.

But, Mr. Speaker, even this culture is in jeopardy. I want to refer the minister of highways to a letter that he received from the reeve of the R.M. of Argyle. My question to the minister—

**Mr. Speaker:** Order.

#### **Point of Order**

**Hon. Gord Mackintosh (Government House Leader):** On a point of order, I note

*Beauchesne's* Citation 409(2): The question must be brief. A preamble need not exceed one carefully drawn sentence. A long preamble on a long question takes an unfair share of time and provokes the same sort of reply, a rule, Mr. Speaker, that is recited later on in 410.

Mr. Speaker, would you please remind the member of that essential rule in Question Period and ask him, if he does have a question, would he please ask it.

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, he does have a point of order.

I would like to remind all honourable members that, according to *Beauchesne's* Citation 409(2), a preamble should not exceed one carefully drawn sentence.

\* \* \*

**Mr. Speaker:** I would ask the honourable member to please put his question.

**Mr. Tweed:** Thank you, Mr. Speaker. Then my question to the minister of highways is: What does he say to Jack Bolack, the reeve of the R.M. of Argyle, and the residents of that area, when the letter states that fire trucks, in particular, would certainly not be able to pass certain areas of Highway 23 and Highway 5, and school buses have to travel on the edge of these roads, pick up and drop off children and travel on the edge of the ditch at times?

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Mr. Speaker, I reported to this House some of the serious spring conditions that are out there. Our department is out there working very hard in very difficult circumstances, including on this highway, which is a significant concern to us. By the way, the last capital work that was done on this highway was more than 10 years ago, so this is not something that happened overnight.

\* \* \*

**Mr. Ashton:** While I am on my feet, I took as notice a question from the member, and also the Member for Carman (Mr. Rocan) yesterday, and

I have a written response. I also want to apologize a little bit to the House, because I indicated a response had gone to the Conservative caucus outlining First Nations casinos that were not in compliance. In actual fact, the document that was attached was a confidential document going back to 1999 that members opposite did not release. Unlike the previous government, Mr. Speaker, I have provided the information in this letter of the First Nations casinos that are not in compliance, once again showing that we are an open government, something the previous government was not in this regard.

\* \* \*

**Mr. Tweed:** Mr. Speaker, my question for the minister of highways is: What does he say to Jack Bolack and the people of that area when the letter states that there have been occasions recently where the highways department motor graders have been stuck in mud up to the middle in a two-lane highway?

**Mr. Ashton:** Mr. Speaker, I will say the same thing that I have said to many motorists in Manitoba. In fact, my wife drove from Thompson yesterday. There are similar situations right now in the Interlake. This was discussed today in Estimates. The department of highways recognizes that this spring is one of the worst springs we have faced because of excess moisture conditions, and we are working very hard to try and do whatever we can to do those repairs. In fact, once we end up with better weather and once we end up with drier subgrades, we will do our utmost to do the repairs on those highways as soon as possible.

**Mr. Tweed:** Will the minister assure and take responsibility to Jack Bolack, the reeve of the R.M. of Argyle, if something serious or an accident should occur that would limit anyone's access to that? This is a very serious safety concern? People's lives are at risk.

**Mr. Ashton:** As I said before, I always accept responsibility, as this Government does, for our actions today.

I say to the member opposite that this road did not receive any attention from the previous government. So, before the member gets up and lectures us, Mr. Speaker, the last major capital project on this highway was 10 years ago—

\* (14:30)

**Mr. Speaker:** Order. The honourable Member for Turtle Mountain, on a point of order.

#### Point of Order

**Mr. Tweed:** Mr. Speaker, I just would ask the minister to check his records. He will find out, three years ago there was road widening done on 23 Highway to prepare it for the new surfacing that was coming from No. 23 from Mariapolis west. So do not let the minister put unresponsive comments on the record.

**Mr. Speaker:** The honourable Minister of Transportation, on the same point of order.

**Mr. Ashton:** Yes, Mr. Speaker. I am not sure if it is a point of order, but I went and I checked the capital budgets. When I said the last major work was done on this highway, it was 10 years ago. This did not happen—

**Mr. Speaker:** Order. On the point of order raised by the honourable Member for Turtle Mountain, he does not have a point of order.

I would like to remind all honourable members, when rising on a point of order, quote the rule and the breaching of the rule and/or unparliamentary language.

\* \* \*

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

#### Speaker's Ruling

**Mr. Speaker:** Order. I have several rulings for the House.

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

**Mr. Speaker:** Order. May I remind all honourable members, when the Speaker stands the members should be seated and the Speaker should be heard in silence.

After the daily prayer on April 19, 2001, and following a point of order raised by the Minister of Family Services and Housing (Mr. Sale), the honourable Member for River East (Mrs.

Mitchelson) rose on a matter of privilege and moved "THAT the Minister of Family Services did break the privileges of all Opposition members by accusing those MLAs of condoning and participating in one of society's most heinous crimes, that being the physical assaulting of women and that this House finds the Minister of Family Services in contempt of this House for casting aspersions against members of the Opposition; and furthermore that this minister be directed to withdraw his comments and apologize; and that this matter be referred to the Committee on Privileges and Elections for the committee's consideration." The honourable member asserted that remarks spoken by the honourable Minister of Family Services and Housing, "we do not think you have to take a stick and beat them like the Opposition does," were an affront to all members. Contributions to the matter raised were also made by the honourable Government House Leader (Mr. Mackintosh), the honourable Official Opposition House Leader (Mr. Laurendeau), and the honourable Member for Lakeside (Mr. Enns). I took the matter under advisement in order to consult the procedural authorities.

When a matter of privilege is raised in the House there are two aspects that the Speaker must decide. The first is whether the matter was raised at the earliest available opportunity, and second, whether a prima facie case of privilege has been established.

On the first issue, I accept the word of the honourable Member for River East that she did not find out about the remarks in question until after the fact. However, I would encourage members to try and raise issues in a timely manner, if at all possible. Failure to do so can have an impact on the determination of the orderliness of the issue raised.

\* (14:40)

On the second point, I must rule that the matter raised does not qualify as a prima facie case of privilege. Joseph Maingot, on pages 254 and 255 of the second edition of *Parliamentary Privilege in Canada* states "language spoken during a parliamentary proceeding that impugns the integrity of members would be unparliamentary and a breach of order contrary

to the Standing Orders but not a breach of privilege."

This statement is supported by two rulings from former Speaker Rocan. On June 28, 1994, he ruled that the words "she needs a slap" were not a prima facie case of privilege as the complaint should have been raised as a point of order and not a matter of privilege.

Similarly, on March 20, 1995, he ruled that a matter of privilege raised about one member accusing another member of promoting racism was not a prima facie case of privilege as the matter should have been raised as a point of order and not a matter of privilege.

I am not unmindful of the fact that this issue has been taken very seriously by members in this House, and on that basis, members may have a grievance or a complaint or a point of order, but it is not a prima facie case of privilege.

**Mr. Marcel Laurendeau (Opposition House Leader):** I regrettably must challenge your ruling, Mr. Speaker.

**Mr. Speaker:** The ruling of the Chair has been challenged.

#### Voice Vote

**Mr. Speaker:** All those in support of sustaining the ruling, please say yea.

**Some Honourable Members:** Yea.

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

**Some Honourable Members:** Nay.

**Mr. Speaker:** In my opinion, the Yeas have it.

#### Formal Vote

**Mr. Marcel Laurendeau (Opposition House Leader):** Yeas and Nays, Mr. Speaker.

**Mr. Speaker:** A recorded vote has been called for. Please call in the members.

\* (15:40)

**Mr. Speaker:** Order. The one hour has expired, and I am directing the division bells be turned off, please. The question before the House is: Shall the ruling of the Chair be sustained?

### Division

*A RECORDED VOTE was taken, the result being as follows:*

#### Yeas

Aglugub, Allan, Ashton, Asper, Barrett, Caldwell, Cerilli, Chomiak, Dewar, Doer, Friesen, Jennissen, Korzeniowski, Lemieux, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Nevakshonoff, Reid, Rondeau, Sale, Santos, Schellenberg, Selinger, Smith (Brandon West), Struthers, Wowchuk.

#### Nays

Cummings, Dacquay, Derkach, Driedger, Helwer, Laurendeau, Loewen, Maguire, Mitchelson, Murray, Penner (Emerson), Penner (Steinbach), Pitura, Rocan, Schuler, Smith (Fort Garry), Tweed.

**Madam Clerk (Patricia Chaychuk):** Yeas 29, Nays 17.

**Mr. Speaker:** The ruling of the Chair has been sustained.

### Speaker's Rulings

**Mr. Speaker:** I have another ruling for the House.

During Oral Questions on April 30, 2001, the honourable Official Opposition House Leader (Mr. Laurendeau) rose on a point of order concerning comments spoken by the honourable Minister of Health (Mr. Chomiak) while responding to a question asked by the Leader of the Official Opposition (Mr. Murray).

The honourable Official Opposition House Leader (Mr. Laurendeau) contended that the honourable Minister of Health (Mr. Chomiak) was provoking debate and was making allegations against members.

The Deputy Speaker took the matter under advisement. I have reviewed the comments in question of the honourable Minister of Health. Although his comments consisted of some strong language, the remarks do not contain any personal charges or imputation of motives. I would therefore find that there is no point of order.

I would, however, ask all honourable members to be mindful of the fact that, even though members have strong differences of opinion, we should keep our remarks and comments tempered and worthy and treat each other with respect as honourable members.

I have one more ruling.

During Members' Statements on April 30, 2001, a point of order was raised by the honourable Official Opposition House Leader (Mr. Laurendeau) concerning a member's statement being given by the honourable Minister of Advanced Education (Ms. McGifford). The Official Opposition House Leader indicated that from her comments, the minister was representing another minister and that the comments should have been raised as a ministerial statement and not as a member's statement. The Minister of Transportation and Government Services (Mr. Ashton), the Member for River East (Mrs. Mitchelson) and the honourable Government House Leader (Mr. Mackintosh) also spoke to the point of order. The Deputy Speaker took the matter under advisement.

I have had the opportunity to review the remarks that were made by the honourable Minister of Advanced Education while speaking to the member's statement. In her remarks she does indicate that she had represented the Minister of Culture, Heritage and Tourism (Mr. Lemieux) at the 13th Annual Manitoba Writing and Publishing Awards, and she also indicates that on behalf of the minister, that she wished to thank a number of people.

Rule 23.(2) states that: "A Minister of the Crown may not use the time allotted for Members' Statements to comment on government policy or ministerial or departmental action."

I would note that the honourable Minister of Advanced Education is listed on Order-in-Council No. 13-2001 as the first Acting Minister for the Department of Culture, Heritage and Tourism.

I would further note that looking back at the past Manitoba practice for the last four years regarding Members' Statements, it has been infrequent for ministers to rise on Members' Statements, but when they have risen, the comments have been made in connection to a matter dealing with the minister's constituency and not with a government department or government policy or actions.

In the first session of the 37th Legislature, no minister has rose under the category of Members' Statements. In the fifth session of the 36th Legislature, three members' statements were delivered by ministers, and these statements were on the Kinsmen Reh-Fit Centre, the Poppy Trust Fund and the Whyte Ridge community club. In the fourth session of the 36th Legislature, two members' statements were delivered by ministers, and they were on the topics of the Millennium project and St. John's-Ravenscourt School.

I would therefore rule that there is point of order. I would suggest to honourable ministers that if they are rising to speak on Members' Statements, the comments should be pertaining to the minister's constituency and should not be used to comment on government policy or ministerial or departmental action.

\*(15:50)

## MEMBERS' STATEMENTS

### Housing Renovation Programs

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, for approximately five years I sat on the opposite side of the House as the member of the opposition responsible for Housing. During that time, I asked the former government numerous questions about their lack of interest or concern for the decline of older neighbourhoods and housing, about the decline of property values and the quality and standard of housing, and I urged them to develop and expand housing renovation programs.

Mr. Speaker, I am proud that the new Government has done this in two budgets. We have invested \$3 million per year in the Neighbourhood Alive! initiative, which I hear is being recognized across the country as a model for reversing the decline of older neighbourhoods using a community development model. The Winnipeg Housing Initiative components of Neighbourhood Alive! which is a tri-level government program based in an office on Portage Avenue has received \$2 million of this \$3 million annually, and it will amount to \$8 million in total over the four years.

Mr. Speaker, when I was in opposition I also urged the former government to fulfil its commitments to the Residential Rehabilitation Assistance Program or RRAP program by matching the federal government's contributions. For the second year, our Budget in Manitoba has done this. We have doubled the provincial contribution to RRAP as well as taken over the administration of the program in co-operation with municipalities. The program now has \$7.1 million annually invested in our province.

We continue to operate the Emergency Home Repair Program, and new initiatives through Hydro from last year offered grants and loans to assist Manitobans with energy efficiency and upgrading for their homes. Also this Budget has for Housing a \$1.2 million increase in the budget division for Manitoba Housing Authority.

Mr. Speaker, there are more exciting things to come. As we have heard today, the minister has announced a housing strategy for the North.

**Mr. Speaker:** Order. The honourable member's time has expired.

### Point of Order

**Ms. Cerilli:** I was keeping an eye on my light. It did not flash.

**Mr. Speaker:** The honourable Official Opposition House Leader, on the same point of order?

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, Mr.

Speaker, I noticed that you were busy at the time so you may not have had an opportunity—that was a call to say that you were right in your two minutes.

**Mr. Speaker:** Order. I have to apologize to the honourable member. I was engaged. I was busy being engaged, I was in discussion with the Clerk about procedures that are coming forward, and I did not have the opportunity to press your light for the ten-second warning. I apologize for that, but two minutes has expired.

### Health Care System

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, I rise in the House today to address a very important issue that affects countless Manitobans and which places an excessive burden on an already vulnerable portion of our society. I recently received correspondence from constituents of mine who express their dismay at existing injustices in health care coverage.

Currently, people with disabilities living independently must pay significant costs for the purchase of crucial equipment necessary to their health and well-being. These constituents have to shoulder these enormous expenses and feel the Government could help lessen the financial burden which strains their family budgets.

Mr. Speaker, this Government has made repeated promises to improve health care in this province. Since taking office in 1999 health care spending has skyrocketed by 22 percent. It is truly worrisome that this Government continues to spend our tax dollars at such a phenomenal rate when the people of Manitoba have not seen any results. Unfortunately, this Government fails to realize that improvements to health care are made through sound management and sound public policy. Instead, they continue to increase funding with no plan or vision as to how to make the necessary improvements.

As a result of this astonishing mismanagement of the taxpayers' money, Manitobans have become the highest taxed province in the country with absolutely nothing to show for it. Programs and services have not been improved, leaving many Manitobans out in the cold.

If this Government better managed its resources, Mr. Speaker, perhaps it would be in a better position to implement programs which genuinely reflect the needs of Manitobans.

### Special Olympics—Curling

**Ms. Bonnie Korzeniowski (St. James):** On March 24, I had the pleasure of attending and speaking at the opening ceremonies of the first Manitoba Special Olympics 2001 Western Canadian Curling Championship at the Deer Lodge Curling Club.

It was a very touching experience to hear the pipers playing and to see the police procession, all the enthusiastic parents, friends and, of course, athletes at the opening ceremonies. Denis Sutton, president of the MSO board of directors and Barry Greenberg, president of the Manitoba Curling Association, then got things underway by giving a spirited address to the crowd. This was followed by the ceremonial first rock thrown by champion Karen Young, skip at the Manitoba Tournament of Hearts Championship and swept by the good-humoured Barry Greenberg.

I was honoured to have this inaugural event in my constituency. All those involved showed that the volunteer spirit and teamwork is alive and well in Manitoba. I would like to thank the Deer Lodge Curling Club for hosting the event. I would also like to commend the organizers, volunteers and sponsors for all of their hard work in making this event a reality. The community spirit is admirable, and no doubt the event will be remembered for a long time to come.

Curling has long held an important place in our province's rich sports history. The wonderful response to the event assures me that the sport will continue to thrive in this province and will for years to come. Sporting events like this one nurture the competitive spirit and provide the opportunity for teams to show their incredible curling talents. I am confident that the championship was a complete success and that our city has shown all participants, visitors and locals alike why Winnipeg has earned such a stellar reputation as a city with extraordinary capability to stage varied memorable events.

I would like to take this opportunity to congratulate all the participants for their personal effort and excellent sportsmanship regardless of the outcome. I am proud to support and I will continue to support worthwhile initiatives like the Special Olympics, Western Curling Championships in my constituency in St. James.

### Call Centre Industry

**Mr. Jim Penner (Steinbach):** In Opposition, members of the Doer government criticized call centres as offering little more than low-paying, low-skill jobs to Manitobans. Since forming Government, these same members have changed their tune and now sing the praises of call centres and their contribution to Manitoba's economy.

In 1997, the member for Fort Rouge said call centre jobs were "not career jobs for a lifetime because no one could live and raise a family and buy a house on the wages these jobs offered." In 1999, when the Doer government announced the opening of a new call centre in Selkirk, their own news release praised the move, stating that the initiative opens up new career opportunities. Which is it, Mr. Speaker? Are these good jobs or bad for Manitoba?

We have heard the Member for Minto (Ms. Mihychuk) boast about the recent opening of a new call centre in Manitoba. Yesterday we saw the opening of the new Convergys call centre. The member for Minto has indicated that call centres are part of her government strategy for economic development in rural Manitoba. First they are opposed to call centres. Now call centres form a part of this government's economic development strategy. What does the government stand for, Mr. Speaker?

While we have always been supportive of the call centre industry which has successfully utilized Manitoba's central time zone, multilingual workforce and other factors that have helped to provide numerous job opportunities to Manitobans, the Doer government has flip-flopped on their position, first criticizing and now supporting the industry. This is just one

more example of the Government's lack of vision and long-term economic strategy for Manitoba.

\* (16:00)

### Organ Transplants

**Mr. Doug Martindale (Burrows):** I would like to make a member's statement on a non-political issue and point out that the Member for Charleswood (Mrs. Driedger) made a statement on organ and tissue donor awareness week a year ago in April. I know several people who have been recipients of organ transplants, and they are extremely grateful for the fact that they have been given a new life in the case of a heart transplant recipient that I know.

So this is a very important issue to people who are on waiting lists, and regrettably waiting lists are growing longer, but there is something that my colleagues in the Legislature and all of us can do about that, and that is to sign the donor card in our wallets. That is not really enough because, unfortunately, when people go to the hospital, their wallet and clothes get separated from themselves, and people do not look in their wallet and do not see their card. The next problem is that there must be trained staff who talk to the family members and ask them for the donation. It is a very delicate and difficult process, and unfortunately it does not always happen. What is happening in Manitoba and in Canada is that our level of organ donations is actually going down slightly. It is not nearly as great as it should be, and I am pleased to say that the federal and provincial governments in Canada are doing something about this.

They have struck a national council on organ and tissue donation and transplantation, and the goal is to set up an organ transplantation registry. The registry is believed to be an improvement on the current donor card, the driver's licence system, and it is thought that it will get more people registering the fact that they want to donate and thereby increase the number of donations, but finally we all need to talk to our family members and let them know that this is our desire so that, if we are involved in a fatality, our organs will be donated.

**Mr. Chairperson:** The honourable Member for River East, on a grievance.

## MATTERS OF GRIEVANCE

### Minister of Family Services Comments

**Mrs. Bonnie Mitchelson (River East):** Mr. Speaker, it is unfortunate that I do have to stand today in my place and grieve on an issue that I think is a very serious issue.

As we sit in this Legislature as elected members, we recognize and realize that there is a Government and an Opposition. That Government does in most instances have a majority and have the ability to vote and to support certain issues and certain rulings that are presented in this House and Opposition does have the opportunity to vote against. Through the democratic process, usually the government of the day does win and the issue is set aside.

Mr. Speaker, for me, the issue has not been set aside, and has not certainly in my mind been dealt with in the most appropriate fashion. There are two specific issues that I think really need to be dealt with. It is the issue of the personal affront that I felt in answers to very legitimate questions that I asked in this House, answers presented by the Minister of Family Services (Mr. Sale), but the bigger issue is the issue of how those comments that were made by the Minister of Family Services have painted our caucus and our party and our policies as policies that might beat women. That is an affront to all of us that sit in the Progressive Conservative caucus. It is something that we will not tolerate and comments that we will not leave on the record.

Mr. Speaker, I was a little affronted today to think that my word was not unequivocally accepted as by the intent that the ruling provided. I used the very first opportunity that I had after reviewing Hansard to bring my issue to this Chamber. I recognize and realize that there are certain rules and criteria around matters of privilege, and that the Speaker has the opportunity to rule on those, but I was somewhat affronted that my word was brought into question by the ruling. It is more in sorrow than

in anger that I am having to raise this in my grievance. I am an honourable member of this Legislature, and I believe that my word is my word.

Certainly, my intentions were to ensure that the issue was brought to the House and was dealt with in an appropriate fashion. An appropriate fashion in my mind would have been to have the Minister of Family Services (Mr. Sale) stand in his place and unequivocally withdraw the comments that he made that said the Tories beat women with sticks. He could have unequivocally, without any type of explanation, withdrawn those words, and the matter would have been dealt with. We would have applauded the Minister of Family Services for doing that.

Instead of doing that, he chose to stand in his place and try to defend those words by saying it was a difference in policy and that the policy of the New Democratic government was to treat women with respect, but the policy of the Progressive Conservative Party was to beat women with sticks. He tried to explain and justify those comments in this House, and that is absolutely unacceptable.

Mr. Speaker, I only have to go back to the comments that I made when I raised the matter of privilege to talk about some of the programs that were put in place under our administration, a Progressive Conservative administration, and under my watch as the Minister of Family Services. I know that many of those programs are still ongoing today. I heard the Premier (Mr. Doer) in his Estimates sit here in this House and indicate that many of the early intervention programs that our administration put into place are programs that are being built upon by his administration.

Mr. Speaker, I would not think that those programs could be interpreted by the Minister of Family Services (Mr. Sale) or anyone in the Government benches as policies and programs that beat women. I am very affronted by that type of comment by the Minister of Family Services.

Mr. Speaker, I also know that in the Minister of Family Services' Estimates, he goes to great lengths to try to talk about building upon the

programs that we put in place when we were government. To me that is not policies or programs that beat women with sticks. I am absolutely appalled and affronted that those words were not asked to be withdrawn unequivocally. I think there is precedent in many rulings that have been provided to this House that says, and I might even quote from another ruling that was given today that said, and I quote: Even though members have strong differences of opinion, we should keep our remarks and comments temperate and worthy and treat each other with respect as honourable members.

\* (16:10)

Mr. Speaker, those words were absent in the ruling that we voted against today. I mean there was absolutely nothing within that ruling that indicated the words that were associated with our party, our Conservative Party, that said our policies were equal to beating women with sticks were an affront or were disrespectful. Those comments were disrespectful, and we have a Minister of Family Services here who showed the utmost disrespect for our party and for members that sit on this side of the Legislature.

Mr. Speaker, I have to indicate that a simple solution for the Minister of Family Services would be to stand up, would be to apologize unequivocally without any explanation for the words that he articulated in this House on April 18. I know the issue of a matter of privilege is one that has to be dealt with in a very serious way, in a very serious matter. If, in fact, and I can respect the ruling based on precedent that was set or has been set in the past in other rulings, but I do know very often, when other rulings have been presented to this House, even though those rulings may have indicated that there was not a matter of privilege presented, members that affronted other members were asked unequivocally to withdraw the comments that they made.

So, Mr. Speaker, whether it be through a point of order or some other manner, when a member stands up in this House when they have offended in the way the Minister of Family Services offended not only me as an honourable

member of the Legislature but every member that sits on this side of the House, and every woman that lives in this province of Manitoba, when there were programs put in place, there were services for abused women that were expanded under our administration. I would venture to guess that the Minister of Family Services today is going to continue to build on some of those things and continue to try to improve the circumstances and the situation for women in Manitoba.

Mr. Speaker, I know that we took those issues very seriously, and I worked extremely hard to try to put in place the right programs and the right policies. As a matter of fact, an Aboriginal woman, who called me not too long ago from the area around The Pas, who I worked very closely with when I was the Minister of Family Services, called and indicated that she was working with the new Minister of Family Services and continuing to work with the department. She was excited about maybe some new initiative that was going to take place. She said to me that the women in the North have not forgotten the times that we spent together, the times that we worked together and the initiatives that we undertook as a government. She said: Because I feel so very comfortable with you, I wish that you were still there.

I encouraged her very strongly to work with, and she was working with, the Government, but I encouraged her because I felt it was really important that some of the work that had begun continue and that programs continue to be initiated and that women should be protected where at all possible. I encouraged her to continue to work. She indicated to me that if there was an announcement to be made, she was going to call and invite me personally to come up, that many of the women in the community often asked whether she has had contact with me when she comes in to the city of Winnipeg.

Mr. Speaker, I sat in northern communities, with Aboriginal women and cried with them when they talked about the abuse that they were experiencing in their communities. I worked with them, and I committed to them that we would try to put in place policies and programs that would make their lives better. They will not forget that, and it is unfortunate that this

Minister of Family Services could stoop to the level that he did on April 18 and paint us on this side of the House, members of the Progressive Conservative Party, members of the Progressive Conservative caucus, as people that take some delight in beating women with sticks.

Mr. Speaker, I have never been as affronted or offended by any member of this Legislature as I have been by this Minister of Family Services. I would hope that he would think very seriously about the impact that he has had on all of us here on this side of the House. His words were unconscionable, his intent was unconscionable, and I wonder how he can stand up and talk about being kind and being forgiving. You know, not only is he a minister of the Crown, he is a minister of the cloth. I would think that we would have more respect for individuals in this Chamber and members of our party than to use that kind of language and have that kind of an attitude and not stand up, admit that he was wrong, that he made a mistake, and unequivocally, without any type of explanation or any type of excuse for the words that he used, ensure that those words are withdrawn forever from this record.

Mr. Speaker, I feel that it was very important today to stand up to indicate that I feel that a disservice has been done by a ruling that does not even warn the Minister of Family Services (Mr. Sale) or make him think twice about his attitude and his words that have been offensive and have left a black mark on the Progressive Conservative Party in the province of Manitoba and all women in this province that we supported and worked on their behalf when we were in Government.

I would hope, Mr. Speaker, that the Minister of Family Services (Mr. Sale) would have some second thoughts about his attitude and the arrogance that he used in his attempted apology for the comments that have severely offended us on this side of the House.

\* \* \*

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I too would very much like to support my colleague from River

East. I think she spoke extremely eloquently. I think she addressed the issue very plainly.

I will tell you that from my perspective I find this very troubling that we would have a minister of the Crown, albeit we will admit that that minister of the Crown shares different views than our party, the Progressive Conservative Party of Manitoba, and we now find ourselves in Opposition. But I think that I am very troubled that the Minister of Family Services, who, in a way of expressing a disagreement on policy, would make reference as he did to the fact that Tories beat women with sticks.

Mr. Speaker, I am a new member of this Legislature, but I will tell you one thing that I am not new at. That is being the father of two young women that I have raised with my wife in Manitoba. I can tell you that on a day-by-day basis I sit down with my daughters and we talk about the ability to have self-esteem, the importance of self-esteem, so that as you go through life you are treated as an equal, and not only that but that you treat others as an equal. There is no one level here and another level here in life. We all walk this earth as human beings, regardless of whether you are a man or a woman. That is equality, something that I talk to our children about on a day-by-day basis.

\*(16:20)

So when I hear words coming from the other side of the House from a minister, from a minister of the Crown, somebody who is supposed to represent not special interest groups, Mr. Minister, but all Manitobans, making a comment, a comment that perhaps was made in a moment of emotional, back-and-forth banter—one understands this Legislature from time to time, that kind of banter does go on and it does exist. Nobody is perfect, Mr. Speaker. We are not asking for perfection. We are asking for an unequivocal apology to something that I believe, not only as a member of the Legislature but as a father, a father of two young women, I find offensive and I find flies in the face of what I believe people expect out of their members and out of the Government. They want good government for all of Manitobans. I do not think that that minister's comments in any way reflect

what I believe Manitobans expect out of their Government.

Prior to becoming a member of the Legislature, I spent 10 years in a company where the majority of the management of that company were women. *[interjection]* Well, maybe they want to make fun of that, Mr. Speaker, I do not know. That seems to be the flavour of the day over there.

I can tell you from my perspective, Mr. Speaker, the women that worked in the company that I was involved with had the highest integrity, they provided incredible service, they were excellent leaders and they were model, model management people for all of our company. I was delighted every time I had a chance to work alongside one of these women, because I learned something from them every day. I learned the value and the perspective that they brought. It was something that meant a lot to me.

To have any recollection or any suggestion that whether I am a member of this party or because perhaps my association with this party, not as an elected member but just as a member of the PC Party of Manitoba, Mr. Speaker, that I would in any way condone or be involved with any act of violence towards women is something that drains my energy. I cannot believe that somebody would say, well, those people over there, this group over here—as if somehow they have the monopoly on the rights of all people that somehow we have got so much to learn from somebody on the other side, clearly—you talk about two classes, maybe they think there are two classes. We certainly do not. I certainly do not.

So I am somewhat troubled when I find and I look around and I see honourable members. I sat with the honourable member when we sang Christmas carols. And there we were, and in a moment, I believe, somewhat of humour I said to the honourable member: You know, I think you are singing a little bit louder than I am. And I think, in a manner of joking, he turned as if to poke me in the eye. They took a picture of it, he sent it to me, and he wrote a little note on the back. Maybe I am to interpret it differently, Mr. Speaker. I am always prepared to give anybody

the benefit of the doubt because I think that is what life is about. I come back to being a father. That is what I tell my children. If something has happened to them, always look for the benefit of the doubt, look for the best in people because in the long run that is the way that you are going to be successful in life.

So we are faced with a situation where the honourable member makes a comment as he did about this side of the House beating women with sticks. Surely there is nothing wrong. As a matter of fact, I think there is something very courageous in standing up and saying: I unequivocally apologize; yes, I disagree with you; I will disagree with you every day of the week. That is what this Legislature should be about. Obviously, we should have debate, discussion going back and forth, because again I think it provides for good government but not when it gets to the level of an accusation that is such an attack not only on the Member for River East (Mrs. Mitchelson) but for each of the members that sit on this side of the Legislature. Frankly, it goes back to people like Premier Filmon and Premier Duff Roblin. They are members of the P.C. party of Manitoba. Is the member accusing them of the same thing?

Surely in times of heated debate things get said, and Lord knows, as I sit in this Chamber, I more than likely will at some point do the same thing. But if in that case I can tell you that, as I tell my children, as my parents told me, never, ever, if you say something that affronts somebody and attacks somebody, never be afraid to stand up and say: I apologize. In this case, Mr. Speaker, because of the Chamber, because of the requirement, I believe it is important to say: I unequivocally apologize.

The debate can take place and must take place, but those kinds of hurtful statements I believe strike to the heart of a human being, and I believe that there is no place in this Chamber for those kinds of comments.

I go back to something that our colleague from River East said, and I think she has spent time in the Chamber and she understands these things extremely well. I am surprised that, on the particular ruling that you gave, Mr. Speaker, you completely ignored this comment: that even

though members have strong differences of opinion we should keep our remarks and comments temperate and worthy and treat each other with respect as honourable members.

I am very disappointed that we have had to come forward with this grievance. I understand the process, but I would appeal to the Minister of Family Services (Mr. Sale). I would appeal to him to come forward and do what is right. Let me just be very clear. This has gone beyond politics. It has nothing to do with politics. It has something to do with integrity and human dignity. On that basis, I would hope that the honourable Minister of Family Services would understand why we are going through the process. I would ask the Minister of Family Services to know that we would applaud him and acknowledge his courage if he would unequivocally apologize for the comments that he made that we take such an affront on.

I just want to once more, Mr. Speaker, say that I do not think Manitobans could have had a better member of Family Services than the member from River East. I know the member of River East quite well. I know her level of integrity and her desire to help all people, and that includes women as well as men, all people of Manitoba. That was her goal, and I think she did it admirably. I think, to have any tarnish on the kind of incredible direction that she brought, not only to this Chamber but to all of the people of Manitoba, I think is a shame. I think it is an absolute shame, and I am very disappointed that we have had to go through this process. I will, once again, appeal to the Minister of Family Services to do the right thing and unequivocally apologize. Thank you.

**Mr. Speaker:** The honourable Minister of Family Services.

**Hon. Tim Sale (Minister of Family Services and Housing):** Mr. Speaker, as I did—

**Mr. Speaker:** On a grievance? We are in Grievances.

**Mr. Sale:** I need some clarification. On a matter of clarification that the House is addressing, I would like to make a statement. It is not a grievance, because I do not have a grievance.

**Mr. Speaker:** Order. We are on Grievances. If the honourable member is rising on a point of order, I will hear the point of order, but we are on Grievances.

**Mr. Sale:** Well, then I will rise on a point of order, I guess.

\* (16:30)

### Point of Order

**Mr. Sale:** Mr. Speaker, before the honourable members opposite raised the matter of privilege, I rose in this House and unequivocally withdrew the words which are under question. I deeply regret my choice of words. I regretted it then. I regret it now. I regret the fact that the words are offensive to them.

I would extend my regret very sincerely and again, as I have already done, withdraw those words unequivocally, which is the rule and practice of this House when words are offensive.

**Mr. Speaker:** On the point of order raised by the honourable Minister of Family Services, it is not a point of order, but I would thank him for the clarification.

### ORDERS OF THE DAY

**Mr. Speaker:** Resuming consideration of Committee of Supply, Mr. Deputy Speaker, please take the chair.

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### FAMILY SERVICES AND HOUSING

\* (16:40)

**Mr. Chairperson (Harry Schellenberg):** Order, please. Will the Committee of Supply please come to order.

This afternoon, we are resuming consideration of the Estimates of the Department of Family Services and Housing. When the committee last sat, it had been considering item 1. Administration and Finance (b) Executive

Support (1) Salaries and Employee Benefits, on page 73. Shall the item pass?

**Mr. Glen Cummings (Ste. Rose):** I would like to move into Employment and Income Assistance, if that would be appropriate. I have a couple of questions that I am pretty sure will be handled by the staff that the minister has here.

First of all, I take it from the Supplementary Information that there is an anticipated reduction in demand in this area. Can the minister elaborate on how he calculates that or what anticipated numbers would lead him to that conclusion?

**Hon. Tim Sale (Minister of Family Services and Housing):** The caseload reduction numbers are based on two things: one, the historical trend, which I will just give the member some total caseload numbers, and if he wants breakdowns we can provide him with the breakdowns. I think we did do that earlier in the year. In 1998-99, that is March '99, the average number of cases during that year was 36 850. In the next year that average number dropped throughout the year to 35 277, which was a 4.3% reduction.

In the subsequent year to 2000-2001, that is to March 31 of this year, the average during the year was 33 048, for a drop of 6.3 percent during that year. So our estimate is based on an assumption that we will have a further overall caseload decline of 3.1 percent. The reason for 3.1, rather than a higher number, is that while we are proud of our employment record in Manitoba, as the previous government was proud of theirs, we think that getting much below 4.6%, 4.8% unemployment is tough. So expecting the labour force to absorb a whole lot more people, we think would not be prudent in terms of prudent budgeting.

The numbers of people on general assistance, which is where most people are rejoining the workforce from, have dropped from approximately 12 000 to approximately 7000, which is a huge decline, during the last approximately 20 months or 22 months. The exact time of that starting point, I am not absolutely sure. I think it was around June or July. It was just over \$12,000, and it is just over or just under \$7,000 today. So the member can

see that is a very substantial reduction of around 40 percent.

While we would like to see it go down lower, we know and the member knows that many of the people who are general assistance recipients have very significant barriers to employment. Whether those barriers are literacy or skills or addiction, anger management, mental health issues or disabilities that are chronic and very real but may not be sufficiently large to classify as medically disabled but from a labour point of view, they probably will not be able to hold and keep employment of any significant amount. So the number is based on a prudent assessment of previous trends, a look at our employment rate and a recognition that most of the readily employable people in that group have been moved.

Now, the member will probably know that we have a program called Building Independence in which we are working with multiply barriered people through a variety of initiatives, and if he wants to examine some of those further, I would be glad to get into that.

**Mr. Cummings:** Yes, we will discuss Building Independence in a moment, but does the department in doing these calculations—I am sure there would also be some reference to job creation. The number of people leaving assistance does not necessarily reflect the number of people going into the workforce. They could have actually left the jurisdiction or quit looking. Do you have available the corresponding numbers that would indicate that they are going significantly into additional jobs created in the economy?

I am sure that somewhere statistically in the department they have done that comparison. If it is not readily available, it may well be available in the Treasury Board, for that matter. It is an interesting number and really reflects, in my mind at least, how well the economy is growing in terms of jobs.

**Mr. Sale:** The member asks probably one of the most complex questions that he could have asked in terms of how this all works. I have asked the question too, and the department has been very helpful in helping me understand that

within any of our caseloads there is a tremendous amount of churning, and the caseload that churns the most, of course, is the general assistance category.

There is a portion of general assistance recipients, and I cannot give him percentages, but a significant proportion, somewhere between a third and a half, of general assistance recipients come on to assistance once, go off and are never seen again. They truly used it as a trampoline to get back into the labour market.

There is another group who use assistance periodically because they are seasonal employees, or they have cyclical problems, whether they are health problems, for example, someone with HIV-AIDS can be quite well for a number of months or even years, and then be sick, and then be well again. It is a kind of very up and down sort of thing. So we have a number of people who are repeaters, who come back into our system, go back out again, come back in again. That is not an insignificant number of people.

We have people who come into the general assistance category but they are really disabled, and as soon as they are panelled they move from the general assistance category into the disability category. But, that is not necessarily any more the same as moving into unemployment, because we are changing the definition of disability to delink it from employability, because many disabled people with technology and appropriate supports can work part or full time even, but at least part time.

So there is a great deal of movement in that general assistance caseload. I would say that often we open and close 500, 600, 700 cases a month and sometimes more than that. The general trend is down, but the trend hides a tremendous amount of activity. If the member wants to have information about say, a sample month in terms of how many cases are opened, how many are closed, what is the net, I can tell him, for example, that over the past 18 months we have moved around 1400 people from the general assistance category to disability because, in fact, our medical panel has said, yeah, they are disabled. That is a significant amount of churning, as well, from that perspective.

I will leave it at that. If there are further questions, I will try and provide more information.

**Mr. Cummings:** Perhaps then we could get an idea of the success or lack thereof of the Building Independence program. What kind of long-term numbers have we been able to stimulate out of that initiative? A reflection of the success rate to me means that they get at least into a seasonally employable situation.

**Mr. Sale:** The Building Independence strategy encompasses some 14 or 15 elements, some of which are new and some which are continued from the previous administration. Each one of these elements is subject to evaluation in terms of its effectiveness, so I cannot give the member much in the way of overall numbers. For example, the Connect 2 voice mail service, which gives a voice mail box to people on income assistance who have a need for one—up to 1500 mail boxes can be assigned—that is being evaluated. It has been in operation now not quite a year, less than a year. We are evaluating the use of that in terms of people who are finding employment, finding connections with training, for example.

When you look at the job centre at the EIA office, which is an initiative started under the previous government and expanded here, that we believe is an extremely efficient, very, very valuable resource, because people who come in who do not have significant barriers to employment, that is, they do not need health-related issues or addiction-related supports. They are basically employable, although they may have low skills. They go directly, before enrolment in income assistance, to the job centre. We find that a very significant proportion of those people are able to be connected with work and never actually go on assistance at all. They may get a pair of work boots, they may get clothing, they may get transportation support, they may get a small issue to tide them over for the first paycheque sort of thing.

When you look at the fact that, over the period of time we are discussing, 5000 people have found their way off the general assistance category and our overall rolls are down, even though our disability rolls are significantly up,

then I think you have to say that between the good job conditions, the training initiatives such as Taking Charge!, Opportunities for Employment, the Career Action Pathing Center, the Connect 2 voice mail, these, in combination, are working.

When we get specific evaluations of specific programs, I have no problem with sharing those, and I have a commitment to see that we do evaluate everything we do, because there is no sense in spending money on something that does not work. I cannot give him much more than that general picture, that dropping 5000 over that period of time means that in concert, in combination, we are having some pretty effective results.

\* (16:50)

**Mr. Cummings:** That is pretty much what I was expecting. What I am interested in is the comment that the minister made about somebody who would come in, would be involved in a program. Would it be true then that someone might come into this program only to the extent that they would be put in contact with more appropriate job opportunities, given their skill level? Does that go all the way to where they might be advised, encouraged or assisted in enrolling in some skill development?

**Mr. Sale:** Yes, Mr. Chairperson, that is I think one of the strengths of what we are doing, is that we have access to a fairly wide range of skill development programs through the LMDA, Labour Market Development Agreement that we have with Canada.

We can enrol Employment and Income Assistance recipients in training programs alongside those who are Employment Insurance recipients. We have the capacity to what is called reach back, so people who have come into Employment and Income Assistance but have sufficient work history to qualify them for EI training, we can reach back into that history and qualify them for training and we do that.

The Opportunities for Employment program which the member will probably know is supported by the Mennonite Central Committee and MEDA and a number of leading industries

in Winnipeg, this winter had a celebration at their new office on Ellice Avenue in which they celebrated their 2000th job placement. Now they are readily admitting that all 2000 of those people are not at work full time today, but all 2000 have significant workforce attachment now which they did not have, and a great number of them have qualified for the reimbursement of \$4,000 for a successful placement which is the contract. It is an interesting contract; it is a kind of pay-for-performance contract. They have, as good businesspeople in their community, they have made money on that contract as they have done a good job of providing training. Industries like Palliser have taken a number of these people.

So I think we have got a graduated ability, everything from up to two years of post-secondary community college through to very short, two-, three-week programs that can give people a specific office skill or a specific employability skill. We have that full range now, and my staff tell me that there are a very, very few employable people now in our system who are not engaged in some form of training or service that is moving them towards as much independence as they can attain.

I think the member knows people well enough in his own community to know that a significant number of these people will never be fully independent but they can be partially independent, and that independence brings with it a lot more dignity and frankly a lot more income. So that is the kind of graduated process that we are working on and I think having some success at.

**Mr. Cummings:** One of the difficult and tricky aspects of assisting people for employment opportunity is that, as the minister has just stated, there will be a fair number of people who present themselves or find a way into this area who probably have employment impediments. Some of them will be self-inflicted, addiction of whatever being one them. I know that there was a fair bit of criticism, and frankly the terminology seems to be—*[interjection]* That is okay, thank you.

The concern that I have is, is there any capacity in this process to deal with those folks,

to be somewhat directive in helping them with the challenges that they have developed. I know the term "workfare." I tell people you can call it workfare or you can call it pre-work assistance to try and develop in people the capacity, and it goes all the way from bad habits to as I said more difficult dependencies that could be hard to deal with. Is there an element of that in this program that can help those folks?

**Mr. Sale:** I am not unfamiliar with self-inflicted wounds. I think this is one of those interesting areas where there is a genuine difference in philosophy. Let me answer the member's question directly. Throughout this past year we have had an average of about 200 people on sanctions. That is about the same number as was in the previous government, a little higher than the previous government because there were more people on social assistance.

Sanctions are applied kind of as a last resort. We believe that they can be effective, although for the most part I am not sure they actually are, but we use them just like the previous government did to make the point that, no, you cannot simply decide not to seek work. If you are employable, you do not have a young kid, you do not have a disability, you are employable and there is work there to be found. Please go get it.

The difference is that we do not think everybody on social assistance is requiring compulsion to get off social assistance. We think 99 percent of them do not want to be there. So, if you take the 32 000 that are there now in terms of cases, 1 percent is 320. We have 214 sanctions out at this point.

It is about the same number the previous government had. So we are never happy when you have somebody who does not avail themselves of opportunities to try and improve their situation, but again I think the case is clearly made here that the number of sanctions that were applied under the previous government and the number of sanctions that are being applied as of today are not terribly different in number and, proportionally, they are exactly the same.

Yes, there is an element of compulsion. It is used rarely, but I would say to the member that if he thinks back to the people he knows, although I know that Neepawa is a wealthy community and almost has nobody on social assistance, terribly successful, Sandy Bay runs their own social assistance programs. We do not run them, thank goodness.

\* (17:00)

You think about the people you know. Certainly the people I know, and I know lots on social assistance, their main barriers have to do with self-esteem, a sense that they have not a possibility of being successful. They are defeated people often, for the most part. When you are dealing with somebody who believes they are losers, who feels like they are defeated, feels like the system does not value them much, the biggest job we have to do is to try and restore some sense that they can, in fact, get some control back over their life and that they can be valued, are valued. Self-esteem is a huge, huge issue, and so that is why I think we believe that for the most part what we have to do is respect people's ability to make good choices and nurture that ability, because largely the reason that people wind up on social assistance, in fact, sadly, is birth accident as much as anything else.

So self-esteem is a critical, critical component of the MEDA program, the taking charge program. Those programs were started by the previous government, and that is why we think that, yes, you have to have accountability and yes, we have expanded our accountability checks, but you run a system based on respect and trust and deal with the exceptions because they are not the rule.

**Mr. Cummings:** That is exactly why I said that maybe workfare is a terminology problem as much as it is a philosophical one because what I asked the minister was, is there an element, and I appreciate his answer, but I was not actually asking about an element of sanctions so much as I was asking about an element of counsel where someone who does have an addiction problem or who does have an attitude problem could be asked or directed towards assistance.

I presume that comes down to just how long they allow themselves to be exposed to the system. If somebody just pokes their head in and leaves again, they may or may not want to avail themselves of any counselling or assistance. It is that aspect of it that I would be interested in, if there is an element of that in this program.

**Mr. Sale:** The answer is, yes, in all kinds of different ways in terms of counselling, in terms of access to programs. The member will probably know that again, to go back to the same example, both taking charge and opportunities for employment and even more, the Career Action Pathing Centre in the north end identifies barriers that people have to employment and then identifies the various opportunities in the community to get at those barriers and gives the person support to go through that process, whether it is an addiction issue, a skill development issue, anger management, whatever it is, literacy. Yes, that is why I think we are successful is because we focus on the barriers rather than just focus on booting people back out to work as quickly as we can only to have them come in another door a few days later because an underlying problem is there.

To give the member one example of an elderly man who, it turns out, for years nobody knew he was illiterate. He hid it well and coped, but, of course, he was not terribly employable. In those years past, no one stopped to figure out why. We are trying very hard to do that.

**Mr. Cummings:** I am fairly familiar with actually those types of situations. Those are sometimes also the same people who are proud enough and probably generally get by because they are independent and proud enough that they do not want to admit that they have an issue that they can use some assistance with.

Then let me ask one more question in the aspect of how this program is operationalized, if you will, or delivered by the various people involved. Let us say you have someone who is largely unemployable because they have an addiction problem which leads to all sorts of different manifestations in the workforce, of course. They might not show up regularly or they might not be in condition to work in the workforce. Other than saying, look, I think you have a problem and can we help you, does the

delivery of the program involve the person at least agreeing to sit with a counsellor?

**Mr. Sale:** The way in which the member raises the question I think kind of maybe portrays the difference in the way we approach these issues.

**Mr. Cummings:** That is why I asked the question.

**Mr. Sale:** Okay. The scenario that he is using in terms of requirement comes at the end of the process for us. For the most part, if you take the Career Action Pathing Centre, for example, you are sitting down with someone who has become a support person to someone who has more than one barrier probably. Probably they have two or three. If they are at that program, they have probably got two or three barriers.

You sit down with them, you build a bit of trust, you get to know what their life story is a little bit about, and then you develop what is called a path for them. It is a visual tool, so it works really well with people who are not terribly literate in terms of reading a lot of print. You put it up on the wall with a coloured marker.

I do not know if you have seen those kinds of path plans that are done sometimes for people with developmental delay. It is a planning tool organizations can use, too. It identifies where you want to be at the end of this date; what are the things that are blocking you from getting there; what is the first thing you are going to do; what is the first step you are going to take?

Okay, we have decided what the first step is. Maybe it is an addiction issue. Okay, what are the resources in our community that could help you deal with that? Well, there is AA. There is treatment in-house. There are churches that offer programs. There is a variety of things that you can do. There are self-help books. There is counselling. Okay, what do you want to do? What works in your culture, with your lifestyle? What works for you, in-house treatment at X-Kalay or AFM, a 10-step program, a 12-step program? What do you do?

Your mentor, your support person in that, does not take on the responsibility of trying to deal with your addiction but takes on the

responsibility of trying to keep you on the path that you have helped him or her and yourself to draw and sets some time lines on that—when are you going to do this—and then meets with the person on a regular basis—how is it going, because the member will know this very well, that for many people there are a lot of bumps along the road to recovery.

We find with our inner city school of social work and with access programs that often you have to work with the whole family because somebody who has a particular issue, it is enmeshed in the family. So you can help the person, but if you do not help the home situation, then to go back into the home situation it all falls apart again. The wheels come off.

So the scenario of saying at the end of the day, look, you have to do this, we do not find arises very often, but at the end of the day if we have to do that, that is what sanctions are all about. It is just that that is not where we start.

**Mr. Cummings:** Would it be fair to say then that a sanction situation says to the person who has reached that point in the road, as the minister just described—they are told what, that they may not be eligible for assistance if they do not clean up their act?

\* (17:10)

**Mr. Sale:** Let me just give the member a bit of information specifically about addictions. We have provided an additional \$405,000 in this year's budget for additional resources for addiction treatment, and we just finished training across our system to all of our workers, all of our intake and benefit workers to assist them in identifying people who have addiction problems, to spot addictions more effectively because some people are pretty good at hiding that. We also, by the way, just finished training our entire staff in terms of sensitivity to disability issues. Many disabilities are hidden—diabetes, for example—and some people are reluctant to disclose that particular need. So we are trying to increase the skills of our staff to be more effective in working with people who may have barriers.

In terms of the question, specifically, a general assistance recipient who is deemed employable and for whom there is no obvious

barrier, other than the ones they utterly refuse to deal with, are terminated. Again, that does not happen very often, but that is what we do. It is the same policy the previous government had.

The sanction levels for people who have children but are employable because their children are older are exactly the same as they have been. There is a first level of sanction and a second level of sanction, and they are identical to what they have been all along. Again, I want to emphasize that we are dealing with less than 1 percent of our overall caseload, and that is actually the same level as it was with the previous government as well.

**Mr. Cummings:** I thank the minister for that explanation. It makes sense, and to some extent I think I feel a little bit vindicated over some of the debates that have occurred in this area. I recognize the difference in how the minister believes it should be approached, and I respect that. But in the end, I conclude that if we are close to the same numbers, it is a matter of how good a job we do before anybody ever reaches that spot, and there I do not think we have a disagreement. A working individual who can provide some support for himself is a much more valuable and contributing member of society, and there is no philosophy or political movement that I am aware of that would disagree with that approach.

I want to perhaps go to the Community Living area in terms of some questions that I have had brought to my attention. The one thing that I want to spend a little bit of time on would be the funding issues that have arisen in this area, but let me just ask a couple of general questions to begin with. Instead of me asking a question line by line, in terms of the funding for Regional Operations, the difference in salary dollars and employee benefits that are listed there, that is just normal incremental changes?

**Mr. Sale:** The member may remember we talked about the MSSP payroll and casual and hourly people converting. This is the area in which the majority of those employees work. So that is why this increase appears somewhat higher than the overall departmental increase, because it is absorbing the bulk of those people who are converted to permanent.

**Mr. Cummings:** So these have been converted to permanent full-time numbers. Are there other contracts or secondments involved in this area?

**Mr. Sale:** No, Mr. Chairperson.

**Mr. Cummings:** Adult Services, Assistance and External Agencies I am assuming is the line that reflects the Phase 1 funding that the ministry has—[interjection] Adult Services. Am I on the right line?

**Mr. Sale:** It reflects the combination of both the increase in volume, of numbers of people placed in the community, as well as the specific strategy around staffing stabilization. So if the member is referring to the third line in the Estimates, I think it is \$95 million versus \$110 million. It is a combination of staffing stabilization plus volume increase.

The member probably knows that we closed Pelican Lake last year, so 69 individuals were placed in a community. That is a chunk of that. We also placed others who were critical needs. Often where families are aging and have been caring for a son, a daughter or a relative, the family is no longer able to care for them and they require placement. These come into this category, as well, a very significant demand on our department in terms of the numbers of people with disability that are either becoming adults or are coming into our care because their families are no longer able to provide care for them.

**Mr. Cummings:** I was going to ask this in a moment, but the minister touched on it. The waiting list for those who are in critical need, sometimes it is a matter of how critical is critical.

Is there any number that the department has that indicates how elastic the waiting list is, how large it is getting?

**Mr. Sale:** The waiting list is made up of a couple of components, people waiting for residential service and people waiting for day programs. Residential Services has approximately 471 people waiting for residential services. Put that in the perspective of about 3600 are in care in the community at this point

so it is a significant number, and 176, which are some of these people—there is double-counting here because some need both—are waiting for day services. It represents a total number of individuals of 553 at the present time.

As the member knows, there are a number of children who reach age of majority each year, and that is approximately an additional hundred, roughly. So the demand in this area is huge, and increasingly the level of need of the people involved is higher than when we started to do community living alternatives because we had many people in our institutions and communities who really were not terribly significantly handicapped. They were there because of history more than anything else.

So, as we move now into age of majority with kids who are medically very fragile, the costs of those placements are very high, and the numbers of people that we are now moving into community placement as adults tend to be higher-needs people. It is the same story we have in our personal care homes, that the acuity level is going up, demands on staff are going up, and the cost of placement is going up. It is a very, very major pressure.

\* (17:20)

**Mr. Cummings:** In terms of waiting for residential opportunity then, the number the minister gave me is 471. I am not trying to split hairs on the number, but just as a general observation then out of over 3000 people, that is another one-eighth that could be added if there were services available.

**Mr. Sale:** I will perhaps provide a little more breakdown in that list. The critical wait list is 145, and the non-critical is 326. The non-critical tend to be family situations where care is becoming more tenuous, situations are becoming more tenuous, but they are not at the point where they are breaking down or there is real risk. The critical wait list are situations where we know we have to act, and that is, of course, the priority that we use to determine, you know, where do we act first with scarce dollars.

**Mr. Cummings:** Well, this is why I asked the minister last year in terms of the overall ability

of the department and the elasticity of government to respond to the needs. If this were coupled with a drop in the economy, it would appear, roughly speaking, that the department is able to manage within obviously a pretty large envelope, but some of the savings that are being developed on the drop on the assistance side are allowing some flexibility in the rest of the department.

I just observed that, again, as has been the case for awhile, this waiting list could become very troublesome if the assistance program ever went up again. I do not expect the minister to respond. That is my observation, but, again, it gives rise to each time a new program is established as to what it will look like three years out. None of us can predict what some of the compounding demands may be at that time.

I have one question in terms of the Phase 1 and Phase 2 plan to provide additional remuneration to the people who are working in the service organizations that the department contracts with. Can the minister give me a concept of why he chose the route that he did in terms of impacting these salaries as opposed to using another method, which I will ask him about in a moment?

**Mr. Sale:** Just one comment in regard to his observation. His observation is obviously correct, but I think if he looks at the things that we have done, we have spent our money on increasing training, increasing treatment, increasing incentives, reducing barriers. We have not, generally speaking, spent money on simply increasing rates, which, let me tell the member, causes some difficulty for us, because the general assistance rates are unconscionably low. All of our initiatives have been towards more flexibility to get people back into as much independence as they can achieve.

If he reviews the disability paper which we put forward last week, he will see exactly the same pattern of attempting to provide supports, remove barriers, lessen the risk of moving back into partial or full employment. That has been why Building Independence has been an important strategy for us. It is a barrier reduction, barrier elimination strategy. I think it

is predicated on exactly the kind of observation that he has just made.

The question of why we chose this approach to staffing stabilization, the approach is to provide sufficient resources so that the agencies that have the lowest average wage for people are able to raise those average wages. Our goal last year was to raise average wage to \$8.50 an hour, which is still very low for the kind of work that is being done looking after people who are significantly handicapped.

We took that approach because agencies were telling us that they could not attract and retain staff at the lower salary levels, which is the bulk of staffing in the agencies. They are people who are there overnight, people who are there in the evenings. It is very hard to get continuous staff.

I think if the member reflects on those he knows in Touchwood, for example, he will know that staff continuities are important to people with disabilities. It is very, very, hard to have intimate care provided by changing people. It is very hard to get effective behaviour management for people who have behaviour problems if the people doing the management are forever changing, because they do not get to know the person, get to know the regime of reinforcements or sanctions that are used. It just does not provide good quality care. So what we are trying to do is to make it possible for agencies to recruit and keep people who are doing the front line care. That is why we focussed on the lower end of the salaries.

**Mr. Cummings:** Not all of the agencies fell into this category. Some were raising funds obviously from other sources, so it created a little bit of an imbalance in my view. That is what leads me to ask: Would it not have been more appropriate to have simply raised the per diem that is paid to agencies for the work that they do with the requirement, if necessary, that that find its way into salary?

The next part of this, and I will ask more about it in a moment, obviously becomes the skill. Once you get long-term stability, then I suppose there may well be a plan to increase the requirements for the training of those who are

involved. What mitigated against dealing with it on a more program basis as opposed to direct intervention, which way I would characterize the programs put in place?

By the way, I am not upset about—certainly the need for the money was there. I am questioning the choice of vehicle.

**Mr. Sale:** I think, Mr. Chairperson, that is a very appropriate question. I think it is a good question. What I had to learn as minister is that there is a bunch of history here that agencies got approved at levels in the past which they tended to get stuck at, and I am not being critical of the previous government or of our government in the '80s—but this tended to develop as a system of volunteer agencies, pretty much unrelated to each other, not with a lot of cohesiveness as a system. There was a lot of small group homes, maybe two or three homes in one agency. Over time, more and more developed and some of the homes developed much larger operations. People were approved at different levels of per diems.

We did not have, when I became minister, we did not have data even about salary levels or much in the way of operational information about the agencies. We did have the agency community telling us that we were in an urgent crisis situation, because group homes were beginning to not be viable. In fact, we have had some that were not able to continue. Not a lot, but we have had some.

We felt we had to do two things. First of all we had to get a handle on the problem, the scale of the problem in terms of wage levels and retention. We were faced with a situation that the former minister, member, may recall very clearly. If you want to give a five percent increase across the board in order to help half the agencies improve their salaries, it is going to cost you an awful lot more than if you work with the agencies whose salaries are pretty lousy and give a smaller percentage increase to the others.

We gave a two percent increase in general to all agencies in the last two years, and concentrated our dollars on the poorly paid staff at the bottom end. I think it is a judgment call and I believe it was the right judgment to make, and I believe what the field is telling us is that

we did the right thing. They all would like to have more capacity, but I have had virtually no complaints from the agency community saying that this was a wrong-headed initiative.

I think the implication the member raises is correct that over time we have got to start developing standards, and that work has begun; to say we are going to pay higher wages and begin to develop a kind of professionalism here, we do need to have standards.

I think ultimately once we get wage levels at the point where we do not have unstable homes, then more across-the-board approaches are appropriate. But to try and catch up with a system that I think the member knows was emerging very quickly in the '70s, '80s and '90s as more and more group homes developed, we had a pretty uneven, and we were poorly informed about the nature of this, system. We were just scrambling to find places for people. I think now we are getting into a tighter administrative framework and the staffing stabilization initiative is an important part of that.

\* (17:30)

**Mr. Cummings:** I would suggest that certainly the agencies out there would not look a gift horse in the mouth. I have the freedom to ask, why would you not establish a rate, for example, a home, a group home, a residence, a rate that would have recognized that this is going to require that somebody be paid \$8 or \$8.50 an hour to provide the service? Generally speaking, given an adjustment for cost of housing, if you will, but once the capital cost is in place that becomes less a variable. Would that not have provided a more stable environment to both the agency and the staff?

**Mr. Sale:** I would just first like to tell the member that we have established an advisory committee to provide advice on the staffing stabilization initiative and the members include the coalition of service providers the Westman Parkland Abilities Network, the Manitoba Supported Employment Network and the Manitoba Federation of Labour. So we have the capacity in there to work with the community on this.

I am sure the member knows that the costs of providing service are wildly different if you have three people in a home, two people in a home, one person in a home; if you are in Winnipeg in an expensive area of the city, or if you are in a rural, or smaller urban community like Neepawa, or Minnedosa or wherever where house prices might be more affordable. It is very difficult to have a per diem that reflects the varying costs across the province. What you wind up with is umpteen different per diems.

It is the same problem you face in education finance. How do you provide school divisions with the same resources per kid to provide the same quality of program? You certainly do not provide a flat grant, or a flat per diem, because the cost of salaries is different, the cost of transportation is different, you have rural remote costs, and so forth, small schools and all those things. The same factors affect group homes.

So finding an appropriate funding mechanism is really challenging in this area. I do not view this staffing stabilization as a permanent feature. I view it as a way of dealing with a problem that we had to deal with and are dealing with. As we move forward, I think we will see a more orderly framework for funding, but it is going to take a number of years, because we do not have a big set of dollars to throw at the existing system. We have, as I pointed out, 145 people who need placements. We need to grow the system at the same time that we are trying to stabilize the existing system. So I take the member's comment seriously and I in some ways agree with him that we would like to get to the point where we have a more orderly framework. But, frankly, given what has happened in this field over the last 20 years, we are still evolving this system. It is not stable yet.

**Mr. Cummings:** I will be very delicate how I ask this question, because I am not interested in getting into discussion about labour-management relations. For interest, is there a known number of the agencies out there who are now unionized?

**Mr. Sale:** Approximately 10 percent of our service providers are unionized at the present time. There is somewhat of a slight trend toward increasing unionization, but it is not a big trend.

**Mr. Cummings:** I guess we do not need to dwell on it right now, but that is another reason that I felt in the end—and I hear what the minister is saying and I will be interested to hear what the advisory committee may want to bring to the table. These agencies have all at least grown up independently. They have their networks that they bring their common problems to the table and share information. It strikes me that, and I hear what the minister said about how per diems can create an uneven playing field as well, but what I think I see from the other side is that reasonable per diems put forward and one of the variables is housing costs, but once that is in place it becomes somewhat stable. It becomes operating costs, and the skill of the management and the availability of the workforce.

I guess I will just leave my comments on the record that my own way of thinking, up to this point at least, is that a stabilized and predictable per diem that reflects the service required then puts an element of responsibility onto the agency provided the per diem is attached firmly to the client they are providing the service to, provides an element of competition—competition is the wrong word—provides an element of management that the department does need to worry about, that the people on the ground putting together the agency know what framework they are working within, and can use that as a benchmark.

**Mr. Sale:** As the staffing stabilization requirements are identified on an agency group home basis or group of group homes basis that is then built into the per diem. I may not have been clear enough with the member that we do use a per diem system for funding. That is how we fund. They are attached to individuals with service expectations. Each person has a plan with expected outcomes. The funding is attached to that plan.

My point was that what we tended to have was that older agencies, and some not necessarily older, but mainly older agencies tended to not have adequate funding to be able to pay the wages. They could pay the wages. They could pay the wages back in the '80s or early '90s perhaps, but the per diems have not increased, whereas some of the newer agencies had higher per diems and could, in fact, survive

at a reasonable salary level. So we had a problem with a segment of our system. We are addressing that, and then building that additional funding into those agencies per diems.

What I was perhaps misunderstanding was that I was hearing, I thought, the member suggesting that we could get to a set of uniform per diems across the system. I do not believe we can, because people's needs are so different. We may have a range of per diems. That I could see us getting to, a relatively confined range. But, I cannot see us, given the differing needs of people, getting to a flat per diem. So I think probably we are talking about the same kind of thing and perhaps just coming at it slightly differently.

**Mr. Cummings:** Obviously, I understand the per diem has to be reflective of the service that the particular client needs. Beyond that, I was looking at something more standardized. To some extent, there is an inequity that may still exist out there. It is solved, to some degree, with the changes through the Phase 1 funding, but there will be continuing pressure. I am sure the department minister is well aware of that.

Perhaps if we could just spend a moment on the Developmental Centre, the numbers here do not reflect much change. Would it be fair to say that the Developmental Centre is operating on a flat line, as it were, in the sense of numbers of residents?

**Mr. Sale:** The Manitoba Developmental Centre is dropping slowly in its population mainly because of deaths, although there are discharges. For example, in 2000-2001, the population dropped by 13. There were three admissions, one readmission, six discharges and eleven deaths. There are people who could move out of the centre if we had the resources available, but they are relatively few.

I am sure the members knows that it increasingly is a psychogeriatric centre, but the population is estimated to decline by about that same number of deaths each year and about that same number of discharges, so it is in a slowly declining pattern in terms of numbers.

\* (17:40)

**Mr. Cummings:** Obviously, we could spend quite a bit of time on that area, but because of other interests for Estimates time, let me just ask: Are there many situations in the residential care licensing where there are operations that are in violation of their licences? I take it that licensing also provides an enforcement aspect, or at least an inspection aspect to its responsibility, or do I misunderstand this line?

**Mr. Sale:** No, I think you understand it quite correctly. We do license, under various acts, residential facilities from a safety and security quality assurance perspective. For example, are medications handled appropriately from a security and administration perspective? Fire, health and safety, food preparation, means of egress and so forth, all of those standards are the job of the licensing branch. They do inspections, and they identify deficiencies. They require that they be brought into compliance.

There is no, I should not ever say no, but there is very little wiggle room in regard to compliance issues, and we keep at people until they comply. That is the way that operation runs, and it is, again, a consistent pattern over many, many years. The branch has been in place, I would think, for at least 30 years.

**Mr. Cummings:** Just one very specific question, have there been any facilities that have had to be dealt with for lack of compliance?

**Mr. Sale:** Staff inform me that most of the issues are routine compliance issues. They get whatever it is fixed, a fridge, or a kitchen counter issue or a minor safety issue that needs to be fixed. We can verify, but we believe there was one licence pulled this year for non-compliance in a home that dealt with people with mental illness issues, where the program responsibility resides in Health, but the licensing responsibility resides in our department.

If the member needs more information on that, I would be happy to provide it to him, preferably not on the record in Hansard.

**Mr. Cummings:** No, I was not expecting to go into any specific details. I was interested in whether or not there was a general trend. Are there other licensing bodies that would have

involvement with the same facilities? I must admit that I am playing with half a deck on this one, but I understand that there are human rights panel that might from time to time review some of these facilities? As I say, I am fishing here but I am not fishing in a negative way, I am trying to understand questions that have been raised with me.

**Mr. Sale:** The Office of the Fire Commissioner, the fire departments have the responsibility in terms of inspections. Public Health always has the right to inspect any facilities that prepare food or have sanitation issues and they also are involved. I think those are two examples of other types of licensing bodies, not licensing bodies, inspection bodies.

**Mr. Cummings:** The Vulnerable Persons Commissioner, there is an independent report from this commission and, I should ask the question, there is, there will be?

**Mr. Sale:** It is part of the annual report of the department. It is a required element of that report but it is not a separate report.

**Mr. Cummings:** Then has there been any change in the number of times that—is there a growth in the demand for the services in this area?

**Mr. Sale:** Mr. Chairperson, this is a relatively new act and so I do not think that it is sort of completely stabilized yet. I think it has only been in place for about two and a half years at this point or three years. I am not sure of the exact date of when it was put in place—[interjection] 1996 it was put in place, but I think it actually only really began to function the year after that. It is a lot of intake.

The number of vulnerable persons has not increased from '99-2000 to this past fiscal year. The primary reason is that the additional intake of about 75 was offset by deaths among the population for whom the commissioner had some responsibility. It is now a fairly stable number, it would appear, but, of course, there was a rapid growth in the first few years.

**Mr. Cummings:** The number, do you have it handy there?

**Mr. Sale:** As of March 31, this year, there were a total of 1380 vulnerable persons with one or more substitute decision-maker appointments. Of this number, 1176 had an order of supervision under Part II of The Mental Health Act prior to the proclamation of The Vulnerable Persons Act. So a great deal of that caseload is really transferred from the old Part II, Mental Health Act. There were 204 vulnerable persons for whom a substitute decision maker was appointed who had not previously had an order of supervision. Approximately 640 of the 1380 are living in services for developmentally delayed residents, whether it is Portage or other residences.

**Mr. Cummings:** If we could move to the next appropriation, 9.4. in terms of the first area. Could the minister explain the footnote that is here: The increase is due to operating expenditures related to the Aboriginal Justice Inquiry Child Welfare Initiative?

\* (17:50)

**Mr. Sale:** Yes, the process of developing this new system is not cost-free in terms of the developmental activities. For example, in the fall of this year past, we had over 200 people working on seven different working groups such as legislation, funding, in-take service delivery, et cetera. And those people had to meet and so we covered the costs of those meeting and, of course, because we are working with our partners in the mid, near and far north, the cost of bringing people together is very substantial.

This also subsumes the additional staff, I believe, who are working in this initiative, I think it is three people who are part of the strategic initiatives components. These are the costs of bringing the system on-line basically and they will disappear when the system is on-line.

**Mr. Cummings:** I appreciate that answer. In other words, the devolution work that is undergoing is what that line refers to then. Okay. I am interested, and I asked this question earlier, the minister indicated that he felt there might be disruption. There would not be job loss in the long run for employees within the department as this initiative proceeded, and he certainly took

pains to indicate that pre-Christmas which I am sure everybody appreciated, but I wonder if he still stands by that statement.

**Mr. Sale:** We always stand by our word, Mr. Chairperson.

**Mr. Cummings:** I do not doubt that the minister would stand by his word. I just wondered if the circumstances had in any way changed that would impact on whether or not that was a position that he still held.

**Mr. Sale:** I did not mean my answer to be flippant, Mr. Chairperson. In fact, that will be the subject of the detailed work plan that is coming before us relatively soon. There will be a very thick implementation plan and a phasing plan, and our expectation is that as this is phased in over a number of years, people will be absorbed either in new agencies or in the remaining general mandate agencies, or will through opportunities within government find their way into appropriate employment that matches their skills. The commitment we made was no loss of employment and protection of seniority and benefits.

I think if the member reflects back to the initiatives that were undertaken during the time he was in government around regional health authorities, for example, much of the same kind of work took place, and it was quite successfully handled by labour adjustment measures that people like Chris Thain and others worked on, I think, quite successfully.

That is the process that we are just now beginning to get the details of. We made a commitment to protect so that we could sit down and then work out the details rather than trying to get people to work out the details while they were looking over their shoulder to figure out whether they could afford to take the risk of working in the process, and we need people to stay in the process to keep some continuity for kids and families and not to be anxious about whether they are going to have at the end of the day a fair offer of employment. So that is why we did that.

#### **Point of Order**

**Mr. Sale:** Mr. Chairperson, can I just ask on a point of order? I have no problem with us

leaping over the place as we have been doing, but I would like to know whether the member intends to pass any of the discussion that we have had by the end of the day, because my staff I think need to know when we next gather whether we are going to go back over some of the areas. I am not saying we should not do that. I would just like to know what the member's intention is, if he is able to tell me.

**Mr. Cummings:** We will not be going back from where we are here, but if I ask any questions that might be interpreted as going back somewhat, I am quite prepared that it would be the minister or the deputy minister would probably be able to answer the question that we would ask. I know what Estimates can do to managing the department.

**Mr. Chairperson:** On the point of order raised, there is no point of order.

\* \* \*

**Mr. Cummings:** We have to have a written ruling, Mr. Chair. In case someone reads this in the future, somebody with nothing better to do with their life reads Hansard, I want to put it firmly on the record that the concept behind the initiative we were talking about is fully supported.

The questions that I am concerned about, however, and you may have inadvertently actually answered a number of my questions when the minister indicated about how long the minister or the department believes this undertaking may take. I think in the initial stages a lot of people probably were looking at a situation that might move faster than in actual fact it may end up doing. That causes concern on the part of those who are currently employed. It probably also causes concern on the other side of the coin for those who want to see it moved as quickly as possible. I am sure that there has been some thought given.

The minister just indicated in some respect that this could take a while, and I wonder if he would care to share any of his thoughts in terms of what his objectives are in terms of timeliness of doing this. As long as I am his critic, I would expect that I will want to keep tweaking him

about how fast this process is or is not moving. On the other hand, I will be very concerned if it moves in a way that causes disruption. That can easily lead to problems that neither he nor I want for children or others who are responsible for it. So can he provide some insight as to what he has learned so far?

**Mr. Sale:** Do we have leeway to go a few minutes after 6, or not?

**Mr. Chairperson:** I want to inform you that we have to rise at six o'clock.

**Mr. Sale:** This is not a simple answer. The date we set as a target was March, 2003. However, I think what we have to recognize is that this is an evolution that started in 1976 when Sagkeeng First Nation, '75-76, when Sagkeeng First Nation began to develop the capacity to deliver child and family services in that reserve community. They moved to a full mandate a couple of weeks ago. That was their choice. They chose as a matter of principle not to take a full mandate because they believed that they had the inherent right to that mandate, and that they should not have to negotiate to get it in effect. But, because of our commitment to devolve that responsibility, they felt able now to accept that mandate.

Through the '80s, we developed agencies, DOCFS, South East, Awasis, Anishinabe, et cetera. In each case, we had training hurdles, we had system-building hurdles, we had the hurdle of developing governance capacity that was relatively free from interference from inappropriate outside forces. All of these things were learning curves. This is not going to be any different.

We have said, from the outset, to our partners that we see this as an incremental process, so that if we are ready to move some aspects of this system this fall, then we should do that. For example, the Métis child and family services agency is just in the process of incorporating. They have some money to develop capacity, should they develop secondment agreements with Winnipeg or some other agency to begin to take over cases. We think that would be a good thing, that they take

over a few cases and add to that and grow their capacity over time.

So we see it both as having a date by which we get a mandate transfer legally, a new act, which we will need as well as the—*[interjection]* please, do not—just one sentence. Then, we will try to meet the target of 2003, but we will do it incrementally as we go. I will be happy to continue this particular dialogue.

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

## TRANSPORTATION AND GOVERNMENT SERVICES

\* (16:40)

**Madam Chairperson (Bonnie Korzeniowski):** Will the Committee of Supply please come to order. This section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Transportation and Government Services.

We left off this morning at 15.3. Accommodation Development and Property Management (b) Workshop/Renovations (1) Salaries, Wages and Employee Benefits \$2,098,900—pass; (2) Other Expenditures \$299,800—pass; (3) Workshop Projects \$4,575,000—pass; (4) Less: Recoverable from other appropriations (\$6,973,700).

3.(c) Physical Plant (1) Salaries and Employee Benefits \$15,297,500—pass; (2) Other Expenditures \$33,350,200—pass; (3) Less: Recoverable from other appropriations (\$840,800).

3.(d) Leased Properties \$20,777,800—pass.

3.(e) Property Services (1) Salaries and Employee Benefits \$653,400—pass; (2) Other Expenditures \$291,400—pass; (3) Less: Recoverable from other appropriations (\$216,400).

3.(f) Security and Parking (1) Salaries and Employee Benefits \$3,424,700—pass; (2) Other Expenditures \$689,600—pass; (3) Less:

Recoverable from other appropriations (\$2,067,200).

3.(g) Accommodation Cost Recovery (\$42,855,100).

3.(h) Minor Capital Projects \$3,902,400—pass.

Resolution 15.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$35,744,000 for Transportation and Government Services, Accommodation Development and Property Management, for the fiscal year ending the 31st day of March, 2002.

**Resolution agreed to.**

Item 15.4. Supply and Services (a) Procurement Services (1) Salaries and Employee Benefits \$1,695,500—pass; (2) Other Expenditures \$375,600—pass.

4.(b) Government Air Services (1) Salaries and Employee Benefits \$4,899,800—pass; (2) Other Expenditures \$5,099,100—pass; (3) Less: Recoverable from other appropriations (\$9,998,900).

4.(c) Desktop, Telecommunication and Network Services (1) Salaries and Employee Benefits \$2,012,000—pass; (2) Other Expenditures \$12,684,200—pass; (3) Less: Recoverable from other appropriations (\$9,704,900).

Resolution 15.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,062,400 for Transportation and Government Services, Supply and Services, for the fiscal year ending the 31st day of March, 2002.

**Resolution agreed to.**

Item 15.5. Emergency Management Organization (a) Salaries and Employee Benefits \$1,030,900—pass; (b) Other Expenditures \$520,300—pass.

Resolution 15.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,551,200 for Transportation and Government Services, Emergency Management Organization,

for the fiscal year ending the 31st day of March, 2002.

**Resolution agreed to.**

Item 15.6. Infrastructure Works (a) Maintenance Program \$65,639,300—pass.

6.(b) Mechanical Equipment Services (1) Salaries and Employee Benefits \$7,442,000—pass; (2) Other Expenditures \$19,064,000—pass; (3) Less: Recoverable from other appropriations (\$26,506,000).

6.(c) Construction and Upgrading of Provincial Trunk Highways, Provincial Roads and Related Projects \$103,900,000.

**Mr. Jack Penner (Emerson):** I noticed the item of \$103 million in capital construction. That is still \$7 million short of the last year of the Conservative administration. I believe the budget of that year was \$110 million, was it not?

**Hon. Steve Ashton (Minister of Transportation and Government Services):** No. In fact, the base budget was 100.5. The Government had a one-year special initiative that was not in the base budget. In fact, the actual capital budget in that year, the basic budget was 100.5. This year, and I realize the member may have been attending at other committees, but one of the new initiatives this year that is impacting on this is the Prairie Grain Roads Program, the federal-provincial program. We are part of that program. We have agreed with the municipalities to split the money 50-50 between our transportation system and the municipalities. So that is where the amount has gone up this year.

**Mr. Jack Penner:** The portion that will be required from the provincial contribution, does that come out of the base budget of highways?

**Mr. Ashton:** Yes.

**Mr. Jack Penner:** So that means that there will be no increase, even though there is the special program now, and that means that there is a significant change of direction from the previous Conservative administration toward construction, because we did, as you say, Mr. Minister,

provide an additional \$10 million in special programming to the construction budget, which brought the total budgetary amount to just above \$110 million the last year of our administration. I would really encourage the minister to rethink that portion and allow for the \$103 million to remain but that he find money somewhere other to do the special infrastructure programming, and that will be matched by municipalities.

\*(16:50)

**Mr. Ashton:** There is a big difference between us and the previous Conservative government. That is in 1993-94 the previous Conservative government—I believe that is, I will double-check the year—but there was one year, for all this effort we make to get federal funding, there was a strategic highways initiative program, federal funding for the highways system. What the previous government did was they took the money out of their base budget. They used it to backfill. I can tell the member that this is what happened. I can show him in the budget.

What happened was they got additional money from the federal government, they reduced their capital budget. What we have done in this particular case, and this is consistent with what we have said, the previous government said but did not quite practise that year, but our money is on the table in terms of highways. We raise 11.5 cents a litre and we spend in that range on our highway system. The previous government, by the way, did that, by and large.

I thought it was very unfortunate on their part, where when we are arguing for federal money, that they went in, and this year—not every year. Other years they did flow the additional money from the federal government into the highway system. What they did was they just took their capital base budget that year, and they reduced it by the equivalent amount of what they received from the federal government.

What we are doing this year is, as I said, we are part of the program. The fact that there is an increase this year indicates that that federal money, first federal money since 1996, will flow directly to the road system. We will match it from within our budget for eligible programs. That is a multi-year program. I think that is

important, because one of the reasons we have a difficulty with the federal government is because what they do is they see provinces doing that, using the money to backfill their own budget. This is not backfilling the budget. The increase in the capital reflects that we are passing on the federal contribution under that program. We will match it from within the budget before. There is a big difference.

Not every year, by the way, did that happen with the previous government. Some years they flowed the federal money through. I remember being an MLA at the time in Estimates, in opposition saying that I thought it was unwise to do it, and I did not expect to be sitting in this chair today as Minister of Transportation. I think it was a mistake, and what we are trying to do this year is make sure that that money is an addition to the Highways capital program and that is reflected. It has gone from a 100.5 in the Core Capital program to a 103.9. I realize this was debated by the critic, actually the two critics, because I know the critic for Government Services did raise a fair number of highways issues as well.

So the important point here is that this is going to go to improvements on our Grain Roads, and quite frankly, I wish there was a much bigger program, but this is a start, the first time since 1996 there is going to be anything on the Manitoba system. Quite frankly, since the elimination of the Crow, this is going to be the first money on the system to deal with the impact on roads because the federal money we received in other years has been on the national system. It has not dealt with what the Grain Roads Program will do which will deal with both municipal roads and our provincial highways system. A lot of our provincial highways system is not eligible, as the member will know, under the national highways program.

So I think this is going to be significant. I know it is not going to solve all the problems out there and it is not going to meet all the needs but I can tell you, Madam Chairperson, to the member, there is particular, I think, appreciation with the municipalities. You know, we could have fought municipalities over this money. We could have got into a disagreement on where it

would be spent but we recognize that there are needs on the municipal system, and, in fact, in a lot of cases, the member will know from his own constituency, where there are load restrictions a lot of times truckers, they know where to go. They go through the back roads. They go through the main market roads. They go through the municipal roads. Their roads are taking a beating. So I realize if we had stuck our heels in and been successful we might have had another \$3.4 million onto the provincial system, if we had done that but the reason it is 103.9 is because we accepted that 50 percent should go to the municipalities, and the municipalities are doing what we are doing. They are going to be matching with their existing budgets the federal contribution.

So the net total is going to be an addition of \$6.8 million on the system, close to \$7 million. That is very positive, I think, for Manitoba. We can get into debates about the accounting back and forth, but I hope that the member will recognize, in fact, I know he will, that this is important. The federal government is finally putting some money onto our road system.

**Mr. Jack Penner:** I just want to put one other comment on record, and that is the minister knows full well that when he and the previous administration, the Pawley administration, left government there was \$70-some-odd million in the Highways capital budget, and when he took over there was \$110 million in the Highways capital budget. I think that clearly demonstrates the Conservative administration's intent to ensure that there was significantly more spending on highways and it was very evident in most communities in Manitoba.

I also want to indicate to the minister that the reflective realities of highways mileage in Manitoba were reflected in our capital budget as to the distribution of the budget, and I think that is currently not the place. There has not been a stitch of road construction in my constituency since the NDP administration took over, and there were a number of projects that were on the capital budget and on the construction agenda. The minister has somehow withdrawn those projects or delayed them, slowed them down, and I think that is unfortunate.

**Mr. Ashton:** Madam Chairperson, that is factually incorrect. I will just take the last term of the Conservative government. The last term of the Conservative government, there were two years out of the four where there was one-time only money, new initiatives put in, not put in the base where there was perhaps more than was put on the budget last year. There were also two years when the previous government, in their final term, spent less than this Budget and last Budget, and this is strictly on the construction side.

If the member had been here for some of the discussions on the maintenance side, in our first Budget we dealt with the fact that maintenance had been underbudgeted by the previous government year after year after year. We put in, the first year alone, an 8% increase in the maintenance budget. In terms of the geographic distribution, to the member, because I know what he is referring to and I will be right up front here, I have said this before and answered, that when I was critic, region number 5 received as little as 4 percent of the Highways budget, '93-94. Four percent is not even close to the amount of kilometres on the system, let alone the many communities that do not have a road.

So I think the member should be very careful. He has made reference to a number of projects in his constituency. The member knows, and I indicated this at the time, the previous government in 1995 established new criteria for Highways. In fact, a number of projects that he is referring to—I have the document which I can show him—the new criteria made it clear that, in fact, a number of the projects he was referring to would no longer qualify under the criteria of the government. This was not the NDP that changed the criteria, it was the previous minister actually, Mr. Findlay, that did it.

I still have not understood how a number of these projects managed to appear on the Highways capital program when they did not meet the department's own criteria as set by the department in 1995. So it was not me that changed the criteria, it was the previous government. I said at the time that essentially we maintained those criteria in place. That is the case. I said to the member I could spend

considerably more time talking about the background of it but the record will show, particularly when it has come to our highway system, we have increased spending since we have been in.

I said before today that the main focus initially was on the maintenance side. You know, you do not get the same amount of credit out there, because it is not something where there are ribbon cuttings and signs put up. But on the maintenance side, we have increased it by 8 percent alone. That is far more than the previous government ever did.

On the capital side, I can tell the member that if you also include, outside of the main capital budget, what we have done on winter roads, what we have done on airport capital and extending the road into South Indian Lake—and that counts too, I tell you, if you live in South Indian Lake; they do not care which part of the budget it comes from—this year we will see significantly more construction than any year that the Conservatives were in office.

\* (17:00)

I realize there has been some criticism by members of what we are doing in South Indian Lake, but I can tell you I am proud of the fact that this government has also got rid of one policy the previous government had, and that was the previous government had a policy of no new roads. We have said that whether it is South Indian Lake or any one of the other 36 communities that do not have all-weather road access, that as Manitobans we owe it to those communities to be looking at ways of extending the road network. We are doing that on the southeast side of Lake Winnipeg. So, if there is one area we have changed the policy, it is we are looking at new access.

Our record is already that we are putting more money into transportation capital, both on the Highways side, both on terms of winter roads, where we have gone from a \$2-million to \$5-million budget in two years, and extended the winter road network in four communities. I tell you, on the airport capital side, we have gone from \$500,000 to several million dollars in our first year and in our second year. So the member

should not lecture us on this. We can debate this, I am sure, at length, but the numbers speak for themselves.

This is a government that maybe has a bit broader definition of transportation needs. The previous government's record, in terms of highways, particularly on the maintenance side, was not something I am sure the member would want to dwell on. If I were him, I would move on somewhat. Raise the concerns, fine, but I do not think they budgeted adequately for maintenance.

About the only thing I will say for the previous government in terms of Highways, and I have said this before and I will say it again, relatively speaking, what was raised was gas taxes that were spent. That has been the case in Manitoba for most of the last 25, 30 years. In criticizing perhaps some of the allocation and perhaps disputing some of the facts that the member has put on the record, I do think that is important, because when we are talking to the federal government, generally the province has a very good record in terms of that. Other provinces, by the way, do not. So I will not be overly critical. That is about the one area I do agree with, but I will put our record up on maintenance and in terms of construction expenditures any day.

**Madam Chairperson:** Item 15.6. (c) Construction and Upgrading of Provincial Trunk Highways, Provincial Roads and Related Projects \$103,900,000—pass.

6.(d) Aid to Cities, Towns and Villages \$1,300,000—pass.

6.(e) Work in Municipalities, Local Government Districts and Unorganized Territory \$3,189,000—pass.

6.(f) Rural Municipal Bridge Assistance Program \$400,000—pass;

6.(g) Other Projects \$3,905,800—pass.

6.(h) Winter Roads \$4,592,000—pass.

Resolution 15.6: RESOLVED that there be granted to Her Majesty a sum not exceeding

\$182,926,100 for Transportation and Government Services, Infrastructure Works, for the fiscal year ending the 31st day of March, 2002.

***Resolution agreed to.***

Item 15.7. Amortization of Capital Assets  
 (a) Desktop Management Initiative (1) Amortization Expense \$15,040,800—pass; (2) Less: Recoverable from other appropriations (\$15,040,800).

7.(b) Air Services (1) Amortization Expense \$1,822,300—pass; (2) Less: Recoverable from other appropriations (\$1,775,400).

7.(c) Amortization Expense \$13,127,300—pass.

Resolution 15.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,174,200 for Transportation and Government Services, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2002.

***Resolution agreed to.***

The last item to be considered for the Estimates of the Department of Transportation and Government Services is item 1.(a) Minister's Salary.

**Mr. Edward Helwer (Gimli):** I just have a couple comments before we pass this last item, and that is under the emergency measures program I would hope that the minister would ask the federal minister for a meeting of the provincial ministers to advise the federal minister to change the rules or the way the emergency measures program is administered. At the present time, under the EMO it does not allow any loss of income. In the case of the western Manitoba farmers in '99, the disaster with all the rain and the flooding that they had, there was a loss of property and that part was covered, but there was a loss of income mainly not only for the farmers but also for the businesspeople in that area. There was no way under that program that it did not fit the program. The federal program did not allow it because of the fact there is no provision for loss of income.

So I would hope that the provincial minister would at the next ministers' meeting bring it up and try to get the federal minister to change the rules so that they do include a loss of income factored in there in the EMO structure. This would, in fact, have taken a lot of pressure off a lot of people in southwest Manitoba and would have solved the problem there. So I hope, Mr. Minister, that you will be able to do this.

**Mr. Ashton:** I thank the member for raising this. We are continuing to pursue the situation in the southwest. It certainly came up in the Agriculture Committee, and I sat through all the public hearings and most of the subsequent discussions. The real issue that we are focussing in on is not so much the loss of income, because the program is there primarily as an insurance against loss of property, but the fact that they did not even look at an extension of what we believe is quite justifiable, and that is not only the damage to property which was covered, but the damage to the land itself and the productive capability of the land.

Various initiatives were necessary to bring the land back into cultivation, ranging from fertilizer application, various items, forage and hay restoration. This was the biggest gap in '99, and what I think is important to put on the record is in the Red River they had a very generous view of the situation, did adjust and did interpret all the grey areas that were possible in favour of the Red River, or most of the grey areas.

I will submit that there may be some discussion that could take place over whether this is appropriate, but what is, I think, instructive is that Rick Borotsik, Member of Parliament for the area, was able, through a Freedom of Information request, to obtain a briefing memo that showed that the federal minister was presented with two options: one of which was narrow in scope, the one he adopted; and the other, which is exactly what the former Minister of Government Services in the previous government, responsible for the EMO, and myself both had been putting forward—that is, they could, within DFSA, bring in a program that would cover those kinds of expenditures. The critical element for us as a province is that it would provide 90-10 funding.

What is also critical to note is that the province, and this goes back to June of 1999, did announce a program and did take an initiative, both through an unseeded acreage payment and did move on both the forage and hay restoration. In fact, if you take the amount of money that was put forward which is \$71 million, I am not talking about DFAA here, which was—I would have to check the current numbers but was upwards around 14; but if you focus on the \$70 million, \$20 million of that was stand-alone provincial money. Twenty million is not creditable under AIDA, and the key thing when I say creditable under AIDA is that money would have flowed anyway to the producers in the area. I have said on the record that the previous government took the right position. We are taking the same position and that is, the federal government could do far more than they did.

What is, I think, instructive from the committee hearings is that a lot of members of the public from the southwest indicated that what has really made the situation worse for them on the oil and grainseeds side of things is that they had one year in which they were virtually unable to produce a crop, even though they were encouraged to do so.

I want to stress again that in the Red River by contrast there was significant damage to property. We were upwards, I think, of about \$260 million looking at combined claims from 1997, but most farmers put in a crop that year. The water receded very quickly and there was a crop put in place, so there was not the damage that agriculture than there was perhaps to the business sector and damage in terms of property values. I am not sure I would necessarily agree our focus should be on lost income, but I accept the member's point. I think there was a consequent loss of income.

\* (17:10)

One thing I want to stress too, just one final point on this. One of the problems we ran into was the Minister of Agriculture would refer this to the minister responsible for disaster assistance who would refer it to the Minister of Agriculture. There was an assumption agricultural programming would take care of the situation. It did not. I think that was an incorrect

assumption all the way around, and I still believe that this file is not closed. I met with the minister in Ottawa a number of months ago. It took a while to get a meeting but I did meet with him, have written to him, have not received a request. I have said this before and I will say it again. It ain't over until it is over, to quote Yogi Berra, and it ain't over.

I do not want to get people's hopes up. I have not received very many positive signals from the federal government, but given the consequences to the southwest, we will pursue it. I will accept as a very good suggestion raising this at a meeting with federal-provincial ministers. One of the problems is that there have not been regular meetings of the ministers, and I think this is a very good suggestion that I will undertake.

We have made requests in the past, but based on our discussions here I will suggest that perhaps we call together federal-provincial ministers because there are some other areas that have come up. I know when the rainstorm, for example, last July, the excessive rain that occurred, there were a number of, and I will call them, grey areas. There were people who had claims where there were some questions as to whether they were eligible under DFAA and certainly they achieved coverage. I have made contact with the federal government, because I do believe that, once again, there should be more of a flexible approach on some of these claims. Of course, we cannot do that. Actually, it is a federal-provincial program. The Member for Assiniboia (Mr. Rondeau) has raised this issue with me, and I know that has been a concern of the Chair as well. It has been an issue in that end of the city. It has been an issue in a number of rural communities.

So there are other issues, as well, although I do not underestimate our big challenge. Our big challenge around DFAA is to maintain 90-10 funding. That is absolutely critical for our province, because if you consider that we had \$260 million in federal funding for the 1997 disaster, an event of that magnitude could have a huge negative impact on our province if it were to happen. One of the reasons we have a country like Canada, which does care about its citizens from coast to coast to coast, is that we have the

federal government there when you need them. This is one of the times we need them. The southwest needed them. They have been there but not in a generous spirit, and we will pursue this file until there is no other avenue left.

**Mr. Helwer:** Just one other comment here, and I certainly appreciate the minister's comments here. I appreciate the fact that he is going to take this back and that he has brought this up with the federal minister. Hopefully, the case is not closed, but I realize that it is a difficult situation.

I just want to mention one other grey area. You talked about grey areas. There are many in the EMO. I realize that. One other one, though, is in the storms that we have had that have had an effect on Lake Winnipeg over the years, especially on the west side of Lake Winnipeg, the erosion and one thing and another. When there is a storm such as we have had, two I think, '89 and '94—since I have been MLA, we have had two major storms where there is major damage done from wind and also from the high water. Once the wind blows from the northwest for three days, the water rises and washes out a lot of areas along the west shore of Lake Winnipeg and does a lot of damage.

In most cases. If there is a bad windstorm, it covers damages to buildings or private property, but yet it does nothing at all for the erosion of the property of the shoreline. We keep losing shoreline every year. I know we have tried to blame Manitoba Hydro and tried to get some assistance from Manitoba Hydro because of the high water in Lake Winnipeg, but nothing has been done. We have not been successful in that, even though we did have a study done last year on the erosion, and Hydro was involved in that, but there has been really no resolution to that erosion problem.

It does cost the residents along the lake; it has cost them a lot of property in the last 10 years. The erosion has been bad. Whether it is because of high water or whether it is because of the windstorms, I do not know, but it is another grey area when it comes to EMO. They will cover the property damage, yet they will not cover any land loss due to erosion due to high winds or whatever. So that is another area that I

would hope that the minister would possibly look at in the future and get it clarified.

I appreciate the 90-10 split because without that, I mean, the province would be in a very difficult situation, no doubt. So it is a program that we have to have, and I appreciate the federal government does come to the table with that. It is good. With that, that is all the comments I have, and I am prepared to pass the Minister's Salary.

**Madam Chairperson:** 15.1. Administration and Finance (a) Minister's Salary \$28,100—pass.

Resolution 15.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,029,200 for Transportation and Government Services, Administration and Finance, for the fiscal year ending the 31st day of March, 2002.

***Resolution agreed to.***

This completes the Estimates of the Department of Transportation and Government Services. The next set of Estimates to be considered by this section of the Committee of Supply is for the Department of Agriculture and Food.

**AGRICULTURE AND FOOD**

**Madam Chairperson (Bonnie Korzeniowski):** This section of the Committee of Supply will now be considering the Estimates of the Department of Agriculture and Food.

Does the honourable minister have an opening statement?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Yes, Madam Chair, I have an opening statement, but I would also like to indicate to the committee that by agreement with my critic we would like to see the committee rise by a quarter to six.

**Madam Chairperson:** Is it the will of the committee to rise at 5:45 p.m.? [*Agreed*]

Please proceed with your statement.

**Ms. Wowchuk:** I am very pleased to introduce the Manitoba Agriculture and Food 2001-2002 Estimates for this House committee.

First of all, I would like to express my recognition and thanks for the hard work and dedication of our department staff. Our employees have continually demonstrated their commitment in serving our farm families, our rural communities and our agriculture and food industry.

I would like to also express my gratitude and appreciation for our many partners within the provincial agriculture and food sector. As a department, we continue to work closely with them towards increasing stability and prosperity within the agriculture industry.

Although there has been a lot of discussion in the last while about the difficulties in agriculture, I remain optimistic about the long-term future of our industry, especially in the areas involving increasing diversification and value-added processing, as well as finding new and expanding markets for our high-quality products and our safe food. But we do know that many farm families are experiencing a financial crisis, especially those involved in the grains and oilseeds sector.

Just last night we concluded discussions on an all-party resolution dealing with the farm income crisis and the lack of support from the federal government. The all-party Standing Committee on Agriculture took the unique step this year of holding meetings across the province to hear first-hand from Manitobans. We heard many public presentations on a wide variety of issues affecting farm families and affecting rural communities. The presentations were thoughtful and powerful, and I look forward to presenting the Hansard to the federal government to put a human face on the impacts of this crisis.

\* (17:20)

In addition, working with the majority of other provinces and organizations such as the Canadian Federation of Agriculture, we lobbied the federal government for immediate financial assistance for our producers. The result was a federal commitment of \$500 million across

Canada to be matched with 40% funding from the provinces. Manitoba is participating in the program with a \$38-million commitment. As a result, the Canada-Manitoba Adjustment Program 2 or CMAP 2, will see approximately \$92 million flow to grains and oilseeds and specialty crops producers by the end of this month. I was also very pleased that CMAP 2 and retroactively last year's CMAP will contain provisions so that beginning farmers can have access to much-needed support.

We continue to lobby the federal government for additional support for our farmers who face unfair competition from the heavily subsidized producers in the United States and the European Union. With a budget surplus of over \$20 billion, Ottawa has considerably more resources to deal with this income crisis, and we will continue to lobby in that effect.

Our Government continues to provide many forms of financial assistance to agriculture producers. We co-fund ongoing safety net programs with the federal government, namely crop insurance, the Wildlife and Waterfowl Damage Compensation program, the Net Income Stabilization program, better known as NISA, and the Canadian Farm Income Program, known as CFIP. During the 2000 calendar year, assistance under the safety net program totalled \$167.1 million in payments to our producers.

As mentioned earlier, our province supplemented these ongoing programs by participating with the federal government in CMAP which provided an additional \$100 million in payments to producers in the grains and oilseeds sector and CMAP 2 which will provide a further \$92 million.

We continue to work within the Manitoba Crop Insurance Corporation and the Manitoba Agriculture Credit Corp. to assist producers. Crop insurance premium rates were lowered by an average of 19 percent. As well, coverage levels were expanded, and new crops have been added to the coverage recognizing the ever-changing agriculture industry in this province.

Through MACC we have expanded the enhanced Diversification Loan Guarantee

Program by putting an additional \$50 million in new loan guarantees. The increased fund is expected to help farmers access \$200 million in private financing which will generate \$250 million in construction spending and 900 direct permanent jobs. With 80 percent of approved projects involving farm families, this is one clear direction we can take to support those producers and the rural community in which they live.

I am also pleased that with the legal issues surrounding the GRIP program being resolved, cheques totalling \$7.8 million were sent out to producers in mid-April.

Altogether these initiatives provide some help for our farmers at a time of the year when they need it most as they prepare for spring planting.

There are other initiatives we have taken in support of producers in rural communities, although not directly through our department. These include an additional \$1 million in drainage-related projects. I am very pleased that our Government has been able to do this because this is the first increase in this budget item in over a decade. As well, an additional \$75 in property tax credit on top of the \$75 credit last year has been put in place. We estimate that this initiative will provide \$3 million in property tax relief for farm families and rural families.

Within the agriculture sector there is a more positive outlook than for those producers in the grains and oilseed sector who are facing severe financial difficulty. Livestock and livestock producers contributed more than half of the market receipts from Manitoba's agriculture production in the year 2000. Manitoba is the third largest hog-producing province and the third largest beef-cattle producing province in Canada with 23.4 percent and 12 percent of Canada's production respectively.

In 2000, the value of the hog production in the province was almost \$700 million, making the hog industry the most important agriculture industry in Manitoba with over 20 percent of the province's total value of agriculture production. With the value of production of close to \$500 million in 2000, beef cattle became the third

most important commodity after wheat. Prices for cattle and hogs increased in 2000 and early 2001, which together with low feed costs provided good profits for those producers in 2000 and 2001.

Manitoba is also an important source of other livestock products such as dairy products, eggs, broiler chickens and turkeys, horses and PMU, bison, sheep and goats. Primary production in these commodities was valued in excess of \$400 million last year. In effect, our livestock sector has shown growth and, in many cases, a decent return for our producers in recent years. This growth contributes towards greater diversification and added value within our province.

At this time, I would like to present a few highlights of the Manitoba Agriculture and Food 2001-2002 requested budget totalling \$121.1 million. This figure represents a \$7.3-million or 6.4% increase over last year's budget. Within this budget, approximately \$75 million is allocated towards safety net expenditures. In other words, nearly 62 percent of our requested Estimates is dedicated for safety net programs and about 38 percent for all other programs.

We allocated \$25.4 million within the physical year for the Canadian Farm Income Program because of the financial stress on our farm families. The allocation was also based on the province receiving its share of the federal national funding of \$400 million under this program. The funding is critically needed for our farm families in the 2001 tax year, who continue to face dramatic income declines for the last few years. Moreover, we are committed to continuing to negotiate with other provinces and the federal government to enhance our safety net programs.

Our requested budget provides for a \$3.6-million reduction in our premium contribution for crop insurance. Correspondingly, there is a \$2.6-million decrease in the producers premiums. This reduction is mainly the net result of a discount in the premium rates due to the level of funds retained within the MCIC revenue fund, similar to what occurred in Autopac. This premium cut was possible because of generally good growing conditions over the past few years

in most parts of our province, and this has resulted in fewer claims than anticipated. During difficult times like these, when farmers are facing low commodity prices and rising fuel costs, as well as other costs, I am pleased that the corporation has sufficient reserves to be able to offer significant discounts in premiums in this physical year.

\* (17:30)

Our 2001-2002 Estimates includes an increase of \$750,000 for the continuation and expansion of the Irrigation Infrastructure Development Program. This program supports the development of irrigated crop production and food processing in Manitoba. The availability of irrigation is a key factor for the potato processors looking to establish processing facilities in Canada.

Our Estimates also include \$409,000 in an increase for the Food Development Centre. This increase is designed to raise the centre's capacity to assist our agrifood industry in establishing and maintaining a competitive edge under growing pressures of global competition and technological change.

Within the department, we have brought in three pieces of legislation we hope will have been introduced into the House: The Crown Lands Amendment Act, The Farm Products Marketing Act, and The Farm Practices Protection Act. The Farm Products Marketing Act is a replacement of The Natural Products Marketing Act, a bill that has been amended many times and is due for amendments; rather than amendments, the whole act is being rewritten. The Crown Lands Amendment Act changes the powers of the board and gives them more responsibility. The Farm Practices Protection Act also deals with new technology and orders that are put forward and allows for more flexibility to the board when they are making orders.

I would like to conclude my opening remarks by emphasizing that much of what we are doing during my term of office, including our requested Estimates, reflects our high priority on preserving and strengthening the family farm. Moreover, our Government is

committed towards raising the quality of life, not only of farm families, but also of our rural communities and those involved in the industry. This commitment is the foundation for Destination 2010, our strategic roadmap for agriculture in this province for the next decade. In order to make Destination 2010 a reality, we are committed to working closely with our partners in agriculture and in the food sector.

With those comments, I look forward to discussing the requested budget and giving greater details to members of the committee. I would also, just before closing, want to recognize the hard work of all the people, the staff and the committee members for the work they did over the last few weeks in reaching out and hearing the farming community.

**Madam Chairperson:** We thank the minister for her remarks. Does the Official Opposition critic have any remarks?

**Mr. Jack Penner (Emerson):** I wonder, Madam Chairperson, the time approaching the time that the minister had indicated that she might want to leave, I would probably prefer to leave my opening remarks until Monday, when we continue the debate. It would give the minister a few more extra minutes to meet her flight at the airport. If you want to concur with that, that is fine by me.

**Madam Chairperson:** Is it the will of the Committee to rise? [*Agreed*] Committee rise.

## CONSUMER AND CORPORATE AFFAIRS

\* (16:30)

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Chairperson, I wonder if we might take a recess for five minutes and revert back to the House, by leave.

**Mr. Chairperson (Conrad Santos):** Is that agreed, by leave? [*Agreed*] Call in the Speaker.

## IN SESSION

**Mr. Marcel Laurendeau (Opposition House Leader):** I wonder if you might waive private members' hour, Mr. Speaker.

**Mr. Speaker:** Is it the will of the House to waive private members' hour? *[Agreed]* Private members' hour has been waived, and we are now resuming consideration of Committee of Supply.

**CONSUMER AND CORPORATE AFFAIRS**  
(Continued)

\* (16:40)

**Mr. Chairperson (Conrad Santos):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Consumer and Corporate Affairs. Does the honourable Minister of Consumer and Corporate Affairs have an opening statement?

**Hon. Scott Smith (Minister of Consumer and Corporate Affairs):** Mr. Chair, it is my pleasure to make an opening statement here this afternoon.

It is my privilege to place the 2001-2002 Estimates for Consumer and Corporate Affairs before this committee for review. Today I want to talk a bit about our achievements in the last year and some of the things we have planned for the current year. In the Consumers' Bureau, a landmark achievement for Consumer and Corporate Affairs and for the Province in the year 2000-2001 was the passing of the amendments to The Consumer Protection Act and the approval of the new Internet agreements regulation.

Changes to the act and the new regulation provide Manitoba consumers with the unique protection when they are forming Internet agreements for on-line purchase of goods and services. The protection includes a requirement for the seller to provide the buyer with certain information, and it also gives the consumer the right to cancel in certain circumstances and the right to require a credit card charge-back when the consumer has cancelled under the legislation and not received a refund from the seller. This protection provides a level of assurance to consumers who are concerned about the purchasing of goods and services over the Internet. In addition, these changes are good for Manitoba businesses selling consumer products or services on the Internet because we are one of

the very few jurisdictions globally to provide any consumer protection for on-line transactions.

Manitoba is still the first and only province in Canada to provide consumer protection in an e-commerce bill and has been acknowledged in an April 19, 2001, *Globe and Mail* article. The amendments and new regulation came into effect on March 19, 2001. In 2000-2001 the consumers affairs tracking system, CATS, was implemented for consumer complaint files being administered through either the dispute resolution or special investigations process of the Consumers' Bureau. This meant improved services to bureau clients by providing officers with faster access to client information. It also allows for early identification of marketplace problems when numerous complaints about the same business appear on the CATS system. In 2001-2002 the Consumers' Bureau will be completing implementation of CATS for licensing functions, which will improve service to clients requiring licencing.

Introduction of debit and credit card services at the bureau will also be a significant benefit to licencees, especially those located outside of Manitoba. The department continues to work with federal, provincial and territorial consumers' protection departments to address these issues of interest country-wide, including e-commerce protection, collection practices, harmonization and improved protection for vulnerable consumers using the alternative consumer credit market.

In 2001-2002 Manitoba will also meet its commitment under the consumers' protection portion of the agreement on internal trade by harmonizing registration and labelling requirements for upholstered and stuffed articles.

Under the Residential Tenancies, Mr. Chair, our Government is concerned with the lack of new construction in private rental housing in Manitoba. This problem is not unique to Manitoba but is an issue throughout Canada. As announced in the Budget speech, our Government will be introducing an amendment to the Residential Tenancies Act that would lift rent controls for 15 years for newly constructed rental units.

Canada Mortgage and Housing Corporation estimates that between the years 2001 and 2016, Manitoba will require between 600 and 700 additional rental units annually to house empty nesters and new households. With the exception of new life leases complexes, there have been very little new construction in rental housing in Winnipeg for more than 10 years. In recent years, 3000 quality rental units in Winnipeg have been converted to condominiums and removed from the rental marketplace. While the existing 5-year exemption period does not appear to have been a major cause in the lack of new construction, an amendment to the act to increase the exemption period to 15 years will reduce whatever impediment the current 5 years' restriction does have.

Our Government has also heard from both landlord and tenant groups about the need to have Residential Tenancies Branch and commission orders more accessible through a public order registry. I am pleased to say this on-line system was implemented on December 1, 2000. Landlords and tenants now have electronic access to the Residential Tenancies Branch and Residential Tenancies Commission decisions and reasons for decisions. This enables the landlord or tenant to check out a landlord, tenant or rental complex by searching information on our database to see if there has been any orders against the perspective landlord, tenant or rental complex in the past. Access is available by annual subscription on an application through a password protected on-line service via the Internet or on a walk-in basis through the public access workstation at the Residential Tenancies Branch.

\* (16:50)

On October 1, 2000, the Residential Tenancies Branch introduced the new rent status report process for providing information about a property's rent history. The new streamlined application form and authorization form can be downloaded off the branch's Web site.

In keeping with this commitment to improve service, the Residential Tenancies Branch is embarking on a major project involving the re-engineering of branch business processes and technologies over the next two years. We are

very excited about the potential for this new initiative. Clients want an improved service delivery enabling faster resolution of issues, quicker decisions and electronic filing of rents. The current technology is unstable and outdated. There are over 13 different systems that require duplicate data entry and are of high maintenance with limited editing capacity. The process at the branch is currently paper intensive and manual. The re-engineering of the branch will involve changes to procedures, workflow, new information technology and an integrated file management capability. The end result will be improved service to landlords and to tenants.

The landlord and tenant advisory committee has been re-activated and is functioning very well. This committee is made up of equal representatives from the landlords and tenants and gives advice to me on the administration of The Residential Tenancies Act. It is important that the committee have a balance of landlord and tenant representatives so that the interests of each group can be fairly addressed.

The Residential Tenancies Branch Web site provides answers to 10 frequently asked questions by landlords and tenants. It provides the ability for landlords and tenants to download most used forms, and to the automated security deposit interest calculation. The Web site also includes The Residential Tenancies Act and The Life Leases Act and the branch's policies and procedures guidebook.

In 2000-2001, there were approximately 130 982 hits to the branch's Web site and over 2094 calls to the branch's Talking Yellow Pages. The branch's volunteer speakers tenant education program which was launched in 1997 again continued successfully this year. In 2000-2001, the volunteers had 10 speaking engagements with a total of 265 in attendance. Also in 2000-2001 staff of the Residential Tenancies Branch held 26 presentations for 261 tenant participants and 146 landlord and other participants.

Mr. Chair, our Administration and Finance Branch will be replacing the current system for appointment of Commissioners for Oaths and Notaries Public. The new system will be compatible with anticipated new desktop operating systems such as Windows 2000. The

new system will allow renewals by fax or e-mail as well as the current renewal methods of regular mail or in person. The new system will also provide for payment by credit card or debit card. This will result in a significant increase to the client convenience and a clear improvement to the service.

In Corporate Affairs, Financial Institutions Regulation, effective April 1, 2000, the Financial Institutions Regulation Branch was created with the amalgamation of the Trust, Cooperatives and Credit Union Regulation branch with the Insurance Branch. Integration of the financial services sector and changes in the distribution of financial products require a single regulator to keep abreast of developments and identify and recommend a consistent approach to legislative and regulatory issues and maintain an appropriate regulatory framework. A new superintendent of Financial Institutions, Mr. Jim Scalena, was appointed in August 2000. In March 2001, the two former branches combined physically on the 11th floor of the Woodsworth Building. For the balance of 2001, staff will renew administrative processes with the objective of reducing any overlap and producing more efficient work flow.

In August 2000, Bill 39, The Insurance Amendment Act received Royal Assent. Related regulations were passed in April 11, 2000. One of the main features of the new legislation is enhanced customer protection through the new requirement for agents, brokers and adjusters to hold professional liability insurance. In September 2000, the Financial Institutions Regulations Branch hosted a two-day meeting of the Canadian Council of Insurance Regulators, CCIR, with attendance from insurance regulators from across Canada. Staff continue to act as members on national associations such as the CCIR and the Joint Forum for Financial Regulators. Such national association memberships allow Manitoba to keep abreast of issues arising from the complex financial services sector and helps us develop consistent solutions to the regulatory issues in order to protect consumers.

The legislative review of The Credit Unions and Caisses Populaires Act has been ongoing since 1999 with significant consultation from

interested parties. The department plans to have recommendations for consideration by the end of 2001. In mid-2001, the branch will undertake a complete review of The Insurance Act. That will include significant industry consultation. The act is lengthy, and we anticipate the review will take at least two years.

Mr. Chair, under the Securities Commission, in the last session, we passed legislation to allow the Winnipeg Stock Exchange to merge with the Canadian Venture Exchange, CDNX. The Manitoba Securities Commission negotiated a regulatory framework with CDNX and other securities commissions. The CDNX Winnipeg office opened November 27, 2000.

The Manitoba Securities Commission has expanded its educational program and delivers regular presentations to members of the public and to the industry. One of the popular programs delivers information to public groups on how to recognize and protect consumers from investment scams. In addition, the commission has developed a program which is delivered to all new registrants and sets out the role of the Securities Commission and what is expected from those who are going to be working in the industry. We believe that the Manitoba Securities Commission is unique among Canadian securities commissions in the development of this type of a program. The commission has also expanded the development, publication and distribution of educational materials.

In February 2000, the Securities Commission commenced regulation of the Winnipeg Commodity Exchange. During 2000-2001, the Securities Commission developed trading and conduct rules in co-operation with the Commodity Exchange. The Securities Commission initiated a comprehensive field audit program for Manitoba-based mutual fund dealers. The audit program was provided to be proactive in discouraging and fixing potential problem areas and has been well received by the industry. The audit program is being continued and expanded in the year 2001-2002.

Mr. Chair, the Property Registry is entering its fifth year as a special operating agency. This year the agency will undergo an evaluation of

the organization's performance conducted by Internal Audit and Consulting Services of the Department of Finance. The agency continues to be involved in improving registry systems. Any person with Internet capability can now access the new electronic survey index and search for plans by Dominion Government Survey in either official language. Survey plans will be imaged to a database providing greater security and electronic access to the plans.

\* (17:00)

The new Personal Property Registry system was implemented in September of 2000 under the Better Systems Initiative. The Personal Property Registry system offers significant improvements in service to our clients in a number of areas. Our legislation and registry regime is now consistent with the rest of all of Canada. The registry now offers Internet access and registration 24 hours a day, 7 days a week. Paper registration is still also accepted. The Personal Property Registry Internet services are available in both languages, English and French. Electronic registration and confirmation provides immediate registration and acknowledgment, which is a significant improvement in service. Under the old system, this took several days.

Payment options have been improved, including offering clients the ability to charge fees to their account and the ability to pay fees using credit cards and the Internet. The use of the Personal Property electronic system has greatly exceeded expectations, with over 90 percent of clients using the new system registry electronically. Recently, in recognition of the significant achievements of the registry, the International Association of Corporate Administrators, the IACA, acknowledged the Manitoba Personal Property Registry with the 2001 Achievement Award.

The new system and legislation will be reviewed with clients over the year to identify areas for improvement. The Property Registry has completed its second year of a multiyear record preservation project in the Land Titles office. All certificates of title have now been microfilmed, representing some 2 300 000 titles. In addition the agency has microfilmed approximately 400 000 documents. The agency

plans to continue with this program that will allow easier access to the records of the Land Titles office and ensure the long-term integrity of the records.

All abstract books showing ownership under the registry system have been photocopied. These books are one-of-a-kind original records of transactions under the old registry system of land ownership and had deteriorated over the years. The originals have been forwarded to the provincial Records Centre for long-term preservation. To ensure qualified staff are available to assist the public and to replace retiring employees, an active training program has been established to address the long-term requirements of staff in the agency.

In 2000-2001, amendments to The Corporations Act and The Business Names Registration Act were passed to allow notices of new company registrations to be posted on the Companies Office Web site. We believe this will make the information more accessible. We hope to implement these postings on the Web site before the end of the fiscal year.

Mr. Chair, we are also planning to make the name reservation process more convenient for business by combining the two present forms into one. Manitoba proprietorship and partnerships will be able to examine out-of-province similar names when registering. The long-term goal is to allow name reservations to be done over the Internet.

The Companies Office is committed to service excellence. Clients surveyed this year gave the office a 95% satisfaction rating for the quality of its services.

Mr. Chairperson, in the vital statistics, the Vital Statistics Agency has introduced a new application process. Clients are asked for additional information when applying for birth certificates in an effort to defer fraudulent applications. The agency also introduced a line of commemorative birth and millennium certificates to provide customers with a unique product to recognize important events in their lives. During the coming year, the agency will introduce a series of commemorative marriage certificates.

Just in closing and in conclusion, as you can see from my remarks, Manitoba Consumer and Corporate Affairs provides many important programs and services to Manitobans. I am very proud of our accomplishments, and I look forward to the future as we work towards achieving our goal of a fair, efficient and informed marketplace for all Manitobans. Thank you very much, Mr. Chair.

**Mr. Chairperson:** We thank the minister for those comments. Does the Official Opposition critic, the honourable Member for Steinbach, have opening comments?

**Mr. Jim Penner (Steinbach):** Mr. Chairman, yes, I have some opening remarks, and I thank the minister for those remarks.

I recognize that this is a somewhat unique situation where two relatively new MLAs, one as a minister and one as a critic, are going through this process almost for the first time. I had a little opportunity last year, but I am looking forward to this opportunity. I imagine that we will both learn a great deal about the Department of Consumer and Corporate Affairs over the next hours, and I look forward to that process.

I would like to congratulate the minister—this is my first formal opportunity to do so—on his appointment to Cabinet. I would advise him that there will be some challenging days ahead, but indeed I think it is known that he has already faced some challenging days in his brief time, and this advice might even come too late.

This is the first chance I have had to sit across from the minister and discuss his department in any great length, and I expect that during the process we might find ourselves sometimes in a difference of opinion. However, I would state that while we might from time to time differ on our approach to issues relating to our province, I do appreciate the minister and the work he must accomplish. A number of the issues brought up in the minister's opening statement are definitely of concern and of interest.

The Department of Consumer and Corporate Affairs is somewhat comfortable for me, given

my years in business. While it is recognized as a junior ministry, I think that the functions it performs are very important to many Manitobans, and I look forward to exploring it in greater detail as we work through these Estimates and in working with the new minister.

I noted considerable discussion in the opening statement about e-commerce. Certainly this was done without much rancour or debate in the previous sitting and some of it is coming up now. I noticed in going through the notebook of the previous minister that many of these bills were started two and three years ago. In some cases, the e-commerce legislation is simply making legal what we are already doing. The signatures that we would send back and forth between our lawyers and our auditors and even Revenue Canada were accepted by e-mail, and now it is actually legal to do so. So I commend them for formalizing that and making it an enforceable signature.

Some of the other bills that came forward in years gone by were the Manitoba Stock Exchange amalgamation with CDNX. When the Government presently in power won the election, the bills had already been printed. Certainly it is very important for the Manitoba stock exchange to be part of a larger organization, since standing by itself it could very well just disappear. Now, together with the Vancouver Stock Exchange, CDNX Vancouver-Manitoba can draw on an entirely different resource. The interest and the stocks that are bought on the CDNX bear no resemblance to the previous Manitoba stock exchange. We have to credit the Securities Commission with guiding us smoothly through that process.

\* (17:10)

We will have in the next opportunities to question the minister and his staff. We will particularly want to know how the 15-year rent freeze will change development from the 5-year rent freeze. The article that I just picked out of a paper here, I think today, says that the Finance Minister, Mr. Selinger, announced in his April 10 Budget the lift of rent controls for 15 years for newly constructed rental units when previously that was 5 years. He then stood back with fingers in his ears waiting for the resulting

explosion of rental housing construction. I am told he is still waiting. Canada Mortgage and House Corporation estimates that about 2 percent of rental apartments in Winnipeg are vacant. Actually, I think it is less than that, 1.5 right now.

This shows that demand is strong, but investors are not willing to risk money in rental housing in this depressed market. I met with some of the larger landlords, a couple of larger landlords recently in the last couple of weeks who feel that the 15-year exemption from rent control is not going to be effective in triggering development. I guess, Winnipeg or Manitoba is probably the last place in Canada that rent controls actually exist. I know it has been a politically hot subject, but it still seems to me that right now it is a lose-lose situation for many people.

I have to tell you that I represent a constituency where a lot of these things are just ignored and dealt with without any problem at all between the tenants and the landlords, because the tenants want to have a good facility and the landlord does not want their facility to deteriorate. So often there are private deals that do not really reflect the 1 percent or 1.5 percent rent control, but we may be looking at a rent control system in Manitoba that has served its purpose and probably should be reviewed.

Mr. David Cenonsen of CMHC, senior market analyst for Manitoba, said that the changes in the law from five years to fifteen years on the new property rent freeze will not trigger more development, and I think development is sort of where we need to go. We noticed that when Alberta dropped their rent freeze, that there was not an overwhelming supply of new facilities available. However, when they dropped the rent freeze, the quality of the product to the tenants was certainly improved, and there does not seem to have been a wild increase in rents. So I think it is time to look at what has happened in other parts of Canada to see whether there is opportunity here for some form of development in the progression of law and the evolution of law, and in the rules that may have become in some cases outdated.

They tell me the only thing that is constant in the world today, Mr. Chair, is change. That is

the only constant, is change. This whole world is changing and legislation in Consumer and Corporate Affairs, I think, very often has to reflect the change that has already taken place. In some cases, we may have fallen behind.

I also went to the Web site for Residential Tenancies and so on to see what information was available. I thought it was quite good. There is one thing—a question that I have been asked more than any other when it comes to rentals, and that is the problems that have been created by the cost of heating fuel, the natural gas hikes. I do not know if any of that is going to be dealt with in The Residential Tenancies Act, but I know that people are suffering. The Government now owns the natural gas facility in Manitoba and bears a little bit of responsibility for the pressures that have been put on people on fixed incomes.

Having combined the natural gas utility with the Manitoba Hydro utility I think presents some opportunities that we should recognize in the future rates. I know that on a scale of one to ten natural gas prices in Manitoba was possibly at a three. They went to ten. They are back to three, but I am told that next year they will go to twenty, twice the rates that we had last year. If that happens to come true we certainly are going to see people disadvantaged who thought that they were secure with natural gas prices in Manitoba and Canada.

Probably here is where Consumer and Corporate Affairs will have to take another look at how they operate on the world market. The world market has dictated prices for so many things. It has determined the ups and downs for consumers. It has determined the ups and downs for manufacturers, for raw commodities. We have seen how farmers in Manitoba have suffered from grain and oilseed subsidies in the United States and Europe. We just cannot compete the way our system has been operating. The world market also seems to determine the price of gasoline for our cars, and it determines the price of natural gas for heating our homes, and as such it has become a real challenge for many people on fixed incomes, people who are retired and people who do not have disposable income to swallow these price increases. I am particularly concerned about those people

because sometimes when they have to drive their car every day to work and gasoline is rising, they have to heat their homes and the fuel is rising, they cut back in other places which may even affect their health, may even affect their ability to raise a family. So I am particularly concerned about people whose incomes do not allow them for increases or exceptional disposable income to absorb the increases that are occurring.

I am very happy to know that the Credit Unions Act is still being reviewed. The Steinbach Credit Union expects to reach assets of \$1 billion this year. It is the largest single free-standing credit union in Canada, and it is among the 10 largest credit unions when it comes to loaning. So we obviously have a very strong credit union background. It was started in the early '40s and is actually going to be expanding into Winnipeg next year. The credit union movement has certainly picked up a lot of the consumer issues that the chartered banks have lost concern for, especially the small person wanting to buy a car or wanting to buy an addition to their home.

So the credit union movement needs to be observed carefully, but it has changed so much since the act was written. Again, I think we have a bit of cultural lag here where we have not kept up with change. We are doing things that we accept as legal but maybe are not written in law. We are not doing things the way the law is necessarily written, and we should bring the laws up to date as we did with the Stock Exchange as we expect to do with the Commodity Exchange. These are not rancorous debatable things, they are just simply catching up with the laws, rewriting the laws to reflect what is happening today.

Mr. Chairman, I have to jump into a few areas as soon as we get back to the Estimates, particularly in regards to concerns that have been brought to our attention about the taxicabs' inability to cope with the high fuel prices, brokerage issues as far as Nesbitt's failure to supervise properly and the brokerage of Nesbitt Burns, problems with seniors fighting the high gas bills, the heating bills, the lack of investment in apartments. We want to talk about Commodity Exchange bills, and certainly we want to talk about travel agencies, if we have the

opportunity, and licencing. We would like to talk about the need to licence home renovators. We would like to talk about the need to further licence appraisers, real estate appraisers. We would like to talk about franchise legislation, that is probably overdue in this province, and home renovators.

I would like to think that the Province of Manitoba will not only be catching up on laws that have changed and accommodates the changes that have already happened, but that maybe we would be leaders in Canada in some areas that would accommodate consumers and protect consumers in Manitoba. People should be comfortable living here and feel that we have accommodated their needs.

So, with those remarks, Mr. Chairman, I will close my reply to the opening statement and recommend that we adjourn.

\* (17:20)

**Mr. Chairperson:** We thank the critic from the Official Opposition for those remarks.

I would remind the members of the Committee that debate on the Minister's Salary, item 1(a), is deferred until all other items in the Estimates of this department are passed. At this time we would like to invite the ministers staff to take their places in the Chamber, if they are around.

I heard the critic for the Official Opposition say something about—

**Mr. Jim Penner:** I failed to mention in my opening remarks that if it is okay with the minister, we would like to go on a global approval at the end of our discussion, whatever that is, next week, a couple of hours, whatever, so can I include that, please.

**Mr. Chairperson:** This is a matter of agreement. Can I hear the minister on this point?

**Mr. Jim Penner:** Instead of the line by line.

**Mr. Smith:** Just to that, Mr. Chair, I do not really have any problem with that whatsoever. I know the official member of the Opposition and

I have talked about that. I would just like to have a sense of what we would be doing first, just to try to have staff provided at that time. If we could come to that agreement between now and the time when we sit again, maybe we can establish a system that does not involve the entire staff being here for the entire day. If the official member would be open to doing that, him and I sitting down and doing that, I would have no problem with doing it globally.

**Mr. Chairperson:** So I sense there is an agreement that we proceed globally provided that it is supplemented by other agreements as to which section of the Estimates would be taken up so that the staff will accordingly be prepared and be here. Is that agreed? *[Agreed]*

So we will proceed globally, but I still have to call the initial item other than the Minister's Salary. The item before the committee is item 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$348,700.

The honourable Minister of Consumer and Corporate Affairs (Mr. Smith), can you please, if you wish, introduce your staff to the committee. *[interjection]*

The Chair wishes to canvass the members of the committee and see if there is a will on the part of all the members for this section of the

Committee of Supply to rise, in which case we will rise, and then we will call in the Speaker at six o'clock. Is that agreed? *[Agreed]*

So there is an agreement that this section in the Chamber of the Committee of Supply will rise early, and then the Speaker will call the House at six o'clock. Committee rise.

## IN SESSION

### House Business

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, on a matter of House business, yesterday we announced that the condolence motion for the late Senator Molgat would be dealt with next Wednesday unless we advised otherwise today. I just wanted to advise the House that Mrs. Molgat is unavailable next week, and so there will have to be some mutual discussions about when the appropriate time is for that motion, but it will not be next Wednesday.

**Mr. Speaker:** I thank the honourable Government House Leader for that information.

\* \* \*

**Mr. Speaker:** The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. on Monday.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 10, 2001

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