



Second Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS  
(Hansard)**

*Published under the  
authority of  
The Honourable Louise M. Dacquay  
Speaker*



Vol. XLVI No. 38A - 1:30 p.m., Wednesday, May 22, 1996

ISSN 0542-5492

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

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 22, 1996

The House met at 1:30 p.m.

## PRAYERS

## ROUTINE PROCEEDINGS

## PRESENTING PETITIONS

## Manitoba Telephone System

**Ms. Jean Friesen (Wolseley):** Madam Speaker, I beg to present the petition of Ardythe Basham, R. Reisel, Jason Kircher and others requesting the Legislative Assembly of Manitoba request the Premier (Mr. Filmon) not to sell the Manitoba Telephone System.

## READING AND RECEIVING PETITIONS

## Home Care Services

**Madam Speaker:** I have reviewed the petition of the honourable member for Elmwood (Mr. Maloway). 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:** Dispense.

**Madam Speaker:** Dispense.

*THAT on at least six occasions during the 1995 provincial election, the Premier promised not to cut health services; and*

*THAT on December 16, 1995, a plan to privatize home care services was presented to Treasury Board; and*

*THAT this plan calls for the complete divestiture of all service delivery to nongovernment organizations, mainly private for-profit companies as well as the implementation of a user-pay system of home care; and*

*THAT previous cuts to the Home Care program have resulted in services being cut and people's health being compromised; and*

*THAT thousands of caring front-line service providers will lose their jobs as a result of this change; and*

*THAT profit has no place in the provision of vital health services.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plan to privatize home care services.*

**Madam Speaker:** I have reviewed the petition of the honourable member for Flin Flon (Mr. Jennissen). 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:** Dispense.

**Madam Speaker:** Dispense.

*THAT on at least six occasions during the 1995 provincial election, the Premier promised not to cut health services; and*

*THAT on December 16, 1995, a plan to privatize home care services was presented to Treasury Board; and*

*THAT this plan calls for the complete divestiture of all service delivery to nongovernment organizations, mainly private for-profit companies as well as the implementation of a user-pay system of home care; and*

*THAT previous cuts to the Home Care program have resulted in services being cut and people's health being compromised; and*

*THAT thousands of caring front-line service providers will lose their jobs as a result of this change; and*

*THAT profit has no place in the provision of vital health services.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plan to privatize home care services.*

**Madam Speaker:** I have reviewed the petition of the honourable member for Selkirk (Mr. Dewar). 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:** Dispense.

**Madam Speaker:** Dispense.

*THAT on at least six occasions during the 1995 provincial election, the Premier promised not to cut health services; and*

*THAT on December 16, 1995, a plan to privatize home care services was presented to Treasury Board; and*

*THAT this plan calls for the complete divestiture of all service delivery to nongovernment organizations, mainly private for-profit companies as well as the implementation of a user-pay system of home care; and*

*THAT previous cuts to the Home Care program have resulted in services being cut and people's health being compromised; and*

*THAT thousands of caring front-line service providers will lose their jobs as a result of this change; and*

*THAT profit has no place in the provision of vital health services.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plan to privatize home care services.*

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

**An Honourable Member:** Dispense.

**Madam Speaker:** Dispense.

*THAT on at least six occasions during the 1995 provincial election, the Premier promised not to cut health services; and*

*THAT on December 16, 1995, a plan to privatize home care services was presented to Treasury Board; and*

*THAT this plan calls for the complete divestiture of all service delivery to nongovernment organizations, mainly private for-profit companies as well as the implementation of a user-pay system of home care; and*

*THAT previous cuts to the Home Care program have resulted in services being cut and people's health being compromised; and*

*THAT thousands of caring front-line service providers will lose their jobs as a result of this change; and*

*THAT profit has no place in the provision of vital health services.*

*WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plan to privatize home care services.*

\* (1335)

#### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

##### Committee of Supply

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

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

**Motion agreed to.**

#### TABLING OF REPORTS

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Madam Speaker, I would like to table the 1995 Annual Report of the Manitoba Telephone System.

**Hon. Jack Reimer (Minister of Housing):** Madam Speaker, I would like to table the Departmental Estimates for Manitoba Housing for 1996-97.

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, I would like to table the Supplementary Estimates, 1996-97, for the Department of Justice.

### INTRODUCTION OF BILLS

#### Bill 35—The Child and Family Services Amendment Act

**Hon. Bonnie Mitchelson (Minister of Family Services):** Madam Speaker, I move, seconded by the Minister of Justice (Mrs. Vodrey), that leave be given to introduce Bill 35, The Child and Family Services Amendment Act (Loi modifiant la Loi sur les services à l'enfant et à la famille), and that the same be now received and read a first time.

**Motion agreed to.**

#### Introduction of Guests

**Madam Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the gallery where we have this afternoon eighty-four Grades 7, 8 and 9 students from Kleefeld School under the direction of Kirk Gorham. This school is located in the constituency of the honourable Minister of Natural Resources (Mr. Driedger).

Also, we have forty-two Grade 9 students from Isaac Newton School under the direction of Jane Lower. This school is located in the constituency of the honourable member for Burrows (Mr. Martindale).

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

### ORAL QUESTION PERIOD

#### Headingley Correctional Institution Riot Cleanup

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, my question is to the Premier (Mr. Filmon).

Close to four weeks ago, the Minister of Justice promised Manitobans—in fact, promised Canadians—that inmates responsible for the riot at the Headingley jail would clean up the jail and repair the jail as part of their responsibility.

I would like to ask the Premier, can he inform Manitobans today how many inmates responsible for the Headingley riot have cleaned up the Headingley jail to date?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, as the member knows, there was a decision taken to, first of all, clean up debris which may pose a security risk. That was done by a professional group of cleaners. However, I am happy to tell Manitobans that it is my understanding the first inmate crew is now working at Headingley today.

**Mr. Doer:** Madam Speaker, the Minister of Justice told Manitobans on April 30 and April 28 that inmates would repair the jail and clean up the jail, the rioters would clean up the jail as early as today or at the latest at the end of the week.

I would like to ask the Premier (Mr. Filmon), again, in light of the fact that the majority of the work has been done by contract companies, in fact no work up until last night was done by the inmates responsible, how can the Premier allow a Minister of Justice to make one promise to the public that inmates responsible will clean up when in fact the truth is that the contract companies have cleaned up and inmates have not cleaned up pursuant to the minister's promise that they would clean up as early as today, on April 28, or by the end of the week, on April 30?

**Hon. Brian Pallister (Minister of Government Services):** The member, in his question, reveals the truth of the old adage that it takes very little skill to tear down. The fact of the matter is that the damage caused in the institution at Headingley did not take a tremendous amount of skill to be caused. There is not a lot of skill among those inmates who caused that damage.

The reality is that there are Manitobans with skills and those people have been used extensively in the repairs to date. The reality is also that our department has been working in co-operation with Corrections to establish

repairs and a schedule of repairs. That schedule of repairs involves, wherever possible, the use of inmates' skills, however limited they may be.

\* (1340)

**Mr. Doer:** Madam Speaker, I would like to ask the Premier, in light of the fact that the Minister of Justice (Mrs. Vodrey) went on national TV saying that the inmates would repair the jail immediately today or by the end of the week, in light of the fact that the Minister of Justice said that the deployment of staffing for security levels at the jail was not an issue, which we know not to be true, in light of the fact the Minister of Justice has said that temporary absences did not accelerate after the riot, which we also know not to be true, in light of the fact that every time the minister talks about barrier walls, we know they were taken out—the Minister of Justice has told Manitobans that they were not taken out—I would like to ask the Premier, when is he going to fire the Minister of Justice so we can have a Minister of Justice who will tell the truth about the safety of Manitobans?

**Hon. Gary Filmon (Premier):** I know the member opposite wants to make political hay out of this issue, but the fact of the matter is that the Minister of Justice and the Minister of Government Services are doing the things that those who expressed concerns about the corrections system and the corrections institutions wanted to be assured of.

They wanted to be assured that they were in safe circumstances. We had extensive consultations with the guards. We had extensive consultations with the union, and the procedures we are following are to do a number of things. One is to restore the institution to its proper form so that we can ensure the safety and security, both of those who are incarcerated there and those who must work there. We are doing what we can to ensure that we are making use of the limited skills and abilities of those who are in those institutions as part of the process.

The member opposite has been told that there are inmates working in the institution today—

**An Honourable Member:** No.

**Mr. Filmon:** Working today, Madam Speaker, in that institution. The member opposite may have wished to have it happen sooner. That is—

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

**Madam Speaker:** Order, please.

**Mr. Filmon:** Madam Speaker, I know the members opposite are very exercised because they are not able to make the kind of political hay that they would wish to on this issue.

The ministers of the government are ensuring that they abide by the responsible thing. Members opposite do not have to be responsible; they can just make political hay. We have ministers who are responsible and are following a procedure that is leading to—[interjection] I think that members opposite do not want an answer to this question.

#### **Headingley Correctional Institution Early Release—Sexual Offenders**

**Mr. Gord Mackintosh (St. Johns):** Madam Speaker, my question is to the Minister of Justice.

Last week the minister said that she asked for a full report about the inmates' release following the Headingley jail riot and that that report be on her desk on Thursday morning. Then yesterday the minister said in this Chamber, contradicting her earlier statements, that because of the riot three sex offenders were released.

My question to the minister is, would she confirm or deny information given to us that this number is also untrue?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, I have been dealing with the issues as they have been presented, answering the questions. I had a series of questions posed regarding some inmates. In fact, I believe the member across the way put wrong information forward, speaking about four inmates, and then I had to spend the day clearing up in fact what the release procedures were and why and how these inmates were released. So I was speaking as I spoke on Friday about three inmates who were released under circumstances at the end of sentence and one inmate who was released on temporary absence.

I understand the member across the way had that all wrong.

\* (1345)

**Mr. Mackintosh:** Would the minister, who should understand the difference between the names Peter Warren and Gord Mackintosh, confirm information given to this House that the number of sex offenders released because of the riot was not three, but almost four times that number?

**Mrs. Vodrey:** Again, yesterday, I was speaking about inmates who were raised—they were actually raised by name. The member was on the other end of the phone, all-agreeing, to my knowledge, with a radio host. That information was not correct; that was the information I was clarifying yesterday.

I will have to check into information regarding how many individuals may have been released either as temporary absences or at end of sentence to find out that number.

**Mr. Mackintosh:** Would the minister, who has had this information apparently on her desk since Thursday, simply confirm our information? She has the details that only one of these 11, not three, sex offenders had completed his programming, two refused outright and four had dropped out.

Just do the job. Give us the numbers. She has them.

**Mrs. Vodrey:** Madam Speaker, I will not confirm information which comes from the member opposite because the member opposite has daily put information which, in fact, to the people of Manitoba has been scandalous. He has put scandalous information forward. He has put totally wrong information forward.

#### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** Madam Speaker, on a point of order. The minister was asked a question that was very clear in terms of asking for this information, and this minister of all ministers should not talk about “scandalous.” The only scandal is the fact that this minister cannot answer a straight question on a very serious matter, the Headingley riot. I would like to ask you to bring her to order and ask her to answer the questions that are being asked by the people of Manitoba.

**Madam Speaker:** On the point of the order, I believe that the honourable minister was attempting to respond to the question by the honourable member for St. Johns (Mr. Mackintosh), but I would remind the honourable minister to make sure that her response deals with the question asked and is as brief as possible.

\* \* \*

**Mrs. Vodrey:** As I said, I have brought forward information as it has come to me. I have brought forward information that has been required, in particular, to clarify the wrong information brought forward by the member for St. Johns.

#### Headingley Correctional Institution Early Release—Sexual Offenders

**Ms. Diane McGifford (Osborne):** My questions, too, are for the Minister of Justice. While my side of the House respects compassion, we also value public safety and we now learn that, contrary to the information of yesterday, as many as 11 sexual offenders, only one of whom has taken the counselling necessary for early release, were released after the Headingley riot. Could the minister tell us whether any of these inmates had been incarcerated for offences against children?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** As I said to the member for St. Johns (Mr. Mackintosh), I will look into and gather information regarding the allegations the member has brought forward. However, let me say that the only question ever received from members across the House regarding public safety was whether or not there were enough toys at Portage Correctional Institution.

**Ms. McGifford:** Madam Speaker, were the names of any of the released offenders forwarded to the Community Notification Advisory Committee?

**Mrs. Vodrey:** I am pleased that the member references the Community Notification Committee, a committee which her side of the House said was useless, a committee which her side of the House never agreed with, a committee which the member for St. Johns publicly disparaged when their report was tabled.

However, I am very pleased that our government did set up the Community Notification Committee, and I will check and see if they have had any references following the Headingley riot.

\* (1350)

**Ms. McGifford:** On what basis can the minister give this House assurance that these early releases do not pose a danger to our community, or in other words, what supervision and programming has the minister made available to the community and to these released offenders?

**Mrs. Vodrey:** Madam Speaker, the members seem to find it difficult that I will in fact go and find the information, make sure I have accurate information and bring it back. The difficulty from their side of the House is that they just continually say whatever they feel like and hope that it makes a story. What I have said is I will go and I will check on any inmates who have been released who may have been incarcerated for sexual offences, and I will find out whether or not those inmates were in fact released on temporary absences or whether or not they were released at the end of sentence. As the member for Osborne knows as well—and we spoke about it in Estimates last year, I am sure we will again this year—there is programming both within the institution and outside of the institution. I am sure the member also knows that when a person's sentence is up, then their sentence is up. That is what the court imposes; that is what we are dealing with.

### Teaching Profession Collective Bargaining

**Ms. Jean Friesen (Wolseley):** Madam Speaker, four months ago the Minister of Education proposed strike lockout provisions in Manitoba education. Today, she issues a press release entitled Manitoba Students to be Protected from Strike Lockouts, and the great protector, of course, will be this same Minister of Education. I think it offers new highs for Tory scriptwriters. We could look forward to: Premier stays home; Minister of Justice tells it straight; Minister of Health answers questions; or even, Minister of Finance balances budget.

**Madam Speaker:** Order, please. Does the honourable member for Wolseley have a question?

**Ms. Friesen:** Madam Speaker, would the Minister of Education confirm that her government's policy is to continue to reduce the funding for public education and then to say, as she has done today to the province's 12,000 teachers, that the consequences of that, those fundamental issues that those teachers face every day in the classroom, can no longer be brought to their own negotiating table?

**Hon. Linda McIntosh (Minister of Education and Training):** Madam Speaker, a new headline might be, NDP gets facts straight, because I defy the member anywhere to ever find me making a statement that what this government was proposing was strike. What this government did was put out a document that said—[interjection] I would like to answer the question. May I have them be quiet so I can answer.

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

**Madam Speaker:** Order, please. I would ask for the co-operation of all members in this Chamber to observe our rules and to ensure that we have decorum, particularly during Question Period.

**Mrs. McIntosh:** Madam Speaker, I have to make a correction because we did in fact put out five proposals, one of which was strike lockout, for consideration. We did not promote any one of those proposals, and we made it clear in our original release of the document and in any statements made since then that we had no preconceived notion as to which of those proposals might be one acceptable to Manitobans. Further, we made it very, very clear that we were soliciting other suggestions as well. One of the other proposals we had in that document was a modified form of binding arbitration which we also did not promote but which indeed we finally did accept as the one we are going to accept.

So the member is wrong when she says we were promoting strike. We never did.

\* (1355)

**Ms. Friesen:** Does the Minister of Education see any inconsistency, even hypocrisy, in requiring the incorporation of ability to pay into teacher bargaining and at the same time refusing as she does daily in this House to accept any responsibility, refusing to be accountable for the years of systematic reduction of public funds to public education in Manitoba?



**Mrs. McIntosh:** Madam Speaker, I point out, with respect, that funding to education has risen from \$660 million to \$745 million over the time that we have been in office. I also point out that we have included money now coming from Health, some \$450,000 this year for special needs assistance in the classroom, some \$250,000 going into Family Services to train paraprofessionals to help special needs students in the classroom and a lot of other things of that nature that have gone into education.

I also indicate, Madam Speaker, that the strike lockout that she referred to earlier was something that the Manitoba Association of School Trustees said, that even though they did not like it, they would be willing to live with that rather than have to endure another year of bargaining where their consistent arguments on ability to pay were not listened to and not allowed to be listened to by the arbitration board. Arbitration panels, as you know, have traditionally said that school boards have unlimited ability to pay because they can always raise taxes to any amount required. That was the problem that the boards had; that is the problem we have now addressed for them, a 10-year-old problem that trustees could not cope with because it was imposed upon them by the province. That inequity we are now going to correct.

**Ms. Friesen:** Madam Speaker, would the Minister of Education tell us, in determining ability to pay, whether trustees and teachers are to believe her own document which relegates Manitoba to—Manitoba's economic output ranks from sixth to eighth compared to other provinces, or are we to believe the Minister of Finance (Mr. Stefanson) in his Budget Address which claims that Manitoba's economy is steamrolling ahead?

**Mrs. McIntosh:** Madam Speaker, I take it from the member's comments that she believes boards should pay whatever is requested regardless of any ability to pay, and I feel that that basic problem is one that they really have had explained to them. I am disappointed that they still believe that school boards do have unlimited ability to pay just because they can keep raising taxes to a limit that has no ceiling to it.

I would ask her, for the sake of everybody involved in education, if she does not want to see massive teacher layoffs, if she does not want to see school boards have their expenditures go increasingly to things other than programming, which she says she supports that she—

**Madam Speaker:** Order, please.

### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** On a point of order, Madam Speaker, our rules are very clear in terms of answers to questions, and this minister is not following any of our rules. She is not being relevant, she is not being brief or to the point. I would like to ask that you call her to order and also perhaps remind the minister that when you do stand, she is supposed to conclude her answers, because she has been once again in this Question Period standing for significant periods of time, which comes out of Question Period time, after you have stood to ask her to finish her rather lengthy answers to our questions.

**Madam Speaker:** On the point of order by the honourable member for Thompson, the honourable minister had not consumed the time allowed for her response. That is why I was not on my feet and, in my opinion, the minister was responding to the question asked.

\* (1400)

### Video Lottery Terminals Reduction

**Mr. Kevin Lamoureux (Inkster):** My question is for the Premier.

As the province has seen hundreds of millions of dollars of revenue coming in from gambling, the Liberal Party has been very strong in trying to get this government to recognize the social negative impact of gambling. In fact, in excess of 35,000 Manitobans have a very serious problem with gambling, and that is even greater when you take into account family and friends that is having an impact on.

My question to the Premier is, does the Premier have any plans whatsoever to reduce the number of VLT machines in our rural and urban communities?

**Hon. Gary Filmon (Premier):** Madam Speaker, I find it ironic, or as my former colleague from Morris used to say, passing strange to have this question from the member for Inkster when he not too long ago, when running for the leadership of the Liberal Party, promised

to triple the number of casinos in this province if he were the leader of a party and government in this province. Here he was, outwardly promoting more gambling in this province as a major plank in his platform for leadership, and now he is asking about reducing gambling. It does not make sense, but then again neither does the member for Inkster.

**Mr. Lamoureux:** Madam Speaker, the question is fairly straightforward and we hope that the Premier can actually answer the question. Does this government have any intentions of reducing the number of VLTs in rural Manitoba and urban centres? Is there any intention of this government to do that?

**Mr. Filmon:** My advice to the member for Inkster is to just stay tuned. The fact is that we are in the process of putting together our policy response to the recommendations of the Desjardins commission and I did indicate at the time the commission was appointed that we would consider very carefully the recommendations from their report. Those recommendations have not yet been fully responded to, and I just invite him to stay tuned.

### Gaming Government Strategy

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, can the Premier then indicate to the House some sort of a time frame that will allow us to get some understanding of exactly what sort of a gaming policy this government has, that it is not ad hoc policy making from this government?

**Hon. Gary Filmon (Premier):** I think the best example or evidence of the fact that it is not ad hoc is that we are taking time to consider our response, that the Minister responsible for Lotteries (Mr. Stefanson) is preparing analyses that will lead to decisions, policy changes and recommendations, and we will therefore make those decisions over the course of the foreseeable future. As soon as those decisions are made they will be communicated to this House and to the public.

### Headingley Correctional Institution Temporary Absences

**Mr. Gord Mackintosh (St. Johns):** My question is to the Minister of Justice. On the day following the

Headingley riot the minister went out there and apparently took control, was flailing around and was telling people what to do and when.

In light of that, I would like the minister to tell Manitobans, who made the decision to release prisoners, and would she confirm that she ordered an emergency temporary absence list to be drawn up even before the riot, indeed, in the event of a strike by correctional officers?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, as I have said in the past, the decisions which were made were made by professional correctional officers. I have said that from the very beginning. I said it yesterday, I said it last week and I am saying it again today.

**Mr. Mackintosh:** Would the minister then confirm to Manitobans that she has no authority over her staff and her department, and did she not know who was on the T.A. list or did she just not care?

**Mrs. Vodrey:** Madam Speaker, the only person who does not care in this House is the member for St. Johns who has continued to put information on the record which has often been wrong, totally wrong. I think many Manitobans have now just decided that they do not pay attention to him anymore.

I can tell you that again the decisions were made based upon the criteria of eligibility which was time served and then a criteria based on, for those who had served time, a criteria which Corrections uses on a regular basis that deals with issues such as employability, the place the person might leave, what the person is in the institution for.

Madam Speaker, if I were the one very specifically making those decisions, then he would claim that was political interference. The decisions are made by professional correctional officers.

### Riot Cleanup

**Mr. Gord Mackintosh (St. Johns):** Madam Speaker, would the minister, who does not understand the difference between interference and responsibility, tell this House why she made the promise in front of

Headingley jail that the inmates will repair the institution when there are a lack of skills there, there is a danger to the public and she had no authority to make such a statement? Why did she make such a statement without inquiries and consultation?

**Hon. Rosemary Vodrey (Minister of Justice and Attorney General):** Madam Speaker, the reason that we will have inmates working within the institution to repair the damage, to prepare the institution for people to move back in, is because inmates have to bear some responsibility for the damage caused. We believe that is, in fact, what Manitobans expect. It is what people expect within their families. Manitobans had a right to expect that to occur. So that is the basis for saying that inmates should be the ones who do some of the repair work within the institution to prepare that institution to be reinhabited.

That is exactly the path that the Minister of Government Services (Mr. Pallister) and I have been on—in working with that minister who has been drawing up a list of tasks that inmates will participate in and, to my knowledge, have begun participating in.

### Balanced Budget Legislation Reduction of Ministers' Salaries

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

His government asked for a mandate in the last election based on its balanced budget legislation that included pay cuts for ministers if deficits occur. In the Public Accounts committee on May 10, the Provincial Auditor indicated that the Minister of Finance (Mr. Stefanson) should not have applied a one-time \$145-million special lotteries transfer to the 1995-96 fiscal year, so that the surplus projected to be \$120 million would in fact be a substantial deficit.

In keeping with the requirements of the balanced budget legislation which imposes penalties for deficits, will the Premier arrange to reduce ministers' salaries by 20 percent?

**Hon. Gary Filmon (Premier):** Madam Speaker, I cannot believe the hypocrisy of the members opposite who spend all of their time urging the government to

spend more money on health care, spend more money on education, spend more money on social services, spend more money on everything and then, at the same time, want to try and support a balanced budget. They did not support the legislation. They voted against the legislation, and now here they are as the great supporters and defenders of balanced budget legislation. I cannot believe the hypocrisy.

\* (1410)

**Mr. Leonard Evans:** Will the Premier confirm that the revenue from the sale of McKenzie Seeds which occurred on December 20, 1994, was transferred to the 1995-96 budget to help show a fictitious surplus and that at the last Public Accounts committee meeting the Provincial Auditor indicated that those revenues should have been in the 1994 fiscal period and not in 1995-96? Will the Premier confirm that his government improperly transferred revenues from 1994 to 1995 for election purposes?

**Mr. Filmon:** Madam Speaker, the only thing fictitious in this House is the economic statistics that are brought forward by the member for Brandon East.

I would like to read, in part, from a memo from the Acting Provincial Auditor, a memo dated May 21, which was yesterday. It is to the Comptroller of the Department of Finance.

It says: As we discussed earlier today, I would like to summarize the position of the Provincial Auditor's office regarding the accounting policy for lottery revenues recorded in the operating fund. One, consistent with our recommendation in our 1994-95 report to the Legislative Assembly, we believe the full accrual basis for recognizing lottery revenue in the operating fund is the most appropriate basis. We are pleased that the government supports this position and plans to initiate the necessary changes in 1996-97. Our report to the Legislative Assembly for 1995-96 will provide updated comments on this recommendation that reflect our agreement on this issue.

Number two: Because the balanced budget legislation is based on the March 31, 1995, accounting policies of the operating fund and our Auditor's Report thereon does not include a reservation regarding the accounting policy

for lottery revenues, we are prepared to issue our opinion for the 1995-96 operating fund without reservation for the accounting treatment of lottery revenues. Signed, Warren Johnson.

I table this for the information of members opposite.

**Mr. Leonard Evans:** Will the Premier not accept his responsibility and acknowledge that indeed he did have a deficit in 1995-96 and that his ministers should take a pay cut in light of the report of the Dominion Bond Rating Service? That report said that in 1995-96 the government had a large deficit and not a surplus, for the same reasons that the Provincial Auditor gave in the committee meeting. Will the Premier do the honourable thing and reduce the salaries by 20 percent?

**Mr. Filmon:** I have just read the comments of the Provincial Auditor that refute directly the assertions of the member for Brandon East. He says that they will have an unreserved approval of the presentation of the surplus and of the accounts of the provincial government. That is the definitive word, the word that they seek. Whenever they want an opinion, they say call in the Provincial Auditor and get the Provincial Auditor to take a look at it. That is exactly what has happened, and he refutes the position of the member for Brandon East. He absolutely refutes the position of the member for Brandon East, so I rest my case.

### **Balanced Budget Legislation Reduction of Ministers' Salaries**

**Mr. Tim Sale (Crescentwood):** Madam Speaker, that is not a case that is going to rest very well with Manitobans, because they know the hypocrisy of a government that promised a balanced budget, that a Dominion Bond Rating agency and the Provincial Auditor, contrary to what the Premier now says, indicated that money was improperly accounted for under standard accounting processes, and the government changed their accounting processes for '96-97 precisely because they recognized it was improper. This is the government that said, no, we will not sell MTS; no, we will not privatize health care; no, we will not cut Pharmacare, but, yes, we will balance our budget.

Will this Premier not acknowledge that this balanced budget is a sham and reduce the salaries of his cabinet?

**Hon. Gary Filmon (Premier):** Because the member for Crescentwood has difficulty understanding, I will repeat. From the words of the Acting Provincial Auditor: Because the balanced budget legislation is based on the March 31, 1995, accounting policies of the operating fund and our Auditor's Report thereon does not include a reservation regarding the accounting policy for lottery revenues, we are prepared to issue our opinion for the 1995-96 operating fund without reservation for the accounting treatment of lottery revenues. Signed, Warren Johnson.

Madam Speaker, the member for Crescentwood is wrong. He was wrong when he criticized the balanced budget legislation: he is wrong today.

**Madam Speaker:** The honourable member for Crescentwood, with a very short supplementary question.

**Mr. Sale:** Madam Speaker, whom does the Premier really expect Manitobans to believe, an accounting profession that says that it is improper to treat revenue in the way that it has been treated in the past—and that is why they changed it this year—a Dominion Bond Rating agency or a Premier in the middle of an election campaign who made a promise he could not keep?

**Mr. Filmon:** Madam Speaker, every time the member opposite wants to criticize one of the decisions we make with respect to funding for health care, with respect to funding for social services, with respect to funding for education, he says it is because of the balanced budget legislation, the fact that we are balancing our budget is stopping us from providing those extra funds that he would provide if he were in government.

Now, when the Provincial Auditor confirms that what we are doing is in accordance with the balanced budget legislation, he ignores it and he makes up some other argument that is good in his own mind.

Madam Speaker, he was incompetent when he worked for the government and he is incompetent today, and that is exactly where he stands.

\* (1420)

### **Point of Order**

**Mr. Steve Ashton (Opposition House Leader):** Madam Speaker, on a point of order. The Premier once

again is, I believe, engaging in comments that are not parliamentary. I ask you to review his comments and ask the Premier for once to answer questions without stooping to the kind of personal insults that he seems to enjoy. That has no place in the Chamber. I would like to ask you to once again ask the Premier to withdraw his comments.

**Mr. Filmon:** Madam Speaker, on the same point of order. Time after time after time in this House members opposite, including the Leader of the Opposition (Mr. Doer) and the member for St. Johns (Mr. Mackintosh), even today, have referred to ministers on this side as being incompetent, and they have said that without any sanction. What is sauce for the goose is sauce for the gander.

**Madam Speaker:** On the point of order by the honourable member for Thompson, indeed I will take the point under advisement and I will report back to the House if necessary.

\* \* \*

**Madam Speaker:** The time for Oral Questions has expired.

## MEMBERS' STATEMENTS

### Ramah Hebrew School

**Mr. Mike Radcliffe (River Heights):** Madam Speaker, I would like to draw the attention of the House to the accomplishments of the Ramah Hebrew School in my constituency of River Heights.

Ramah Hebrew School has been in River Heights since 1958 and has played an important and unique role in both the Jewish community and our community as a whole. The school belongs to the Shaarey Zedek Synagogue and is a part of the Jewish school board.

Ramah Hebrew School teaches approximately 200 in both preschool and elementary programs ranging in age from three-year-olds to Grade 6. Half the school day is used for teaching the provincial curriculum and the other half is reserved for the Hebrew language schooling.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

Last year the Grade 3 class at the school was honoured with a visit by Premier Filmon which was held in conjunction with Manitoba's 125th birthday celebrations. The Premier and I were quite taken with how bright and verbal the students were and how this unique form of education has instilled a strong sense of community in our children at such a young age.

This will be Ramah's last year in River Heights. Next year the school will be operating out of the Asper Community Campus in Tuxedo together with a number of Jewish educational and cultural organizations.

I would ask all honourable members to join with me in wishing Ramah Hebrew School all the best in their new and improved facilities in the Asper Community Campus. Thank you very much, Mr. Deputy Speaker.

### Winnipeg Police Association Annual Charity Ball

**Mr. Gary Kowalski (The Maples):** Mr. Deputy Speaker, today I rise to make mention of the fine work done by the Winnipeg Police Association. On Saturday, May 18, I attended the 72nd annual charity ball of the Winnipeg Police Association. The proceeds from this year's charity ball—as it has in the last 10 years—go to the Children's Hospital Research Foundation. In that time, the Winnipeg Police Association charity ball has raised over \$116,000 for the Winnipeg Children's Hospital. This is especially gratifying to me as I spent almost a year in hospital when I was six years old. I know the fine work done at the hospital and I know the need for those funds, so it was with pleasure that I did take part.

Also present were the Deputy Minister of Justice, Bruce MacFarlane; the Commissioner of Protection, Parks and Culture, Loren Reynolds; and also the new Chief of the Winnipeg Police Services, Dave Cassels, was there. It was a very enjoyable event. The Winnipeg police band performed there. I think, as Jack Haasbeek, the president of the Winnipeg Police Association—it is an example of community policing in effect, that it was actually the police together with members of the community who raised these funds to benefit the children of our community.

I would ask all members to join with me in congratulating the Winnipeg Police Association for the wonderful work they did. Thank you.

### Manitoba Telephone System—Privatization

**Mr. Steve Ashton (Thompson):** Mr. Deputy Speaker, my statement today is on the Manitoba Telephone System which again released its report, the '95 annual report, which documents the many important aspects of Manitoba Telephone System, not only for rates but also for the economy of the province of Manitoba. We are talking about more than \$500 million that is put into the Manitoba economy and close to 4,000 jobs, jobs that are important to many communities across this province which are created by the Manitoba Telephone System.

I want to indicate I am very concerned about statements that are now being made by senior officials at MTS indicating that once MTS is privatized, we are most definitely going to be looking at some closures of offices in rural Manitoba and indeed staff reductions. I am particularly concerned that the government has never once acknowledged this fact.

To give some indication, I would encourage members of this House to look at how many communities in Manitoba have MTS offices and to ask the question whether we are going to continue to see, for example, operator services in Boissevain, if we are going to continue to see operator services in Minnedosa, but even more importantly, to ask whether we are going to continue to see many of the local and regional offices because, at a recent meeting that took place involving staff of MTS with senior officials, questions were asked about whether there will be losses. The bottom line was, the response was, most definitely under privatization there is going to be a reorganization and it will occur because the government will no longer be in a position to ensure through its influence that there is decentralization throughout the province of Manitoba in terms of jobs from MTS.

So the bottom line, Mr. Deputy Speaker, I ask the provincial government and I will be continuing to ask them to put on the record what the impact will be on jobs for MTS, particularly in rural and northern Manitoba, under privatization.

### Balanced Budget

**Mr. Tim Sale (Crescentwood):** Mr. Deputy Speaker, during the election campaign the government ran hard

and long on its promise to balance the budget. For years the Provincial Auditor had made the case that income earned during a period ought to be attributed to the period in which it is earned and not accrued into trust funds. He had made that case and she had made that case over and over again.

Finally in 1996-97, this government saw the wisdom and the correctness of the Auditor's suggestions and agreed to change their accounting practices to attribute all the lottery revenues to the year in which they were earned.

Now, those members opposite who read a balance statement will know that when you change your accounting practices, you have to go back and make adjustments to prior years so that you can have a comparable basis from which to look at each year in sequence.

The Auditor will be doing that. He will go back, he will make the corrections for the previous years, he will provide a table reconciling the real deficits for the years that they were claiming deficits that were larger than they really were. The Auditor will show that the balanced budget is a sham. It was not balanced, it is not balanced, and in fact at the end of the '95-96, on a Volume 3 basis, Public Accounts, there will be a deficit of \$50 million.

This is a government that misled Manitobans during the election campaign in terms of its commitment to MTS, that misled Manitobans in regard to its commitment to home care, to Pharmacare, to vision care, to hospitals and to a balanced budget. They misled them all the way. Manitobans will not make the same mistake again.

\* (1430)

### Manitoba Hydro-Centra Gas Joint Venture

**Ms. MaryAnn Mihychuk (St. James):** Mr. Deputy Speaker, the decision of the provincial government to have Manitoba Hydro merge billing, power and energy marketing and consulting along with other services with Centra Gas is another indication of the plans to sell Manitoba Hydro piece by piece. Manitoba Hydro was split up into three separate divisions last month, just as previously occurred with MTS. MTS had their cable TV

network sold off at a fire-sale rate along with other questionable actions, from forcing it to sign a \$47-million telemarketing deal to dropping profitable activities to weaken its base.

MTS has the second-lowest residential rates in North America, while Manitoba Hydro has the lowest residential rates in North America. It is no accident that this government sees no contradiction in having a Crown entity which is a competitor of Centra Gas work with that company on joint power and energy marketing.

Increasingly, the government sees Crown assets as simply something to sell off. This government has lost any sense of planning or public policy being used, using our assets for public good. This government trashed both the energy conservation unit and the energy marketing divisions because it did not see their use.

We have seen that when it comes to election promises, their words mean nothing. They promised last year to protect health care. Instead, Pharmacare was gutted and eye exams were eliminated. Home care and hospitals have been threatened. MTS is being sold off and other assets are being put on the block. The Provincial Auditor has confirmed that even the so-called balanced budget of the election was a hoax.

The similarity between this collection of Conservatives and the former Mulroney Conservatives grows daily. Manitobans deserve better. It is time this government kept their election promises instead of just keeping their private promises to friends of the Conservative Party.

## ORDERS OF THE DAY

### House Business

**Hon. Jim Ernst (Government House Leader):** Firstly, Mr. Deputy Speaker, if you will recall yesterday, we agreed to waive private members' time tomorrow morning in order to continue with consideration of the matter of Supply, so I would seek leave with regard to the Committee of Supply for this afternoon and for tomorrow morning from 9 a.m. until 12 noon to sit in three sections of Supply.

**Mr. Deputy Speaker:** Is leave being granted? Leave? [agreed]

**Mr. Ernst:** Mr. Deputy Speaker, with respect to the sequence of Supply for this afternoon and tomorrow morning, in the House we will continue the Estimates of the Department of Natural Resources, which, if completed, will be followed by the Department of Justice. In Room 255, the Department of Family Services will continue with its Estimates, to be followed then by the Child and Youth Secretariat and then followed by the Department of Agriculture upon their completion. In Room 254 will be the continuing Estimates of the Department of Highways.

Thursday afternoon, there will be no Estimates, but rather we will consider second reading of the bills listed on the Order Paper. Should that be completed within a reasonable time prior to the hour of adjournment, we would likely then reconvene in two Committees of Supply and again on Friday would be two Committees of Supply only, not three, so that is clear.

**Mr. Deputy Speaker:** Is there leave for the committee structure to be structured, in Room 255, Family Services and then Agriculture; in Room 254, Highways; and in the Chamber, Natural Resources and Justice. Leave? [agreed]

**Mr. Ernst:** Mr. Deputy Speaker, we will have to reappoint a committee Chair for the third committee.

I move, seconded by the Minister of Industry, Trade and Tourism (Mr. Downey), (by leave) that the member for Sturgeon Creek (Mr. McAlpine) be appointed Chair of the third Committee of Supply for Wednesday, May 22, 1996, and for Thursday morning May 23, 1996.

**Motion agreed to.**

**Mr. Ernst:** Mr. Deputy Speaker, I move, seconded by the Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer), that Mr. Deputy Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

**Motion agreed to,** and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty, with the honourable member for Sturgeon Creek (Mr. McAlpine) in the Chair for the Department of Highways and Transportation; the honourable member for La Verendrye (Mr. Sveinson) in the Chair for the

Department of Family Services and Child and Youth Secretariat; and the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Natural Resources.

## COMMITTEE OF SUPPLY (Concurrent Sections)

### HIGHWAYS AND TRANSPORTATION

**Mr. Chairperson (Gerry McAlpine):** 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 Highways and Transportation. Does the honourable Minister of Highways and Transportation have an opening statement?

**Hon. Glen Findlay (Minister of Highways and Transportation):** Mr. Chairman, yes, I do. I would like to spend a few minutes making a few comments for the member opposite. My comments will not relate specifically to elements in any great amount that are in the exact Estimates but just to give an overview of what the department is doing to try to position itself for the circumstances that this department is dealing with and certainly that the transportation industry is challenged with in these days that we live in right now.

Before I get into the general comments, I would just like to indicate to the member, as he can see from the Estimates book, that in our budget this year our Estimates are a total of \$222,120,000 which represents a decrease of 1.4 percent from the previous year's Estimates of \$225,284,000. The staff components has been reduced by 31 staff in this Estimates cycle from the '95-96 level, and of the 31 SYs eliminated, 14 staff were affected. Of the 14, five staff accepted alternate positions, three retired, two accepted permanent layoff and four have been placed on the government's re-employment list.

In the area of planning and priorities, you have probably heard the expression, there is nothing more certain about the future than change. I assure you this adage could not be truer in any other department than the transportation sector today. We have recently seen a dramatic change in trade patterns and alliances, increased global competition, rapid technological developments

and unfettered growth of information systems and pressure on governments to reduce their debts and deficits, and that is true right across this nation.

There have been more changes in the transportation sector in the last five years than there had been in the previous 25. As a backdrop to this change, we continue to face conflicting demands to reduce the size and cost of government while maintaining high levels of service and even adding new services. All of these factors combined are forcing us to rethink the traditional role of government and explore new ways of doing business.

We at the Department of Highways and Transportation are acutely aware of the rapid pace of change that is affecting every aspect of our operation. I am pleased with the way my department has tried to keep pace with the change we have been experiencing. We do not have a crystal ball to predict with much accuracy what will happen in the next five years. We are attempting to anticipate and prepare ourselves for the changes we can foresee. We have been doing this through the development of an ambitious strategic planning process which I believe will help us to anticipate some of the change we will be confronted with in the very near future.

We want to put ourselves in the position of being able to direct and control our future rather than being swept along by it. We know we must adapt to this change by continuously improving the way we conduct our business, by exploring new methods of service delivery and by even questioning the business we should be in. The department's strategic planning process recognizes that we must be forward thinking in order to create a competitive advantage for Manitoba's transportation sector. To maintain this sector's strength, Manitoba must adapt to economic change and preserve the quality and efficiency of its transportation infrastructure. This requires continual review of the department's operations to determine which activities will accomplish our goals.

Our process is somewhat unique because of the extent to which we have involved our stakeholders, customers and department employees. Over the past year, we have met with over a hundred individual stakeholders representing 50 groups, and I will read the list which is not completely conclusive. There are other parties that could be added to it, too.



The department has met with shippers and carriers, UMM, Pool Elevators, Manitoba Motor League, Snoman, Society for Manitobans with Disabilities, Canadian Paraplegic Association, Transport Canada, Repap, Isobord enterprises, Manitoba dump truck association, CN Rail, Manitoba heavy construction industry, law enforcement agencies, Manitoba Safety Council, Motor Dealers Association, Insurance Brokers Association of Manitoba, Age & Opportunity, People in Equal Participation, National Transportation Agency, WINNPORT, Winnipeg Chamber of Commerce, National Research Council, Manitoba Trucking Association, Manitoba Chamber of Commerce, Assembly of Manitoba Chiefs, Recreation Vehicle Dealers Association, bus companies, airlines, various government departments, University of Manitoba Transport Institute, Pine Falls Paper Company, various utility companies and a number of engineering firms. That is not a complete list of the various parties that the department deals with.

We asked these groups for feedback of what we were doing right, where we should be improving. We also asked for input on trends in their fields and the impact that these trends may have on the direction of transportation in the province of Manitoba in the future. We conducted a survey of some 6,000 road users and 3,000 driver vehicle licensing customers to find out not only what we are doing right, what we should continue to do, but, more importantly, how we should change to better respond to their needs and expectations.

We also solicited input from employees at every level within the department because, as you know, some of the best ideas for change and improvement often come from those who are closest to the work. We scanned the external environment to see what social, economic, political and technological trends are occurring which will have an impact on the transportation sector. Synthesizing all of this information, along with my government's priorities for transportation, the department has created a vision for how it will influence the future direction of transportation within Manitoba.

This vision involves first, ensuring Manitoba's transportation infrastructure is safe and economically sustainable; second, ensuring that our policies and programs support Manitoba's economic development and role as a global transportation centre; thirdly, having

regulatory services which ensure public safety while promoting the competitiveness of our transportation industry; fourth, measuring our performance and exploring alternative forms of service delivery to make sure Manitobans receive best value for their tax dollars; five, working with our stakeholders, consulting with our customers and balancing their diverse needs; and, six, having a workforce with the skills, technology and authority to do their jobs.

In order to achieve this vision for the Department of Highways and Transportation, we also identified areas where we will concentrate our efforts over the next several years. We have come up with six areas of strategic focus that involve, first, conducting research and analysis, developing measures of performance and designing management information systems that will lead to better decision making; second, exploring alternative ways of financing our deteriorating transportation infrastructure in order to catch up with needed preservation work and develop new infrastructure which supports economic development within the province; third, identifying strategic infrastructure investments, public-private partnerships and interdepartmental initiatives that will optimize a sustainable economic development of the province; fourth, building on a consultation process developed for our strategic planning initiative; we will be looking at innovative ways of providing better support to public policy decisions through greater public participation; five, consulting our customers to determine their expectations and then reworking and improving our systems to meet customer service needs; six, recognizing that human resources are instrumental in achieving any of these goals, we must retrain and acquire skilled staff, give them latitude and tools to do their jobs and acknowledge their accomplishments.

The work on these areas of strategic focus will continue over the next several years. However, we have already begun work on better decision making. The goal of this area focuses in creating mechanisms for gathering and generating the information necessary to allow decision makers at every level within the organization to make more rational and defensive decisions, to streamline decision making and operational processes so the staff have the necessary authority to make decisions and to ensure that the proper approval processes are not overly complicated.

\* (1450)

So far, three initiatives are underway which will contribute to our focus on better decision making; first, process improvement initiative. The first of these initiatives is called process improvement. This involves the mapping or flow charting of all departmental programs or processes in order to gain a better picture of the activities that are involved in providing service or producing an end product. Using this approach, we will be able to identify activities that are unnecessary or overly time-consuming and where improvements can be made to simplify the process.

The next step in process improvement is to cost out the process and to benchmark or compare our costs to those of other service providers. The people who deliver the programs or service are very much involved in the mapping and the process redesign since they are often the ones most keenly aware of what improvements can be made. To make decisions about cost-effective service delivery options, departmental programs are being reviewed to determine the full cost of delivery, examine the range of delivery options and study delivery methods used by other jurisdictions.

Secondly, performance measurement. The second initiative which is underway involves developing indicators and measures of our performance. We have recognized that if we hope to accomplish our goals, we must measure the work effort and resources to be used to produce the results. Performance measurement will let us know whether we are moving in the right direction by measuring effectiveness and efficiency of what we are doing in by helping us to make decisions about the best use of our limited resources.

Third, business planning. Another initiative that will be implemented this fiscal year is the preparation of integrated operational financial plans by business units. Business plans are written documents that outline the proposed resources and strategies the business unit will use to accomplish its goals. The plan integrates resource allocation, including staffing and budgeting, operational planning and performance measurement to ensure that all business units work in a co-ordinated and concerted effort toward accomplishing the strategic aims of the department.

I am very pleased with the progress that we have made on these initiatives with the overall system of our strategic planning that has been implemented within the department. As I mentioned earlier, I believe these measures are going to enable the Department of Highways and Transportation to respond to the rapid rate of change that we are all experiencing. The economic prosperity of a community, region or nation is dependent on the availability of adequate and reliable transportation services at a reasonable cost. For this reason, transportation has been identified as a cornerstone of Manitoba's economic development strategy. As such, the department is committed to maintaining and enhancing Manitoba's strategic position as a major hub of transportation. The department plans to utilize resources to the best advantage to accomplish this mission.

We are dealing with a vibrant transportation sector within Manitoba, a sector that has been instrumental in much of the province's past prosperity. With the government contributing to the development of transportation policy that is conducive to growth and development and with proper planning and management of our transportation and distribution system, the transportation system can continue to contribute to the revitalization of our economy.

Mr. Chairman, this concludes my comments in general, but I would just like to identify for the critic some of the really significant things that we are facing in the form of change. I will identify four of them that cover different parts of the province, and, clearly, one of them is Churchill in terms of the significant initiative that is going on right now from Gateway North Transportation Inc. A resolution from the opposition was supported in that context, and we are all hoping and expecting that the federal government and CN can reach agreements with this group of entrepreneurs to not only keep Churchill alive but to promote its viability more significantly into the future.

Another major activity that is going on right now is the local airport authority in terms of the process involving the federal government, particularly of a local group taking over management of the airport to improve its economic activity within the context of Winnipeg and Manitoba. Very closely affiliated with that is the big economic potential initiative of WINNPORT that could create some 6,000 jobs. Clearly, the mode of

transportation of goods around the globe has changed, is changing, and air cargo is a very viable option of moving many goods long distances. There is no question that Winnipeg is strategically located between Europe and Asia as a location with a 24-hour airport and with almost unrestricted access of expanding it to the west and the north in terms of development of whatever kinds of buildings or infrastructure are necessary to support a global transportation intermodal system at the airport.

The last one I want to identify for the member is changes that have happened in particularly rural Manitoba, and that is the elimination of the WGTA payment that used to—well, certainly, over the course of almost 100 years—stimulate the export of raw product. Now with that gone, although we have been talking about diversification of value-added industries in rural Manitoba, it is really taking off. I am sure he has noticed many announcements of a lot of value-added industries wanting to locate, some of them in the process of construction right now, in various locations in rural Manitoba.

What that really means is that a tremendous volume of bulk raw commodity will have further value added to it before it is exported from the province. The challenge behind that opportunity is the fact that unbelievable tonnages of goods, particularly raw grain, oilseeds and special crops products are going to go on the highways of this province in every which way, to go from production point to processing point, ultimately then to export point. I think anybody who travels rural Manitoba will see that the volume of trucks has definitely increased.

We have always thought of the grain industry in particular as a producer hauling bulk commodity to an elevator. The elevator then loads it onto a railcar and the railcar takes it to whatever location it is going to, normally export. What we see now is of that product going into the front end of the elevator, about 25 percent of it leaves that elevator by truck and that percentage is going to rise continually. I dare say five years ago it was no more than 5 percent that left by truck.

The elevator companies are confirming what we see happening and that is that trucks are a bigger and bigger element in the movement of grains, oilseeds, special crops, and they will also be involved in the movement of the value-added products that come from these various

processing locations. So there is going to be a tremendous stress and strain on that infrastructure we currently have, both in terms of its capacity and in terms of its efficiency to accommodate all those activities.

With those kinds of comments, I would want to conclude by saying there is tremendous opportunity to expand Manitoba as a significant transportation hub in every aspect, but also there are some significant challenges to achieve that to its maximum. Thank you, Mr. Chairman.

**Mr. Chairperson:** We thank the Minister of Highways for those comments. Does the official opposition critic, the honourable member for Flin Flon, have any opening comments?

**Mr. Gerard Jennissen (Flin Flon):** Yes, Mr. Chairman, perhaps a very short comment.

First of all, I would like to thank the minister for his rather fulsome background material that he gave to me because it puts things in context a little bit more for me. In fact, on many of the points that he raised with regard to Churchill, local airport authority, WINNPORT and the Crow rate, they were issues that I was going to address, as well, and that should come as no surprise.

I might add that I will be meeting with one group interested in the Churchill line and the Port of Churchill and have dinner with them on Thursday. I will get some background from Doug Webber and his group on what they are proposing to do, so that fits in with the minister's statement.

I do not disagree with the minister saying that transportation is the cornerstone of Manitoba's economic development. We are located, I think, strategically geographically in a very good part of North America for trade. Transportation is in a sense our lifeblood, and we want to have a strong transportation sector. There is no doubt about that. At the same time, I think there are a number of challenges and, specifically, I notice ironies associated with these challenges.

As there is more north-and-south flow of goods, of traffic, transportation, I still feel that the northern part of that north-south transportation flow has not been adequately looked after in terms of infrastructure.

Perhaps it is coloured by the fact I am from the North, but I always feel that northern roads are underserved. I suppose, looked at from a different perspective, it makes sense to only devote 4 or 5 percent of a transportation budget or a highways budget to northern roads, but looked at from our perspective, which is that the North creates tremendous wealth, more money should be devoted to northern infrastructure, northern roads, specifically, as well as airports.

I am saying that because we are looking at a billion-dollar mining industry, we are looking at hundreds of millions of dollars that are generated by hydro power, not to mention pulp and paper and wood—that is also in the millions and millions of dollars—and, of course, taxes and so on. So if we take a look in terms of the total economy, I think the North is not getting its fair share. If you look at it in terms of population, then of course I see the argument. I also see the counterargument because if you want to be democratic, you look at bodies, but somehow or other in the North that is not well served. We feel that because of our special isolated circumstance we cannot treat it just on a per capita basis. More money has to be devoted to the North because the wealth we produce is much larger than seems to be reflected in the budgets for fixing northern roads, airports and so on. I do not want to belabour this issue, but it is an ongoing concern with us up there.

\* (1500)

I want to keep this very short because I am mindful, and I hope the minister agrees with me, that we have limited time, that there are time constraints. Part of the reason there are time constraints is because we spent a lot of time in Estimates on Health and Education. I think that was for a very good reason; those are two extremely important departments. I am not suggesting that Highways and Transportation is not important, but perhaps we could agree that the time frame appears to be today and tomorrow till noon, so that gives us roughly four or five hours, if the minister thinks that is reasonable. I think that is reasonable.

If we go that route, though, can I propose a few approaches that I hope the minister will agree with? One of them is that under Executive Support, I would be asking most of the questions under five main headings, and maybe to help the minister or his staff, the headings

would be Engineering Aides 2, provincial gravel road initiatives, used vehicle inspection program and truck safety, northern roads issue, which is fairly broad, and future trends. The minister has alluded to some of those future trends already.

I would like to ask specific questions, but I think at some point my colleagues will come in and will also have questions and that will restrict me from asking all the questions on those five broad areas. So I wonder, if we are running short of time, if the minister would entertain the possibility that I would just read them into the record, and he and his staff would supply me with written responses, let us say, within three weeks or a month? Would that be agreeable? In other words, I will take this as far as I can. If we run out of time, I would like to read it into the record and then get written responses for those questions. Would that be acceptable to the minister?

**Mr. Findlay:** In the broad answers, I guess, yes. Some of them you may want to have a little bit of dialogue on them. It is always helpful for us to have some dialogue on different points of view, but in the broad context, as you head each of those, you just maybe indicate a written answer would be sufficient or whether you want a little dialogue. I am very flexible, however you want to use scarce time.

**Mr. Chairperson:** Just for the clarification of the committee, is it your wish to have dialogue or discussion on 1.(b)(1), a broad discussion, or do you want to go each one line by line?

**Mr. Jennissen:** Under 1.(b)(1), I would like to ask most of the questions. If we run out of time, I will then ask my remaining questions just on the record and expect written responses for the ones I read into the record, and then still go line by line, but there will be very few. I would not be asking detailed material from there on in. Most of the stuff will be front-end loaded right now under 1.(b)(1).

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

For the benefit of the committee, I would just like to draw your attention, after the opening remarks which we have had today, all speeches of any member are limited to 10 minutes under subsection Rule 74.(1) and (2). Under the Manitoba practice, debate of the Minister's Salary

is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

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

**Mr. Findlay:** Mr. Chairman, I want to introduce my deputy minister, Andy Horosko, and Mr. Paul Rochon, Executive Director of Administrative Services.

**Mr. Chairperson:** We thank the honourable minister, and we now proceed to line 1.(b)(1) on page 80 of the Estimates booklet.

Item 1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$438,900. Shall the item pass?

**Mr. Jennissen:** Could I go back to, in my booklet, it is page 11, which is the Department of Highways and Transportation's five operating divisions, and just ask a couple of questions on that? That is this power chart or flow chart or hierarchy of power, if you like.

I noticed that under Construction and Maintenance and under Driver and Vehicle Licensing, both Mr. B. Tinkler and M. Zyluk are acting. Does that mean that these people will inherit this position or about to be appointed as fully heading this position, or is this just an interim position?

**Mr. Findlay:** In both cases they are replacing individuals who have retired. In the case of Construction and Maintenance, Doug Struthers has retired within the last month. In the case of DVL, Dan Coyle retired, again within the last month. So they are both acting at this point in time, and ultimately the positions will be filled by competition.

**Mr. Jennissen:** Under Engineering and Technical Services, I notice what was called last year Northern Airports and Ferries has been changed to Northern Airports and Marine Operations. Is Marine Operations implying something broader than Ferries? I am not sure what the reasoning was to change that.

**Mr. Findlay:** We have a couple of big lakes in the province, and we do run some ferries, so that is the marine component.

**Mr. Jennissen:** Under Policy, Planning and Development, Don Norquay, there was a new category added, that is, Policy Co-ordination and Administration. What was the reasoning for that?

**Mr. Findlay:** The intent was that we had policy people in the Department of Highways, policy people over in DVL, and they have all been co-ordinated in the one unit so that all the policy people in the overall department are together in one location for administrative purposes.

**Mr. Jennissen:** Before I go into the five broad groupings that I talked about earlier, just one question is in the back of my mind. It comes out of the minister's earlier opening statement. That is, if the Crow rate is abolished, and has been abolished, in fact, and we are expecting great growth in trucking, then is it not contradictory to spend less money on highways?

I mean, on the one hand, we are saying, hey, we need more bucks because of the stresses on our road because of the Crow rate being gone, and if trade is increasing, obviously we are going to have to put more money into our road system, yet the total amounts seem to be going down, perhaps not dramatically, but 1.4 percent is still a cut.

**Mr. Findlay:** Well, I guess I tried to indicate to the member that the impact of the Crow is going to have unbelievable long-term challenges for the transportation industry and most particularly our highways. I would say places like the city of Winnipeg and most of our municipalities will also face like challenges, smaller dollars than ours but still significant challenges nonetheless.

The method of funding our provincial system, of course, is that we argue within the context of government to allocate funds, and I think every member will recognize it does not matter what province you look at now or it does not matter who is in power in any province across this country, everybody really got elected on the basis of fiscal responsibility, controlling costs and pursuing a balanced-budget process. It has really been achieved in eight out of ten provinces. So when you

argue that some things more should go out of something, that means you have to take something from somebody. That is very difficult, while everybody is sort of downsizing in their costs and trying to limit the levels of expectation, whether it is in health or education or whether it is in justice or wherever it is, to dedicate more money to highways.

The angle we have argued, and I hope the member would support us in this context, is that in the overall principle—I think Manitoba and Alberta are probably close to this, maybe even B.C. is in this category—the dollars collected from the road system in terms of fuel taxes, licence fees and that sort of thing basically are reinvested back into the road network. We spend on capital, as the member can see, around \$100 million a year and on maintenance, around \$60 million a year. That is \$160 million which is very close to what we collect from the system, so what is collected goes back into the maintenance or the rebuilding of the system.

\* (1510)

At the very same time, the federal government has a fuel tax in place right across this country wherein after last year's, a year ago's budget increase of a cent and a half per litre, they collect right across Canada some \$5.5 billion a year out of the road system, and they are investing back into that road system right across the nation less than 10 percent of that. It is probably fair to say sizably less than 10 percent.

In the province of Manitoba, our calculations would indicate that they collect far in excess of \$200 million each year out of our road system, and if he looks in the budget he will see that federal money coming to the province for highways was \$6 million last budget, \$3 million this budget. So for over \$200 million they are collecting out of the system, they are putting only \$3 million back in in this budget that we are talking about.

This argument has been going on since '88, and all provinces are onside on this trying to get the federal government to realize they have a responsibility to this national infrastructure network called highways. A national highway program has been proposed. This province, the Premier (Mr. Filmon) and myself have taken leadership positions trying to get commitments from the federal government. In October of '94, ministers

of Transportation met here, and I got a commitment from the then-federal Minister of Transport Doug Young that he would make a yes or no response to us as provinces by December 15 of that year. His response was no to the question, will the federal government match in any way dollars that the provinces are putting in. He said, well, I will only match what you are prepared to put on the table.

Nine out of the 10 provinces, every province other than Quebec, actually were prepared to commit over a five-year period some \$2.6 billion worth of road infrastructure money, and we wanted the feds to respond in some matching fashion. There had already been a formula generated, but we were not worried about whether they lived up to the formula or not, just commit something, and their answer was no.

We continue to lobby. Every group that I am aware of involved in highways use or construction, from tourism to trucking to heavy construction, all support the principle of an NHP, a national highways program, because it is just like the infrastructure program. The federal government gets its dollars back within a year or year and a half in the form of taxes paid, and the province gets its money back in the course of two and a half to three years in the form of taxes paid, so it would seem like a logical place to invest money in an infrastructure sense in the future. We still hope that eventually they will, but I think that is the best alternative we have to source more money, in other words acting on the principle that the money that is collected from the system should go back in some form to capital or to maintenance.

At this time, the federal government, as part of the WGTA, has said that there is \$140 million available for infrastructure, and this province has clearly identified that the infrastructure component that that money should go to is roads, and this had been confirmed in a letter from a federal deputy minister, that \$26 million will come to Manitoba for infrastructure, and with the UMM, the Minister of Agriculture (Mr. Enns), Minister of Rural Development (Mr. Derkach) and myself, we sent a jointly signed letter to the federal government saying our identification of infrastructure in the province that is hurt by WGTA is roads and all that money should go to roads.

Just today the Honourable Jon Gerrard has announced that, effectively, he has not accepted that offer and that he

is starting a process to have hearings in four locations in the province to decide how that money should be spent. His first hearing is tomorrow in Brandon, I believe, and he has three other locations.

So that is \$26 million out of \$140 million for this province. The rest goes to Saskatchewan and Alberta. All provinces are saying the same thing I have just said. We are short of money; we need some federal support.

I think I have told the member in the past that on my desk right now is at least \$1 billion of requests for capital projects in this province. I have \$100 million every year and that is a lot of money, but every year when we spend \$100 million, there will be another \$200 million of requests come forward next year because of the use of the infrastructure, people seeing need for heavier-built roads, heavier-built bridges, repaving, new roads needing constructed, accesses to new plants to be built, culverts to be put in to handle water.

I mean, the requests just never end and they are monstrous. I say regularly to all the different groups and particular municipalities that come and talk to me, I know what your needs and wants are. I would love to be able to serve them but, simply, as a province by itself, we do not have sufficient resources, given the fact that the federal government is taking money out of the system and not putting it back in. We are asking for support everywhere we can to keep the lobby up with the federal government.

They have a responsibility here. They have a national highway network which they are not putting anything much towards and expecting the provinces to continue to build the roads east and west. The member has identified that more north-south from a trade point of view is more significant to us now than what used to be just an east-west system. That is my feeling on the process, and I do not have a magical answer, but we must continue to keep working to get some federal dollars into the provinces.

**Mr. Jennissen:** I understand all of us want the federal government to give the provinces more money, but I guess the feds are wrestling with their own demons because, what are they paying, 38 cents to the dollar for the national debt? So I can see their argument, as well, whereas in this province we are paying, what, 12 cents of the dollar on our debt. Perhaps our picture relative to

theirs is rosier and that is maybe why they are hanging on to the dollars a little more tightly. However, there still appears to me to be a contradiction to say on the one hand, as the Minister of Finance (Mr. Stefanson) has done, that our economy is steamrolling ahead, if that is the term he used, and trade is booming and at the same time cutting back on infrastructure money for transportation. It seems to be inconsistent to me.

**Mr. Findlay:** I do not think we are cutting back on dollars for infrastructure. We are holding in that \$100-million category. Saskatchewan, the last I heard, were down around \$50 million, and they have got two and a half times as many roads as we have got. These are the realities we live with. Yes, the economy is steamrolling ahead. I think the member goes out and sort of talks around in the agricultural industry, and I am sure it is the same in the mining industry, because I have heard they are both basically in a boom cycle in terms of prices. New mines are opening in the North, and that is very, very good.

Certainly the grain prices in southern Manitoba are the best anybody out there farming today has ever seen in their life, certainly the best in the last 20 years. They are having a little trouble getting the crop in because it is wet and all that, but all these announcements of capital investment, whether it is in a pasta plant or an oilseed crushing plant or a hog slaughtering plant or french fry plant expansion or Simplot nitrogen fertilizer expansion, all that means more activity, more construction jobs, more jobs in those plants once they are open. It means more jobs particularly in trucking and moving products to and from there. I think it also is a positive thing for the rail industry in certain context. So, yes, the economy is rolling along.

The demands on us in the infrastructure sense, the stakes have been raised. I think if a year ago I would be saying to municipalities that come in and say, I have \$100 million available and they have \$600 million in requests on the table. As I mentioned earlier, it is a billion now, and likely said to me yesterday, it is \$1.1 billion. The list of projects that are needed just grows.

For instance, a bridge over the Red River is \$10 million. There are interchanges that can be built for \$10 million. There is another interchange that is going to be wanted very soon, and it is going to cost \$29 million.

You know, grading a road is \$100,000 a kilometre. By the time you put RTAC pavement on there, you have added \$250,000 a kilometre. The costs rise.

We have got 2,600 bridges, and sometimes the next weakest link in the road is the next bridge. It is a tremendous challenge for the department to meet all the expectations. But I can promise the member that, yes, the economy is rolling. The challenge is for us to have the infrastructure that serves our needs will never lessen.

Within the city here we are promoting very strongly the trucking industry, the airport and the intermodalism between trucking and the airport, and I think there is a certain element in intermodalism with rail there possible too. So the private sector in certain respects has to put their investments in and in some cases they are, particularly in rural Manitoba. You see a lot of activity around the WINNPORT initiative, and that is private sector driven. Their business plan we expect to see before too long which certainly we will need. If it is to work it will require a lot of private sector investment.

But the city, all the municipal jurisdictions and the province are going to have a continuing process of trying to be sure we meet the essential infrastructure needs in the intermediate term. That tight circumstance we are in will not let up for a long time to come. I do not think any Minister of Transportation across this country will say anything different than what I just said.

\* (1520)

**Mr. Jennissen:** I would like to turn to the five areas that I mentioned earlier. I think at some point one of my colleagues will join me and ask specific questions. The member for Swan River (Ms. Wowchuk) had some specific road questions, and she only has today to ask them, so there will be a slight interruption.

Turning then to the first category, and it does not have to be this category we start with; it is Engineering Aides 2. If that is agreeable to all, I would like to start with that particular category.

The first question is, what is the exact number of Aides 2 that were affected by the layoff January 1, 1996, to April 1, 1996?

**Mr. Findlay:** Mr. Chairperson, 120 people were affected. Two people accepted permanent retirement, so effectively, 118 people were affected by that.

**Mr. Jennissen:** How many Aides 2 have taken the permanent layoff package, and how many have found other jobs? You said two were retired.

**Mr. Findlay:** Two took permanent layoff.

Of the 118 who were called back, certainly some had found other jobs and did not respond to the recall. We do not have the exact number, but if the member wants to know, we can get that exact number as to how many of those who were hired in '95 accepted the recall in April of '96.

**Mr. Jennissen:** In December 1, 1995, layoff notices. Aides 2 were told they would be offered seasonal work no later than April 1, 1996, yet regional administrators are telling workers on December 15, 1995, that nonseasonal status will be maintained until the beginning of 1997.

Is that a contradiction to have nonseasonal status and yet to be given seasonal work? I was not quite clear what was meant there. Could you elaborate?

(Mr. Edward Helwer, Acting Chairperson, in the Chair)

**Mr. Findlay:** I will try to give the member an understanding here. It is a long process, but this is the department's interpretation of the collective bargaining agreement, that those individuals who were permanent in '95 will be permanent seasonal in '96 and '97, and they stay in that category for that two-year period, which then allows them to revert to be called seasonal workers in '98, and that is following the collective bargaining agreement, to go from permanent to seasonal.

**Mr. Jennissen:** Just to paraphrase what the minister said then, next year, those workers can expect to be laid off again for a three-month period but will be recalled in April. Is that correct?

**Mr. Findlay:** Those employees called back were guaranteed a minimum of eight months work; I say a minimum of eight months work. Whether there is more than eight months work, whether it is nine or 10 or 11 or



12 will depend on whether there is work available. That, generally speaking, has a lot to do with weather and how the construction season goes.

So eight months is their minimum guarantee, and it could be longer depending on the work needs that unfold over the course of the season.

**Mr. Jennissen:** After 1997, would those same workers, now seasonal workers, still be guaranteed eight or nine months of work a year?

**Mr. Findlay:** At this stage, barring the unforeseen, that is the plan at this point, that it will continue to be the minimum of eight months. In this day and age of change, nothing can be locked in stone because circumstances might change, but the intention is the minimum of eight months on a seasonal basis.

**Mr. Jennissen:** So within the next several years in the interim, the short future, Engineering Aides 2 can expect at least a guarantee of eight months by the department, possibly more, in the region of nine, 10, 11 or 12, and so those workers should not face any major problems in terms of longer layoffs stretches before 1998. Is that correct?

**Mr. Findlay:** Yes, that is a fair conclusion to what I said.

**Mr. Jennissen:** I have talked to quite a number of Aides 2, and many of them are upset, obviously, because they felt they had worked for the department for many, many years and had taken for granted—perhaps in this day and age, one should never take one's job for granted—that they would never be working, let us say, a nine-month year.

Because they were never laid off until this year, I guess I need to know, is the minister trying to suggest that the weather last year was somehow unique or that all the work was election related, or is this an attempt to phase out Aides 2 entirely? I am not clear what the general thrust seems to be.

**Mr. Findlay:** Mr. Chairman, in this area, like many other areas, technology comes along, and a lot of automation gets into the system. Automation generally means less manual work, less need of hours of work.

Another way to put it, more work can be done per hour of employee activity.

For two or three years, as regards that process, it was becoming evident to the department that there was a lot of period of time when there was not any work for these people to do, as there was, say, five or 10 years ago. Then in '95 the very good weather conditions allowed a lot of projects to be completed well ahead of what we call a normal schedule. It became very apparent, between automation and a fast summer, that a decision had to be made as to whether we continue to pay these employees when there is not work to do or we have to be rational in the department, to have layoffs in place when there is no work for certain groups of employees. So the decision was made to start the layoff process and to look forward. I am saying that the minimum we can guarantee is eight months of work per year. That is just a reality of a changing workplace, a changing way of doing some of the business and what automation and improved technology bring to us.

I think the bottom line for the department is always to maximize the amount of dollars we can spend on road maintenance, road construction, and improve safety for the users of those roads, so it is very hard to rationalize that you keep employees for a period of two or three or four months when there is not effectively work for them to do.

\* (1530)

**Mr. Jennissen:** I realize that we are working under tight fiscal constraints, or restraints, I guess, but still if I take a look at the senior executives in the department, at least some of them, or one of them has a raise of over 22 percent over two years, while these workers are taking Filmon Fridays, being cut three months from the year, and so on. I guess that does not sit well with me because I think we are given the wrong message.

I guess the question I have for the minister, I mean, symbolically, does that look good when the top echelon gets these massive, or at least appear to the average public, although, Lord knows, I know the minister is probably underpaid, but it appears in terms of percentages, you know, a huge raise, and yet Engineering Aides 2 are taking cuts, taking home less pay in the year.

**Mr. Findlay:** Well, the member has identified a senior executive. Would he like to say who, so I can respond as the reason why the 22 percent?

**Mr. Jennissen:** I am sorry, I think they have all had modest raises, and, of course, I know that some of those raises may be out of the jurisdiction of the minister himself, but I am saying the public out there only sees increases for senior administrators and decreases for workers on the line.

**Mr. Findlay:** Well, I can assure the member that, if we did not respond to be sure that our senior people were paid commensurate with so-called industry norms, private sector offers or what the City of Winnipeg pays, we would lose an awful lot of our senior executives. I mean, we have to respond to the marketplace out there, and if somebody gets an increase as he has mentioned, somebody he has not identified yet, at 22 percent, I am sure there is a change in classification involved there; it is not that they stayed in the same job.

Each job is classified, as he knows, through the civil service process. There is a range of salary, and if you move somebody into a new job and it is a higher paying job, you cannot pay less than the range. I mean, we have to be responsible as to how we pay people that is consistent with other offers they might have, or we would not have our senior people, which we desperately need, to run the department effectively.

**Mr. Jennissen:** But would the minister not agree that the same argument could also hold true for Engineering Aides 2? If you cannot hold senior people because we are not paying them enough and we have to increase salary in order to retain them—I am not debating that. They are probably well worth every penny of it.

The question I have is, why does that argument not hold true for Engineering Aides 2? Why are we not pricing them out of the market by paying too little?

**Mr. Findlay:** I think there is a dramatic difference between the two that the member has not recognized, and that is that, for the senior executives, there is a workload there 12 months of the year. It does not let up. For the Engineering Aide 2, as we have identified, the department identified three to four months where there was not

sufficient work to warrant continuing to keep them on the payroll. Certainly, the door was open to recall them.

So there is quite a difference between work available and you come to work and you are paid versus a situation where there is not work, therefore, we have to use the layoff process to be sure that we are efficient in the process of the jobs we are doing.

**Mr. Jennissen:** But the fact still remains, Mr. Minister, that these Engineering Aides 2 for years and years and years were putting in 12 months. At what point could we say there were no longer 12 months of work for them? Did it just happen accidentally that it was in 1995?

**Mr. Findlay:** Mr. Chairman, I already answered that question earlier when I said that five or 10 years ago there was work basically year around. As technology crept in and automation started to take place, there was less need for man hours to get the same volume of work done.

Another way to put it, you can do more work per man hour because of the automation. That had already been happening for two or three years prior and, I mean, the department had not responded. Add to that, in '95, the good weather season, a lot of the field work got done much quicker, you had two reasons why there was no work. One is automation, increased technology; secondly, the good season, and the department could no longer justify keeping them on 12 months when there was only eight months of work, and I call that good management by the senior executive.

**Mr. Jennissen:** I guess I am just wondering out loud, and the minister can answer this, why would it not be phased in more slowly; in other words, taking away three months is quite a large chunk. That is a quarter of your working year.

Why could it not have happened that we are starting this slowly, that this year we have to let a month go and then possibly a year or two later, maybe two months, but this was dramatic, this was all of a sudden, one-quarter of your work year, and that seemed a little abrupt as if there was no preparation or whatever. That was my concern, like, why this sudden, dramatic change?

**Mr. Findlay:** I think the member has to understand that the department for two or three years knew that there was

a developing circumstance here, and we were tight like we were last year on the financial side, and we have a budget and we have to live within it. There was a lot of good weather, a lot of work got done, and the other senior people in the department had a tremendous challenge last year trying to keep that capital budget at the \$103 million. If I could think, we went a million over in the final analysis, so they had to scramble to find every dollar they could save in the overall process to be sure that we had the budget to cover the capital activity out there, and the capital activity means building roads and bridges. So that has to be our focus, building roads and bridges.

The member wants more roads and bridges built, so the department cannot serve two masters, cannot be keeping people employed when there is no work and still meet that demand to maximize the dollars for roads and bridges. You might say, well, we should have phased it in. That is a legitimate statement, but it piled up on them last year in terms of the good weather and, as I say, the automation that had replaced man hours of work, so they had to make a decision and, as I say, they made the right decision, although it is tough on employees, no question about it. But there is a guarantee of a minimum eight months on in the future and, depending on circumstance, it could be eight, it could be nine, it could be 10, it could be 11, it could even be 12, but the department has to have flexibility on how it manages its human resources.

(Mr. Chairperson in the Chair)

**Mr. Jennissen:** I guess I may be showing my ideological bias, but it always creates problems though if the principal gets a raise and the teachers get a cut. In the same sense, I would have preferred to see no raises while, you know, people further down are being hurt economically. That is just a statement I am making.

If I could go on and ask the minister also, has the department considered the impact on the morale of aides, many of whom have worked for the department full time for decades who now feel that they are expendable? And has the department equally considered the economic impact in small communities when their Aides 2 are being laid off or are being moved or even leaving?

**Mr. Findlay:** Well, Mr. Chairman, no government or no minister in this day and age can be all things to all people. We clearly understand the impact on small

communities whenever jobs come to an end no matter whether it is in Agriculture or whether it is in Highways and Transportation or where it is. I think the figures are that over the course of the last eight years we have downsized the workforce in the civil service by 2,200 people. In that group, there would be far less than 200 actual layoffs.

There has been a very humane process of trying to retire people or early retire people to decrease our workforce. In response to the same circumstance that I mentioned earlier, for a given hour of work in every department, more can be done in an hour because of technological aids, and that is a reality. Whether you are in CN or CP, whether you are in a trucking company or whether you are in manufacturing, jobs are being replaced by technology and the jobs are moving to where that technology is produced, by and large. That is the changing economy.

We have said to communities across Manitoba that these changes are happening and there is no government that has the dollars to stem the flow of those kinds of decisions that some of the old technology as it requires fewer people you have to aggressively work to bring the new technology to your region or your town.

I use some statistics, and I will launch off on a bit of a tangent for a moment here, but I use statistics in different speeches I give in different places, in that back in the 1900s, this was an agrarian society, where 80 percent of the people worked and lived on farms; today 3 percent.

\* (1540)

In the '40s, '50s, '60s, '70s and even in the '80s, we were in an industrial age, when 55 percent of the jobs were in manufacturing. I am told that shortly into past the year 2000 it will be down to 15 percent of the jobs there, and we are now in what is called the information age and, again, by the year 2000, 45 percent of the jobs will be in the information age in data handling, moving, those kinds of jobs and customer service with data. That is dramatic change.

What we say to communities is, go out there and aggressively pursue that new technology, those new jobs. Say in rural Manitoba, it is the valued-added jobs of taking a raw product and converting it to something of

higher value. It is pasta plants, it is oilseed crushing plants, it is hog processing and on it goes.

In the mining sector in the North, clearly we have put in place incentives to expand exploration, and it has led to opening of new mines. Communities have been very aggressive in that and formed economic development boards and chambers of commerce, and they get together and collectively go out and try to pursue bringing an investor in or a person with an idea, and they use such things as Grow Bonds to facilitate the raising of the capital locally to bring an initiative there that creates the jobs of the new economy. So that evolution is going on, and it will not stop. In my era, you graduated from whatever and you got a job for the rest of your life. That was the norm. What we see in my case and my grandchildren is they will get an education and any job they may get might have a duration of two, five, 10 years, but they will definitely be turning over what they do and retraining.

You are in a constant process of learning, retraining, responding to what the world challenges are that come to our doorstep and because of the Internet, as an example, and it was part of an announcement yesterday, you try to bring more Internet access through MTS to people in Manitoba because that gives you a global contact. If we get global contract, all our competitors get global contact to compete with us. That is the changing world. As long as man has got this up here, he is going to keep driving that forefront of knowledge at that challenge.

I think the bottom line to my discussion is I used to say that the amount of knowledge doubles in 16 months and that is called scary, and a librarian walked up to me a couple of weeks ago and said, you know, in 15 years that is going to double in 23 days. I said, oh, my gosh. That is change, and we have to all be understanding that and moving along.

Instead of trying to go back and hang on to the old, we have to say, okay, where are the new opportunities of the future? We aggressively want people to retrain, get up to date in terms of what the new technology opportunities are in government, out of government, because if we do not, the world is going to pass us by.

I think Manitoba and Canada have been pretty successful in that, but we just can never stop. We have

to bring every means of technology to our people, particularly young people, to be able to understand that and respond to it and everybody is challenged with that. So the department and the little things they are doing here with the Engineering Aides 2 is responding to that very big initiative that is just not going to go away and that is change, adaptation. If you do not change, you are going to be left standing in the dust.

**Mr. Jennissen:** Well, I agree up to a point with the minister, but I think governments can be more aggressive in managing change, as well, because if you just go along for the free ride in the sense of this is the way it goes, free enterprise runs rampant, a lot of people get hurt, a lot of workers get hurt. Those changes are definitely coming. I understand, but sometimes you have, I think, a more positive or powerful role to play in mitigating what works against workers and ordinary Canadians. I know one can argue we lost about 16,000 or 160,000 jobs—I forget how many—in the auto industry in Ontario, and a lot of women are doing it in the maquiladoras working for five bucks a day or three bucks a day. Now that is not good change.

We can sit back and say, well, that is inevitable. or you can say, we have to manage it somehow that our own people are hurt less. I do not think it makes us old-fashioned, although I notice that the New Democratic Party which was once considered the radical forefront of things is often labelled now as being behind or trying to go back to an earlier era. I do not think that is true. I just think we want to mitigate the damage that the system seems to be inflicting on people. I do not worship change for change sake. I think we have to be very careful how we manage it, but we are getting into an ideological debate and I guess I should get off this.

**Mr. Findlay:** Within the concept of managing change. I want to go back to what I said in my opening comments in terms of we reduced the number of staff by 31. but there were only 14 positions that had staff in them, so only 14 affected. Of that 14, five accepted alternate positions, so that is an accommodation for those five for which their job effectively was no longer needed. Three retired, so nobody is affected yet. Two accepted permanent layoff. So there is an effect on two people. and four are placed on the government reemployment list and may well find jobs. So out of that whole group, two people were affected directly in terms of layoff. I do not

know whether they had packages that went with it or not, to a certain degree.

At the same time, I want to remind the member that in Saskatchewan in Highways and in B.C. in Highways they laid off over 200 people just like that. When Glen Clark came in as Premier in B.C., he just laid off 200 staff. He was formerly in charge of that department.

So in terms of managing change to minimize the impact, I think we have done an incredible job, not only this department but the government as a whole. We are trying to be as responsible to people as possible, but we still have to move along and everybody has to move along. I do not care where you look, it is happening. I think in the government we have been very humane in the process to try to minimize the number of people who actually are laid off by all kinds of vehicles. It has worked, but it takes time and it has been slow. We have not walked in and laid off 10,000. We have not walked in and laid off a thousand. We have not done any of those things. We have given packages, and many people have stepped up and taken early retirement. I congratulate them because they open the door for younger people to stay in the workforce which is so critical to the management of our overall economy.

**Mr. Jennissen:** Sometimes, though, change, even positive change, has to be taken relative to what happened before, and I was reminded of the fact that the minister mentioned mining in the North. It is true that mining is very active right now and is doing very well and I am very glad. I mean all of us are glad that it creates jobs. The reality is though we have a thousand less miners working now than we did a number of years ago. So although it is a positive move, it is only a positive move in the sense compared to what it was a few years ago. It had been better at one time.

**Mr. Findlay:** I dare say you could take any sector and go back five or 10 years and there were more people employed then than now. That is simple reality of technology replacing people. But had we not done the aggressive things to promote exploration in the mining sector, think how bad it would be today as per I read in the Globe and Mail a day or two ago where the mining companies had had a meeting in B.C. and they are moving to Chile, moving out of B.C. to Chile simply because of a lot of concerns, maybe concerns of the

potential outcome of the election there. They think that is not a place to invest their capital, not a place to do their exploration. They feel Chile is better, and B.C. has such a tremendous potential in the mining industry.

I know when we were bringing in our incentive programs for exploration, and this is something we should not be talking about here, but now that you bring it up, I have to mention it, there were a lot of companies saying, we are getting out of B.C. because of the climate, and Manitoba is a great place to explore. So we have more jobs today than we would had had we stood still. Yes, it is not as many as before but that is nothing new. Every sector is in that category. You just look in the trucking industry and the length of trucks today and the efficiency of those trucks. Probably one man can truck as much today as three did 15 years ago. It is just a change in the industry. It is just a reality.

**Mr. Jennissen:** A last comment and that is that I am very happy that mining is doing well in northern Manitoba, and I am sure that the government had something to do with it. But equally on high base mineral prices and new technology, and I will just mention the spectrum airplane being used by companies such as HBM&S.

They have done some fabulous stuff, but at the same time, when you do have a deposit like, let us say, Photo Lake in mining deposit, they are talking about automating that mine to the point where only four or five people are working, so it is not a great creator of jobs, but we are certainly happy that it is there.

\* (1550)

**Mr. Findlay:** But the minute that you take some product out of the ground and it does not matter how many people taste it, it has to be processed, it has to be transported, it has to be further utilized, so there is an unbelievable spinoff, but I say, as long as man has got this grey matter here, he is going to keep making things more efficient as everybody is in an industrial economy that tries to achieve maximum economic efficiency. We have done well as a country, but, boy, if we stand still we are falling behind and I think in the transportation sector here in Manitoba.

All the players have been aggressive over the course of time and the department has to be aggressive in ensuring

that the services we deliver are as cost-efficient as possible, as they are through in the strategic planning process. That challenge is there constantly, be more responsible, more efficient, get out of doing things that are no longer serving any useful purpose, but get more aggressive in the things that can help us expand what we are doing, and bring those opportunities like WINNPORT here or like allowing the trucks to access the mines that are necessary in the future in the North. That is just a reality. We just must respond to challenge those opportunities just in the future.

I can tell the member quite honestly, no Minister of Transportation in this province in the next 20 years is ever going to have enough money to meet all the needs. That is a very safe statement. Unfortunate, but probably 10 years ago he did not have either; but he did not understand how bad it would be 10 years later.

**Mr. Jennissen:** I am quite aware of that, Mr. Minister. I just want a quarter of that budget up North, that is all, whatever the budget is.

**Mr. Findlay:** As I meet with all the different regions everybody says, spend more money. They just take it out of the other person's region, and my constant statement is, cannot, will not do that.

Everybody has to get some of the benefit and share a bit of the pain, so we will do a little bit, little bit, every region, and the member says based on population. Really, we base a lot on road miles, miles driven, that sort of thing. It is not a precise science, but I will never take all from one region and put it all in another. If you take 25 percent in the North, I ask you, where are you going to take it from? I know right away. It is all through the south, and you are really going to short their ability to respond to the economic opportunities, so it is a balancing act. If you ever got to be in this position, you would find that statement would be very difficult to live up to, very difficult.

**Mr. Jennissen:** I would like to get away from the possibility of things I may have to live up to someday, but we will hurry onto a different topic.

The provincial gravel initiatives. I know my honourable colleague for Interlake (Mr. Clif Evans) has a number of questions on that. He cannot be here with us

this afternoon, but I would like to ask of you myself. The first question is, according to the Keystone Municipal News, spring 1996, of the approximately 70 municipalities, only 28 have agreed to enter into contracts with the government regarding the maintenance of gravel roads, and of these 20, 12 were conditional. What is the department's proposal now regarding the gravel road initiative seeing that most municipalities are not willing to participate?

**Mr. Findlay:** This initiative came out of a broad desire to find out if there was a way to be more cost-effective in the way we did things. If you look across the province, particularly southern Manitoba which I am more familiar with and I think it is 116 municipalities and 12 LGDs, everyone of those have equipment to handle their roads for maintenance. They drag the roads in the summertime, and they plow snow in the winter. At the same time, we have roads running throughout all those same jurisdictions and we have dragged the roads, dragged the gravel in the summertime and we plowed the snow in the winter. So, theoretically, there is no question there is a duplication of equipment out there.

Municipalities had over the course of time been saying to me, we can do it for a portion of the cost, or, we are deadheading down there, we may as well be doing your roads as ours. We have had a lot of different contracts with the municipalities. I think 80 or 90 subcontracts, large and small, various portions on bits and pieces of road where we hire them to do work. So given all these requests and challenges from different municipalities at different points—and the member said if they could do it more cost-effectively, let us find out.

The department under Barry Tinkler, acting ADM, went out and had a series of meetings. You had a number of, what, seven regional meetings with different groups and municipalities to explain conceptually what we wanted to talk about and that was that they would do the winter and summer maintenance, apply the gravel, do a bit of the other auxiliary activities. We would always own the road and always be responsible for capital upgrading of the road.

After that series of meetings, a further meeting was held with the UMM executive. I guess there had been at least one more previous meeting with the UMM executive, altered and polished up the offer and then sent

a letter to every municipality saying, here are the roads that are in your jurisdiction, here is the average three-year cost of maintenance of those roads, and given that we expect you to be more cost-effective in certain regards—I think you paid 100 percent for the gravel component and a different percent for other components, but the overall average was that the offer was about 90 percent of our cost.

Clearly, if we are going to do this initiative, we have to save some money, so that there is more money for additional maintenance elsewhere or for capital. We said, if we can save some money here we will have to put more on the capital side, which is something they really want, and as the member opposite also wants. So the offer went out on 90 percent. Well, really the municipalities really started to look at their costs then. Some who were saying, huh, you are so expensive we can do it cheaper, started to realize what their costs really were. They had to sit down and make a decision as to whether they could accept this proposal to take over this, the provincial gravel road maintenance component, or not. We said, we explore, put it out in front of you, you say yes or no. So the responses have been coming back in, some saying yes, some saying no.

That process is still going on. We are not negotiating side agreements with anybody. It has been clear and simple. It is as it is laid out, no special deals added on the side, because that is just not fair to everybody else. We will see how many we can accept and how many we will look for other ways to save money in the delivery of those services, because there is also, no question, there is a private sector out there, large contractors, a whole variety of small contractors in all the communities who have the same equipment, and, again, who in certain cases we do business with on different kinds of contracts all over the province.

So our drive here is to find more cost-effective ways as I described in our strategic planning process, more cost-effective ways to get the job done, and the municipalities have been given the first option to say no, and clearly some are saying no. Some, I said earlier, who said, oh, yes that is great, we will do it, and then when they started looking at the numbers found that the costs were a little higher than they had conceptually thought previously.

So we helped them in their accounting process, if nothing else, and we had not made any decisions as to

how we will respond because we had said a start-up time would be, at earliest, the fall in November 1 of '96 or January 1 of '97, so there is some time yet to figure out whether it will work. But we are looking at more cost-effectiveness, which everybody, I am sure, is in support of.

**Mr. Jennissen:** I did talk with some of the reeves and people involved with, you know, possibly getting involved with the provincial gravel road initiatives. One of their concerns was that you were offering them 92 percent of the total cost. They thought, well, if it is costing you 100 percent and you just want to offload it, in a sense, why do we not get 100 percent? I guess you do not save anything that way, but their argument is if it costs you 100 percent, why do we have to take 90 percent or 92 percent? I think you have answered that partially.

**Mr. Findlay:** We are in this initiative to save money, pure and simple. Absolutely have to, and I said earlier, all the challengers came to me, well, let us do it, we are cheaper, we can do it for half your cost, two-thirds your cost. I heard those statements so regularly, I said, time to put the challenge out. So, I said, now we have put it out and they have responded as they see fit. I mean, all we are trying to do is find more cost-effective ways. We have no magic wand. We are not offloading anything. If they accept it as an economic opportunity in their community or their municipality, so be it. If they choose not to, so be it.

We are searching for ways, and there is no magic here. It is just a matter of trying to work together, and the department has had incredible hours of meetings with municipalities. I think over the course it has definitely improved the liaison and the understanding between us and them, and that you cannot measure in dollars, but it has been a positive consultation process. But nobody is going to be asked to do something they do not want to do.

**Mr. Jennissen:** I do have a concern though in the sense that being cost-effective maybe, you know, does work for the department up to a point. It is cost-effective but not necessarily good in terms of quality of service, and I am just sort of postulating the possibility that some private contractor, let us say, removing snow and they are half a foot above the ground level. They are high-blading. Sure it is costing you less money than if you had done the job properly, but this person is also making money because they are not wearing the blade out. They are out to make

a buck. So how do you check that? How do you know you are going to get quality of service?

\* (1600)

**Mr. Findlay:** Well, Mr. Chairman, in terms of doing a contract with anybody in the private sector, there are always very specific specifications laid down which they must live up to, and there are penalties if they do not live up to them. We do it costly in all our capital projects, whether it is grading or gravelling or paving or whatever it is. We lay out specs and they have to meet those specs; otherwise, there are penalties. The same would be done on this kind of a contract. I mean, we have a number of those contracts now that they do. Sometimes when there is a big storm, you need additional equipment. Other times there is just a piece of road that because of the department's strategy, it is more efficient to hire somebody to do it, wherever it is located.

There are a lot of good contractors out there. They are humans like us. They are Manitobans. They feel responsible because they know if they do a bad job on this contract, they are not likely to have a chance the next time. So there is a driving force out there in the private sector that makes them do a very good job, because there is a serious consequence if they do not do a good job, job after job, year after year. There is no question about that. That is how the marketplace works.

When you call tenders, I mean I get the constant argument that they are bidding at cost, period. There is no plus in the contracts anymore because it is kind of lean out there, and we are getting good prices for our projects, and that would apply in this case too.

**Mr. Jennissen:** Some municipalities feel that the gravel roads in question are already poorly maintained, and they have no interest in inheriting existing problems, at least that is what some of the municipalities told me, some of the reeves and so on, or taking on future problems.

Would municipalities receive a higher compensation for maintaining gravel roads that would be used extensively? Let us say if Louisiana-Pacific were to use that road extensively, would there be a built-in incentive to pay them more?

**Mr. Findlay:** Earlier when I mentioned to the member how the price was struck, the department took the various

roads—I do not know how many categories there were, but there are different levels of use.

The levels of use is where there are trucks, there are cars, or how many vehicles per day, that kind of stuff, was translated into a maintenance guideline which you mentioned, graded it so many times, or the history had been that you spent so many dollars on snowplowing on this road, and all that was calculated over a three-year basis. The third year was 1995-96, so it is very current. That is how we calculated our cost, how the department calculated the cost, the amount of money spent on a very bad road, depending on use, and I guess to some degree, the quality of the road, which, you know, poorer quality of roads required higher maintenance.

That was all reflected in the figures that each municipality got, and they will find different figures for different roads with respect to the degree of maintenance that was necessary to keep it up to an acceptable norm. I know municipalities do exactly the same on their own. They grade the roads of higher use more often than they grade the roads of low use. They add more gravel to the roads of higher use than the roads of low use, and that is just the way you operate.

**Mr. Jennissen:** Does the minister then in the future foresee sort of a hybrid system in which some of the roads will still be handled by the department, some of the gravel roads, some by municipalities and some by private contractors? Is that what we are looking at, say, in a couple of years down the road?

**Mr. Findlay:** I cannot comment, you know, because I would be speculating, but we have gone through an initiative to see what the municipalities felt they could do. We have the responses back now. We will continue to find the most cost-effective way, whether it is utilizing the private sector more or whether it is the department, those are analyses that will continue. What the conclusion of those analyses are would be prejudging, and I do not want to prejudge, but our mission is maximum quality of maintenance for the lowest dollar, so that we can have the most dollars left over at the end of the day for the capital side of our department's initiatives.

**Mr. Jennissen:** Some of the reasons the councillors that I have talked to seemed to feel that this gravel road initiative was a thin edge of the wedge that will



ultimately lead to privatized highway maintenance programs. I do not know if it is true or not, but if it should be true or if that is the direction we are going, I would ask the minister and his staff if they have read the preliminary report about that program as it exists in B.C. as submitted by Burton, Parks, McCullough, Ernst & Young and Harvey. That report points out that in B.C. privatization was not cost-effective and was ideologically driven.

**Mr. Findlay:** I can only restate what I have already said, that we are looking for greater cost efficiency. Whether there are other service providers with equipment that can do it more cost-effectively than us, we should not say no to those alternatives. We have given the municipalities first crack. It is not offloading on them in any respect.

That is not our intention nor will it be our intention, but we will look for the most cost-effective way on an ongoing basis. We will pay attention to what anybody else has done to learn from what they have done. We will naturally want to plug from those locations that have done things, what works and what does not work, so we will go at it carefully and effectively to be sure that our roads are maintained to the best possible standard in the province of Manitoba.

**Mr. Jennissen:** So what the minister is saying then, he is entirely driven by pragmatics and there is never any ideological component to any of this. Just if you save a buck, you do it. If that is the case, then you might as well save a buck at one level, but there may be tremendous damage at another level. I am trying to go back to Aides 2 again. It might be okay for you up here, yes, and will things balance, things fit, but the structural damage you do to a family or to a worker laid off, or to a community where this person no longer lives, that is another factor that cannot be ignored, I would assume.

**Mr. Findlay:** This is exceptionally pragmatic. It has nothing to do with ideology whatsoever. If we want to talk ideology, I am maybe on the opposite side to the member without doubt because he talks about the impact on the family of the worker. I talk about if we have to go out there and increase taxes, think of the impact on all the people who are working in terms of taking money out of their pockets. We are looking for a balance to minimize the resources we have to take out of the working people's pockets and maximizing our delivery of services in the

most cost-effective way, and it is exceptionally pragmatic. We are looking for cost-effective.

I am not going to guarantee that everything we try will work perfectly, but I will tell you, if you try nothing, you are going to lose big time over the course of time. You must look at more effective innovative ways. If people challenge me they can do things better, maybe I will call their bluff, and I think in this case we have, trying to find if there is a more cost-effective way. They have responded as they see fit and more power to them. I think most of them understand their costs more effectively now and are probably less likely to criticize us in terms of our cost in the future than they have in the past.

We will, in a pragmatic sense, continue to move on to be sure we give an adequate level of service and maintenance and capital upgrading of our roads within the existing envelope of dollars that is available to us, and we will not go out and take more taxes out of people's pockets to achieve these. We will work within our envelope as eight out of 10 governments in this country are doing today, regardless of political stripe.

**Mr. Jennissen:** I was just hoping that we were never going to get to that slippery slope which eventually leads to the kind of stuff that Grant Devine was doing in Saskatchewan, where the public machinery for building roads was being sold off—I do not know, Mr. Horosko would know more about it than I do, I am sure—for a quarter million dollars to some friends, I believe. Those are the end results sometimes of sort of edging towards that privatization direction and that concerns me.

**Mr. Findlay:** In terms of the Department of Highways, the major activity they are involved in is the capital component, and the capital is all tendered to the private sector and it has worked very, very well. We have the standards, we have the specs, and we will be sure that the contractors in their bidding know them and when they build the road or pave the road or gravel the road or whatever that they abide by those specs.

It has been a very effective system, very cost-effective. It is done elsewhere too, of course. I think it is probably done in every province across this country, the capital is done by the private sector. It has worked well. The private sector employs people, pays them well and they always want more work from us, but the member is

opposed to the private sector and I think the private sector is the driving engine of this province.

\* (1610)

**Mr. Jennissen:** I would not go as far as to say that I am opposed to private sector, I just think there are some rules and regulations that have to protect the ordinary consumer, the ordinary person in the province. If we are totally ideological and let the private sector make all the decisions and the government intervenes not at all or takes the attitude that the least intervention is the best, then sometimes we lead to situations that create two-tiered systems, one for the rich and one for the poor and that is what I am trying to avoid.

So basically it is not that I am against the private sector at all, I just want us to be always democratic and not simply say, well, economic forces make us slide a certain way, but the end result of that slide is some pretty harsh and undemocratic systems. I am not suggesting we are there, but I just caution the minister that sometimes we can be gently pushed in that direction.

**Mr. Findlay:** In this province we have a very good balance between regulation and freedom, and that is why we have labour laws, we have, you know, our construction guidelines, our tendering specs. It is the balance. There is no such thing as total freedom and anybody can do whatever they want. That is why we have laws, why we have police to enforce those laws; we have a number of people in the department here to enforce safety regulations. It is an ongoing balance. We clearly work towards that balance, and nothing we are doing here will alter that balance.

Our mission is cost-effectiveness and to be sure that there are people out there working. The downside to increasing taxation, which the member would have to do to meet his objectives, is you steal jobs away from people. As an employer who currently employs 40 people, if you increase his taxes, he may be down to 38 people or 35 people, so that is the negative impact of taking more taxes from somebody who is a job creator.

**Mr. Jennissen:** I would like to go on to the next section which is the section on the used vehicle inspection program and truck safety. I know already from the outset that the minister and I will probably not see eye to eye on

this one, but it is definitely one that we are going to have to deal with.

**Mr. Findlay:** Let us park it then, let us park it.

**Mr. Jennissen:** Since it is one that I get most of my correspondence on, I would feel I was letting down those letter writers if I were to "park" this issue. So I will start somewhat provocatively right at the beginning by asking the minister, given that there is an inherent conflict of interest when the garage inspecting the used vehicle is also, because of the \$40 fee, likely to be the garage to be fixing the vehicle and certifying the vehicles as safe, how is this protecting the consumer?

**Mr. Findlay:** How does it affect the consumer?

**Mr. Jennissen:** How does it protect?

**Mr. Findlay:** Oh, protect. The consumer is a pedestrian, a citizen, a driver of a vehicle. If he is purchasing a vehicle from the broad context of citizen interest, our mission, and it is fair to say the mission of many provinces across this country, is to ensure that the vehicles out on the roads are as safe as possible. The member is fully aware of public concern of big trucks on the road, and we employ a lot of safety inspection standards there. Over the course of time, we have gone from big trucks down to medium-sized trucks, to smaller trucks, now down to cars to try to maximize a degree of safety of those vehicles on our roads. So in terms of protecting the public, improved safety does protect the public.

What we have, in the broad sense, going on, or had going on, is that Autopac had a random inspection process. It may have inspected 25,000 vehicles a year and only in Winnipeg. This will inspect all vehicles that are changing ownership because if you are going to re-register a vehicle, you have to have this inspection certificate. Certainly, we are going to be in the vicinity of 150,000 to 200,000 vehicles inspected per year, which means an awful lot more vehicles have been inspected. I can also guarantee the member a lot of vehicles will never reach that position because those previously sold will not be sold anymore because they are called junkers. The seller and the buyer are not going to come to any agreement because the costs of repair are too high, so the junkers come off the road. Plus, if we do not act in terms

of some kind of program in the province here, junkers from other jurisdictions are going to come in here for registration. We will be the dumping ground for the junkers to be registered here.

So this program protects the purchaser in a very broad sense. He will have a safer vehicle, and the member talks about the vested interest of the garage inspecting. We took measures to ensure that the customer gets the inspection done in the garage. He can take it to another garage to get the repair work done so the garage doing the inspecting has no guarantee of the work whatsoever.

Just for the member's comfort, the degree of inspection in terms of variances, there was over and underinspection. The member automatically assumes they will overinspect. It was not the truth. They were over and underinspecting in terms of the variance and the department certified all these stations, some 800 all over the province, so that consumers had good access everywhere in the province for inspection. They will continue to work with those garages to be sure that we narrow the degree of variance. It is being done everywhere in the country. We absolutely had to respond.

There is no sense of setting up a whole series of bureaucracy in inspection stations when already the private sector has all the equipment, garages, and they are exceptionally responsible people too. So we have improved safety in the very broadest sense for the consumer.

Just another sidebar, the member is aware that there were lots of vehicles that were being restored, rebuilt, repaired on the corner lots, could go get registered without any requirement for safety. That unsuspecting customer could get the real junker and face a bill of \$1,000 or \$2,000 just down the road to protect his family. The brakes were bad, the tires were bad, the steering rods are bad or whatever else, so we have significantly improved the safety of that vehicle for the person buying and for the rest of the people on the road and the pedestrians in terms of that vehicle losing control and causing an accident.

For \$40, it is a tremendous investment in safety, and the handbook that is being used here is very similar to the one being used in places like Saskatchewan and B.C.

**Mr. Jennissen:** At the same time though, Mr. Minister, when you say that it only cost \$40, if you do want to get a second opinion or a third or a fourth, that will cost you another \$40 each time, so the person buying a used car probably is not exactly flush with money to start with. There are still a series of concerns. I am sure you have seen the buyer beware program.

**Mr. Findlay:** If you are buying a car, you should only buy it when that seller has supplied that certificate.

**Mr. Jennissen:** And garage A says, I want 600 bucks, and garage B says 100 bucks—

**Mr. Chairperson:** Order, please. I would remind the honourable members of this committee that any remarks or comments that are being given back and forth, that they do so through the Chair.

**Mr. Jennissen:** I was just reminding the minister that if I am to sell a used car and I am not happy with what garage A says, then I go to garage B, which will charge me another \$40, or garage C, which will charge me another \$40, and according to the program that we did see, buyer beware, the variance could be up to 600 bucks. That does not sound like a good deal for the average person.

**Mr. Findlay:** The member identified, we will agree to disagree on this. I feel that I want the citizens of Manitoba to have an assurance that they are mechanically safe from a safety point of view, mechanically safe vehicles out on the road. The member is an advocate that there should be no inspections, there should be no safeties done, and we will become a dumping ground and there will be a lot of junkers that are now off the road that will come back on the road here and they will pour in from all over the place, the U.S., east and west, pouring in here.

Then he will be crying about why we are not doing anything to protect the drivers and buyers of vehicles. You just cannot have it both ways here. We are promoting safety as every other jurisdiction is doing to combat what was going on, corner lot, backyard, fixing up vehicles and selling them, certainly taking some people for a ride in certain processes in terms of not having a safe vehicle, preventing and dumping of the junkers in the province and got the junkers off the road

all in one swoop. That is an incredible record of improving safety.

Our mission is to improve safety. The Motor Dealers Association also wants to have a record of maximizing and improving safety, and they are full score behind us. The member can argue about glitches. We worked hard to solve those glitches but, at the end of the day, I guarantee you safer vehicles on the road and a greater degree of buyer comfort in buying cars if that vehicle meets certain minimum safety standards.

We know everything wears out over the course of time, but for a period of time after he buys it—I think our safety is good for two years—that person is in a good position. In Ontario, I think your safety is good for 30 days, so if you want to sell a car 45 days after you have your safety certificate in Ontario you had to have another one. Here we have a two-year window.

\* (1620)

We have looked at other jurisdictions and what they have done and we feel, in all fairness, this is the best way to go. I would have to think that this Ontario one was there during the five years of Bob Rae's administration or it was brought in during his period, one or the other. So it does not matter what political stripe. He also mentions Saskatchewan and B.C., both NDP governments, recognizing the same thing.

We must move to protect citizens, buyers and travellers on the road from unsafe vehicles. Clearly they are out there. They are around. There are people wanting to sell them to unsuspecting buyers, and the Motor Dealers Association I think are responsible people, that they want also to have a good representation that the vehicles on the road are safe and safe for everybody.

**Mr. Jennissen:** The honourable minister has certainly opened up a can of worms, because there is a lot of stuff there that I do not agree with. First of all, let us clarify the record in the sense that I am not against inspection. I do not think anybody is against the motherhood statement, we want safer cars on the road. We all want safer cars on the road, but I would just remind the minister that statistics seem to indicate that if you are talking about mechanical safety, less than 2 percent, I think it is 1.2 percent, of accidents are caused by

mechanical defect. We cannot pretend that this is a massive panacea for everything because it is obviously not going to be.

The critics of this program say it is the Bob Kozminski bill. It was done as a sop to the industry. Now, they may be wrong but that is what I am hearing from a number of people.

The feeling is out there that there could have been a different system, that the conflict of interest that now exists could have been avoided if we had centralized inspections. Now I know we probably did not have the money at the time or did not have the machinery, but that could have been financed and could have been financed with the photo-licensing system. In other words, we could have removed the problem area, which is the person doing the inspecting is probably likely to be the person doing the fixing, and I think that creates the potential for gouging.

We could have removed that, and right now that is there. That is what the public sees. I get letters, it is not my own imagination. I get a number of letters, not just from angry used-car buyers, but also from mechanics who say, you know, this garage or such garage is ripping off consumers, ripping off customers. So I think there are problems with it, there is no doubt about it in my mind.

**Mr. Findlay:** I wanted to again remind the member that wherever there are difficulties and problems, the department, DDVL particularly, will work aggressively to be sure it works to the best of human capability. The member mentions 1.2 percent of accidents caused by mechanical defects.

I would like to ask the member if he knows of any case where an accident happened that the RCMP or the police inspecting did any kind of analysis to determine whether it was a mechanical failure, because the 1.2 percent the member mentions is self-declared. I do not think the member would argue with the fact that if you have poor braking power, it is going to take you longer to stop and you will be apt to hit the tree or that car or that pedestrian. There is no question about that. I mean, engineering, common sense all tells you, if you have poor brakes you cannot stop fast enough. You will rear-end somebody or kill somebody or yourself.

So one of the major elements of this is braking capability, and if you have old worn out brakes and you run into the back end of somebody, who goes to check the brakes of the offending vehicle? Nobody. So he should not stake his claim on that statistic. It is not representative or factual, nor do we ever have the resources to go check all the vehicles. If the car is smashed and half of it is gone, how are you going to tell what was the faulty part? You cannot.

I do not think you would find anybody that would argue that improving the quality of brakes, steering, tie rods and a number of other components, nobody will argue that that does not improve the safety of that vehicle for that driver, that owner and the rest of the citizens on the road. No question about it. We may differ on the mechanics to how to get it done. We have 800 garages inspected, sorry, certified to do the inspections. The vast majority are capable, responsible and there are some growing pains. We are working our way through it. I do not think there is any other jurisdiction that has a ghost car program.

Then suddenly some people felt, whoa, that was pretty tough on us to do a ghost car, but I tell you, we are getting the desired result. They will do a better and better job. The people that did a good job got good commendations, and there are a lot of good people out there. We have got to pick off the people who are not doing a good job. We are working to continually pick them off, again, for consumer and customer confidence.

Again, the automobile dealers' association, people like that, are full score behind it. We must continue to have safer vehicles and give the public a perception that they are accountable and responsible, and those who are not get suspended. Over the course of time, we will definitely have safer vehicles on the road. There is no doubt in my mind about it.

We may disagree on process here, but this was the most cost-effective way to get it up and running. The member's idea that we have an inspection station in Brandon and two or three in Winnipeg, government-run, well, what about the person who lives in Melita or Killarney? Does he have to drive 50 miles? And he cannot get it registered until he gets it there, until he gets the inspection, sorry. Tremendous inconvenience for the majority of citizens. If the inspection station in the North

is in Thompson, what are your citizens in Flin Flon going to do? A terrible inconvenience.

You have garages right in town with all the equipment and training to get the job done. We will certify the garages to do it as we certify a vast variety of garages and trucking companies to do the inspections on their trucks. I tell you, the transportation people believe in safety in the trucking industry. We have to now move that concept into private citizens' cars and small trucks and we are doing that, because if we did not we would become a dumping ground for the junkers. The member will have us reflect on what would happen if we just stood still over the last two years in that respect. There are people out there trying to make a buck with junkers, looking for a place to get them registered. Once you get them registered you are licensed to rip off the public. We are preventing that here in Manitoba as they are in many jurisdictions.

**Mr. Jennissen:** But at the same time the minister would admit he is handing the garages also sort of a golden opportunity, at least some of the more less scrupulous ones, a chance to make money that they would perhaps not otherwise have made. I am in favour of the random, mandatory inspection because that way you have an equal chance of hitting any given car over a certain age. This way, if I have a used car and I do not sell it, who is going to compel me to actually have an inspection?

**Mr. Findlay:** Well, if the RCMP stop you on the road and find certain serious faults, under The Highway Traffic Act they will give you a ticket. Then you cannot take that back on the road until you have fixed it. It is your own life you are putting at risk here. I mean, there is a certain onus on people. We will be sure that when the onus moves from you as the driver of that vehicle, and you want to sell it and somebody else is going to drive it, that buyer is protected from the standpoint of the general safety of that vehicle.

That is the extreme difference between you keeping it forever, and, boy, if you get involved in an accident and somebody does decide to, well, maybe even Autopac, pursue that you had terribly bad brakes, I think you have got a problem on your hands. So there is an onus on you as a citizen to keep your unit in decent repair, and there are certain things laid out in The Highway Traffic Act

that can be used by the law enforcement agencies, and they do on certain occasions and times

**Mr. Jennissen:** Since I received numerous letters from used car owners saying that they are being gouged by people doing the inspecting, what more is the minister prepared to do to protect used car owners? Also, how many consumers will get refunds from all those who have been ripped off by the program, and what will happen to consumers who had repairs at the garages that were suspended?

**Mr. Findlay:** From a seller or a buyer's point of view, you are getting a certificate and you are going to get your \$40 inspection, and let us assume there is a list of things you have to do. You can take it home and do it, take it to a garage and have it done. I think the member talked about rip-offs or whatever. I mean, the department will respond and has responded to many enquiries of people that feel they are in that category, and we have identified the telephone number, and the department has responded to many concerns to be sure that we can do as best a job we can to be sure that there are not, you know, real rip-offs happening.

\* (1630)

If you go to a garage and somebody says you have to have the brakes done and they do not meet the spec, that should happen in every garage. It may cost you a few hundred dollars to get the brakes done, but, by gosh, for the public interest, those brakes better be up to spec or that car should not be registered so that it can come back on the road.

**Mr. Jennissen:** Is the percentage correct that was mentioned by one of the local newspapers, I think it was the Free Press, that out of the 800 garages, X number were being inspected by your department and, out of that, 15 percent were found to be remiss, either they were suspended or had their licence revoked for certifying used cars? Is that percentage correct?

**Mr. Findlay:** In the ghost car program, which I think the member is referring to, 128 stations in Winnipeg were evaluated with the ghost car. Three stations out of the 128 were decertified because of serious variations, plus and minus, that is over and underinspection, and three-month suspensions were issued to 16 stations, and

they can get recertified if they take a retraining course, and that three months can be shortened up if they take the retraining which is provided by our people. So the idea is to improve the quality of their work in the suspended ones. Warnings were issued to 59 stations, satisfactory to 36 stations and commendations to 14 stations.

As I say, I am not aware of any other province to have the courage to do that, to send a clear signal to garages and the consumers that we are after increased excellence in this process of inspection.

**Mr. Jennissen:** Is the minister saying then that 14 garages were working beyond and above the call of duty, so to speak, out of 128?

**Mr. Findlay:** In terms of satisfactory and commendations we are talking about 40 stations. Satisfactory is good, and commendations is exceptional.

**Mr. Jennissen:** So we are talking about more than just a few glitches. We are talking about, you know, that a lot of the garages still have to improve.

**Mr. Findlay:** We are talking about over and under variations, and the garages say, well, you know, you have the book, you have the inspection manual. It is multipaged, and you have a lot of things to check. We are sending a signal to them, you better check very carefully. Some are saying, well, you know, if I measure here or measure there on the brakes, it is a difference. But follow the manual, that is the clear message, follow the manual. Training had been offered along the way, and training is being offered now. An ongoing response to citizens' complaints also will allow our people to deal with certain garages and try to continually improve the outcomes to improve safety on the roads.

**Mr. Jennissen:** I believe two of the garages were decertified or suspended and later it was discovered that mistakes were made. Could you elaborate on that? Like, what would have happened there?

**Mr. Findlay:** The inspection form is something like this, Mr. Chairman. It has a lot of categories, and the staffperson who read it did a misreading, and the two garages involved had actually identified things that they had been recorded as not identifying. So there was an error made in the assessment of the form by staff.

As I say, there are a lot of categories there, and on quick reading somebody makes an extra little mark that, you know, was not there, you have to look, yes, he marked the right thing, but it was just across the line. That was the variation, and it is unfortunate that happened. But as soon as staff had identified that there had been a mistake made in those two cases, they then moved them from a suspension category to a warning category, and they were quickly recertified.

Mistakes happen, unfortunately, but mistakes happen. I can assure you the staff is going to be very sure that those kinds of errors do not happen again.

**Mr. Jennissen:** Did the garages pursue this any further? Could they possibly sue the department, or was this sort of amicably resolved?

**Mr. Findlay:** I think the member can appreciate why the garages are upset, as anybody would be. We offered to put ads in the paper for them to identify that they were not in the suspended category and that sort of thing. At this point nobody has sued us. Neither of them has. After a few days, I think business gets back to usual, and maybe they understand, well, I am better off to keep on working here and have my shingle back up again as opposed to pursuing the legal route. Clearly, we have an opinion that we are not liable in this case, but it is unfortunate for both those garages. Yes, they were upset in the beginning, but things happen. Life goes on.

**Mr. Jennissen:** Was Mr. Hrabinski's redeployment connected to this?

**Mr. Findlay:** In the course of senior executives managing the department, they chose that that was an appropriate thing to do at this point in time for all involved.

**Mr. Jennissen:** You do not feel that he was being made the whipping boy for, perhaps, faults in the program itself.

**Mr. Findlay:** As a minister, no. I do not think it is fair or appropriate to discuss personnel matters, maybe in a broader context.

**Mr. Jennissen:** I agree with the minister. It was a grey area that I really did not want to proceed in, but on the

other hand I do not want to see any worker being blamed for something that is perhaps not their fault, or any administrator, for that matter. So I will not pursue that any further, and I thank the minister for the information that he has given me.

Back to the main point, though. Even if we did eliminate Autopac write-offs from being bought as normal used cars by unsuspecting buyers, how does the minister propose to limit the numerous write-offs from other provinces, specifically Quebec, from entering the province, because that appears to be an ongoing problem?

\* (1640)

**Mr. Findlay:** Clearly, that is true. Write-offs that get fixed and get into a position of being registered are a major concern. Through CCMTA, Canadian Council of Motor Transport Administrators, a proposal has been worked up which would have them identified right across the country, so that a write-off in Quebec would not show up in Manitoba without some notification when it arrived. For that to work, for that proposal to work, every province or the vast majority of provinces must participate. That process, the department staff here and other jurisdictions are actively working on trying to get that nationwide CCMTA policy on write-offs in place in Canada. So that is being aggressively pursued because, again, it is another step forward in improving safety and consumer protection for people who move these kinds of vehicles around the country looking for some place to market them.

**Mr. Jennissen:** I am not sure of this, but I would like to ask the question anyway. A vehicle coming from another province, let us say Quebec, could we not, as we have in Manitoba, make it mandatory that there must be a total loss inspection? I mean, is that even on the books when it comes to an outside vehicle?

**Mr. Findlay:** I do not just totally remember what the question was, but I just want to say that, in terms of the CCMTA proposal, the department personnel actually met just a week or 10 days ago in Regina to further develop the concept. There are certain costs associated with implementing this in every province across the country. Everybody has gone back home with the idea of trying to find a way to program the costs and do the

further work as necessary to institute this record exchange right across the country. To be effective, as I said earlier, every jurisdiction has to be in. They have a process that clearly identifies these vehicles physically and in the record exchange process.

**Mr. Jennissen:** Since one in every five used vehicles sold in Manitoba has been written off elsewhere, is there not merit in the idea of a titling system, like a vehicle passport, requiring all vehicles to carry a certificate of ownership that would travel with the vehicle and, if it is a write-off, the passport is destroyed?

**Mr. Findlay:** If I understand it right, over the course of time, when this full registry is in place, all jurisdictions right across the country will be able to identify the history of that vehicle in a cradle-to-grave process so that any purchaser down the road would have knowledge of where and when it might have been a write-off. Obviously, if you are a purchaser, you would want to be darn sure that it had certain certificates. So, in a fashion, that is the certificate the member is asking about, that follows that vehicle. Our ownership document now goes with the vehicle. That came in amendments we did in '95 in the province of Manitoba.

The broad context is that we get something like that that follows that vehicle on a national basis. That is what CCMTA is working towards.

**Mr. Jennissen:** I would not want it to be an all-or-nothing kind of a thing like we are waiting for everybody else to join us. I think some states and some provinces already have this certificate of ownership that travels with the vehicle. I think Manitoba could certainly also follow that pattern. Otherwise, it seems like we are waiting till everybody says yes, and that could be a hundred years from now.

**Mr. Findlay:** I do not think the member is very accurate. He says you have to wait a hundred years. The staff of our department and the other jurisdictions are working aggressively to be sure that what is in place fits all the criteria and meets all the needs for citizens, for myself, and for the member opposite. There are two provinces, Quebec and B.C., that have probably a head start in terms of doing this process, and now we are trying to get all the rest of the provinces in. They met in Regina a week or 10 days ago and also talked about a

North American process, as well as just a Canadian process. I think that is constructive, because vehicles move across the border too, more freely now than ever before. So it is coming. I guess we would hope that in the next fiscal year it is here for consumer protection in the very broadest sense.

**Mr. Jennissen:** I thank the minister for that answer. I would like to go on now to truck safety, the large rigs on the road. Road Check '95 found that 59 trucks out of 116 in Manitoba should not have been on the road. That was 36.6 percent. I think it was the third worst record in Canada actually last year.

Has the department taken steps to improve this dangerous situation?

**Mr. Findlay:** Well, the member refers to a statistic collected in a CVSA program that is done North America-wide every year, where it picks a point, stops trucks, does random inspections. I think the member is doing the same thing the media did. They took those results way out of context. He says, 35 percent were identified that should not be on the road. What he fails to recognize, and what I said in the House and I said to the media, is that 90 percent of those vehicles, 90 percent of that 36 percent were roadside repairable. It was doing a select adjustment on the brakes. There is a means by which they can adjust and turn up the brakes. Light replacement, they can do it there because they have got spare lights with them, and tires, they have spare tires. I mean they can be made so-called roadworthy again right on the side of the road, over 90 percent.

\* (1650)

At first blush, those figures look scary. You know, not long before that some dual tires had come off trucks in Toronto and I think one person at least was killed in that. That is serious stuff. These results were interpreted as these vehicles were going to instantly cause an accident. I think the member has to look at the statistics of accident-causing. If you take the number of accidents involving cars, the number of accidents per thousands involving big trucks, cars cause accidents at three times the rate of big trucks in terms of actual statistics of being involved in accidents. That is a clear reflection of the operational capability of those trucks, which is the real judgment of safety.



You have to really look at what happens to those trucks out there. There are strict semiannual inspection requirements on these vehicles. They have to have the certification stickers in place, they have to do pretrip inspections and if they are ever stopped, and these sort of things, all the components have got to be up to snuff. These vehicles run long hours, steady miles, and these roadside inspections do put an onus on the company and the driver to do all the right things.

I think we have a very good record in terms of accidents caused when big trucks cause accidents at a third of the rate per thousand units as cars do. That is a pretty good record at the end of the day, but we are ever diligent and make sure, working with the industry on an ongoing basis, to understand the value of safety.

I will tell you, the industry also believes that safety is their number one item, and they have got to constantly give the public a perception of safety and that they respect it, not only the owners of the units but the drivers of those units too. There are more and more of them on the road on a continuous basis and today's trucks are mechanically more capable than the trucks of 20 years ago too, but those inspections must continually be done.

That statistic the member mentioned, I am trying to put it in context to what it really meant. A driver could do the repairs on the roadside in over 90 percent of those cases, which is pretty decent.

**Mr. Jennissen:** I just want to remind the minister that those statistics did come from a magazine, the national magazine for truckers and for heavy industry, so it was not like it was an antitrucking figure that came out of that.

**Mr. Findlay:** But clearly the interpretation the media gave it here was an antitrucking concept. These things should be off the road, they are a danger out there, they are time bombs waiting to cause big accidents, and we say, well, they are all over North America by the tens of hundreds of thousands, so why are we not having those accidents? The truth is we are not because of consciousness towards safety, and these random inspections continue to promote that kind of context.

Let us face it, those trucks, they were stopped in Manitoba but where did they come from? Big trucking

companies here, some of them run 95 percent of their miles in the U.S. and the U.S. trucks are here, B.C. trucks, Ontario trucks, from all over, so when you are talking trucks, you cannot say Manitoba is worse, because they come from all over. You have a constant mix all the time. Trucks just go anywhere on the North American continent. So all jurisdictions are in that, if I am not mistaken, 33 percent to 40 percent range of trucks that required some activity to make them totally roadworthy, and 90 percent of it could be done right on the roadside by the driver as part of his job.

**Mr. Jennissen:** Well, there may well have been some mitigating circumstances in the sense that not all of those trucks pulled over were not roadworthy and maybe those repairs could have been done on the roadside, but the fact still remains that in other jurisdictions the percentages were considerably lower than 36.6 percent.

**Mr. Findlay:** That is what I have tried to explain, the fact that the truck stops, the trucks by Headingley, it does not mean they were Manitoba trucks; they could have been from anywhere, and there could have been more Manitoba trucks picked up in Saskatchewan than in Manitoba, that kind of thing.

**Mr. Jennissen:** Still, the chances of it being a Manitoba truck in Manitoba is a little higher than if it were Montana or something, but apart from that, I would like to get on to my last question and give my colleague a chance to ask some questions also about vehicle inspection.

This question again deals with Road Check '95, which lasted three days in June. Within those three days, Saskatchewan checked 405 vehicles, Ontario 2,436, Alberta 789, but Manitoba only 161. That is indeed a very small sample, and it could be skewed many different ways. The question I have though, compared to those other statistics, do we have enough inspectors in this province?

**Mr. Findlay:** I can tell the member probably some of the people in the trucking industry think we have too many.

In June of '94, we had nine staff that were trained and certified as inspectors. Today we have 46 trained and certified as inspectors, plus we do training for City of

Winnipeg police and the RCMP members so that they are skilled in doing that sort of certification, too, if they deem it necessary to pull a vehicle over.

**Mr. Jennissen:** I would like to turn it over to my colleague.

**Mr. Jim Maloway (Elmwood):** Mr. Chairman, I would like to ask the minister some questions regarding the inspection program. Since his program came in last July, I would like to know what statistics he has available that would indicate the number of inspections that have been carried out under the program and what the government has taken in in revenue.

I am not sure whether it goes into Finance, general revenues, or whether the money comes back that is remitted by the inspection stations, just where the money goes. So if you could give me an update on your latest stats, that would be good.

**Mr. Findlay:** Since July 1 of '95, just over 100,000 inspections have been done. Each garage—there are some 800 garages which are certified—pay the certification fee of about \$200 which went to general revenue. The \$40 inspection goes to the garage for the time and effort that they put into that inspection process.

**Mr. Maloway:** Mr. Chairman, I believe though that in addition to the \$200 certification fee that the inspection station or garage would pay to the government, out of that \$40 there is a \$3 fee, or close to it, that goes to the government. If it is \$3, where did that \$3 times 100,000 go, which would be around \$300,000? Who has it?

**Mr. Findlay:** Each vehicle that is certified has a decal. The garage will buy the decals ahead of time. Let us say they buy 100 decals at \$3 each. That \$3 goes to general revenue also. In the overall scheme of things, the \$200 and the \$3 more or less over the course of time covered our staff time, our costs for the inspections and the setting up of the program. So it pays for itself.

\* (1700)

**Mr. Maloway:** Mr. Chairman, so the \$200 is a one-time fee. It is not an annual fee. It is a one-time fee, and the government then gets \$3 per inspection; \$3 times

100,000 as of last reporting date which presumably would have been the first of last month or thereabouts. I got that confirmed as a yes, from the minister, I gather.

**Mr. Findlay:** Yes.

**Mr. Maloway:** I would like to ask the minister a couple of questions about how this program works. The minister knows that there have been some problems associated with the program.

I would like to ask him what sense does it make to require car dealers who I am told have to inspect new cars directly from the factory—I got an inquiry from a car dealer in town who cannot understand why it is that on brand new cars that have just come off the truck, they have to remove the tires. I have seen this done. They take the tires off because they have to visibly inspect the brakes, and they do not understand why. They blame it on being a government cash grab, because their assessment is that they have to pay—well, they do not have to pay the \$40 per inspection for each new vehicle. They have to pay the \$3 per tag, I believe, that the minister is referring to. So they see this as totally counterproductive because obviously if the car is not safe from the factory, it should never have left the factory in the first place.

Could the minister explain to me why this sort of out-of-control system here that he has developed has elements to it like this?

**Mr. Findlay:** With the start-up stage, certainly the feeling was that there has been evidence that cars sometimes are not as completely as good as you might like them to be. Whether that practice will continue is under review by the department as to whether that has been sufficient evidence that there have been cars that come in new, that going through the process uncovers anything.

So it is under review as to whether that is a practice that should continue, but for the time being from the standpoint of the broadest possible consumer protection, when my vehicle goes off that lot or gets registered, then it is done. Certain safety activities have been done to give the customer complete confidence. The continuation of it will be an ongoing assessment.

**Mr. Maloway:** I would like to ask the minister then, has he even heard of this before? Has anyone complained to his department about this practice?

**Mr. Findlay:** Certainly, we are aware of it.

**Mr. Maloway:** You are aware of it.

**Mr. Findlay:** As a minister, I am aware of it, the department is aware of it. Neither the acting director of DDVL or deputy or myself have had direct complaints, but we are aware of that going on, yes.

**Mr. Maloway:** Is the minister telling me that he is going to review this practice with a view to perhaps terminating what I would think is a pretty nonproductive exercise and a costly one?

**Mr. Findlay:** The department has indicated that practice, that aspect is under review, and they will respond as they deem appropriate relative to what is found in the period of time in which they will review it.

**Mr. Maloway:** In answer to my colleague the member for Flin Flon (Mr. Jennissen) regarding the titling system, the minister is aware of countries like England where the car when it is built has a book that follows it through its life and all repairs and so on have to be noted in there, and you cannot sell the car without the book and so on. It was my understanding that largely because of the odometer rollback fiasco that we uncovered a couple of years back that this government was bringing in this new tracking system for vehicles.

Now in the last couple of weeks we find some evidence that there are some vehicles coming in from outside the province that are evidently not being picked up under this, quote, new foolproof system that you people have implemented.

I want to know why are these things getting around this foolproof system, and when is this full registry going to be brought in. You indicated that it was being brought in, but I would like to know what is holding it up. What is the time frame?

**Mr. Findlay:** I think the member is referring to the transfer of ownership document which works within Manitoba, but then the member is also talking about

vehicles coming in from other jurisdictions, which to his colleague the member for Flin Flon (Mr. Jennissen), I told him that the department is working with Transportation departments in other provinces on this CCMTA program that hopefully will be nationwide in the very near future.

All the elements of it take some work. There is some cost and there is some program development necessary, and they are working towards that aggressively.

**Mr. Maloway:** So then I gather the minister is saying that all 10 provinces have agreed, including Quebec, and they have some sort of a timetable perhaps this year where this will be put in force.

**Mr. Findlay:** I cannot comment for other provinces but is in process, involving them all. We clearly would hope that they would all participate. The discussion in Regina last week or 10 days ago was also talking about a North American model which obviously would be important in the long run that we not only do that within 10 provinces and two territories but we do it within North America to track that vehicle.

**Mr. Maloway:** What steps have the minister and the government taken to remedy this disastrous program that it brought in, which, as we have said in the past, is nothing more than a big payoff to car dealers? We predicted all along that this program was going to run into the mess it has run into. I understand the minister is stuck with this problem now and I understand he is trying to make it right, but I would like to know what specifically he is doing to make certain that articles like we have read in the past two weeks, two months, do not appear in the future.

**Mr. Findlay:** We have already gone over this issue with the member for Flin Flon (Mr. Jennissen), if he wants to fill his member in, but I will just try to briefly recapture it.

The member has just identified cars travelling from across the country and coming in here that are bad vehicles that consumers should not have. They get junkers coming off corner lots in Manitoba. We have junkers coming from Saskatchewan, Alberta or Timbuktu, coming in here for registration. The process was, okay, these junkers have to go through a safety

inspection. If they do not pass they cannot get registered, so that takes them off the road. That is the driving force behind it.

In that process, some 800 garages across the province were certified, and to be sure that they are doing are what they are supposed to do using the handbook, the ghost car process was used which went through a number of garages, unbeknown to them. Some succeeded and some did not. I think three are being charged and 16 are suspended unless they go through a retraining process. They are suspended for 90 days, and they have to go through retraining to get recertified.

This program is working well in the broadest sense, because I think I mentioned they have already done over 100,000 inspections. The department responds to complaints from citizens, whether they are over or underinspected, and works with the garages on an ongoing basis to be sure that they understand the book and how to do the inspections, because at the end of the day with 100,000 inspections, we have more safer vehicles on the road, junkers off the road, and you cannot bring junkers from another jurisdiction and get them registered here.

\* (1710)

**Mr. Maloway:** I am not going to disagree with the minister with the intention of the program. I mean, I think we agree that the intention of the program is good. Where we disagree is with the method of conducting the program. We felt that the previous program of random inspections should have been continued and should have been expanded so that we would be inspecting more of the 700,000 cars a year than we were. We did not agree that what we were inspecting was good enough. We thought we should be inspecting more, but that should be the method that we follow, not the method of the payoff to the car dealers where we turn this over to the car dealers.

Now, under this new system the minister has set up, I believe it is possible, and can the minister confirm this, for a person who does not change the ownership of their car, they could buy a car today, they can drive for 10 years without ever being called in for inspection, whereas under the old random system that car would eventually have been called in. Now is that not true?

**Mr. Findlay:** The member for Flin Flon asked exactly that question. The inspection was picking up 25,000 vehicles a year, all in Winnipeg. I have driven a lot of vehicles in my life and I have never been called in, mainly because I do not live in Winnipeg, so I am free and clear out there. If you own a vehicle today and you drive for 10 years, you had better consider your safety in terms of what you do with that vehicle. If you get stopped on the roadside by one of the RCMP officers, and I mentioned that we have done some training with them, and they go through and do a quick inspection on you and find your brakes significantly in error, you may well be charged under The Highway Traffic Act for an unsafe vehicle.

So you have personal responsibility for yourself and for the public according to the laws that exist today. You cannot drive a junker and cause an accident and get off scot-free. I do not think the member would dispute that poor brakes lead to poor reaction in terms of stopping and accidents can happen. So there is an onus and existing laws in this province for responsible maintenance of a vehicle, and if you worry about your own safety or your family's safety, everybody does their own, you know, they know the brakes are in poor shape or failing, they get them rebuilt.

**Mr. Maloway:** That is just what is wrong with the program. I mean, that cuts to the heart of it. Before you had a random system where eventually over 10 years you would probably be called in, you would be inspected. We said that that should be increased, you should be inspecting right across the province not just in Winnipeg. You should be vastly increasing the amount of cars that you inspect, but the inspection should be done by the government.

Today you have this possibility. You have a possibility of two identical cars, one being bought by one owner and driven for 10 years or plus and never being inspected versus another car that changes hands every two years. After 10 years you would have one vehicle inspected five times because it changed hands and another identical vehicle never inspected at all. I just ask the minister to consider that because that is a point that we brought up in defence of our approach which was to expand the existing system. We did not think that the car dealers deserved this payoff and that is how we saw it, that is how we continue to see it.

I would ask the minister to comment on that, and then I have some other questions in other fields that I wanted to ask.

**Mr. Findlay:** Let us look at the landscape in its whole here. We have 800 stations certified right across the province for doing these inspections. The person who goes in and gets his vehicle inspected can have the repairs done there or elsewhere or he can take it home and do it. Then he has to come back, of course, and get a recertification.

The member says, well, the government should do it. Okay, well, the government can afford to set up five locations in the province. Some people might have to drive three, four or 500 miles to get this certification done. Now, if you go there and the government inspection says, this is a list of things that you must do, where are you going to go to get them fixed? The private garages, right? The entire process is terribly inconvenient, costly, and our program has inspection stations equally available all over the place. We do not tie anybody to have to get it done at a garage where you had the inspection done. The work can be done at home or elsewhere. So there is a lot of choice there for the consumer, but, at the end of the day we want to be sure that that vehicle, when it is registered, has met certain safety standards.

**Mr. Maloway:** Our system does not involve throwing the fox in the chicken coop and that is what your system has done.

Now, Mr. Chairman, I want to ask the minister about the area of electric vehicles. I do not know whether the minister is aware of the current planned introduction of a GM electric vehicle this summer, and actually production models are coming out in the beginning of 1997 in a truck form for GM and also Honda and, yes, there are three manufacturers that are going to actually have production models out this coming year.

**Mr. Findlay:** Prototypes?

**Mr. Maloway:** No, a production model is one that would be coming right out of a factory assembly line. So this is where the electric vehicle, or EV, situation is at right now. Now, in the state of Arizona there is a \$1,000 tax credit for the purchase of one of these vehicles, and

there is also a reduction in the registration fees. So, as minister of this department, I think the only area of the electric vehicle area that would be of interest to you would be the possible reduction or elimination of registration fees for people who purchase these electric vehicles. It is not something the minister is going to have worry about until August and later because no one will have one here, but eventually it is going to become an issue, and we want to encourage this kind of approach.

**Mr. Findlay:** I did not gather a question in that other than you are asking if we would consider something in the way of a lower registration. There is no request in front of us and no initiative at this stage to do that.

I just asked staff to come up with some idea of how inspections are done in other provinces. They have got six here, B.C., Saskatchewan, Ontario, Quebec, P.E.I. and Newfoundland, and they all use the private sector. For instance, B.C. has 1,500 stations; Saskatchewan, 200 stations; Ontario, 5,400 stations. So people do it precisely the way we do it. They use the private sector and do the certification and the follow-up inspection.

**Mr. Maloway:** Mr. Chairman, what I was asking the minister is given that Honda and Toyota beginning 1997, that is only six, seven months from now, will have production line models, GM has models available in August of this year, and in January next year they too will have a production model of their truck available for sale. I would ask the minister whether he would look into or take this as notice a request from us to look into a reduction of the registration fees for anybody purchasing these vehicles because, as I indicated to him, the state of Arizona already has that measure in place. It would just show some leadership on the part of the minister to encourage this type of initiative on the part of these car companies.

**Mr. Findlay:** Mr. Chairman, I would have to say the member's concern is the standpoint of reducing air pollution, and that is why the state of Arizona or California might be highly interested because they have a certain air pollution problem. That type of problem we do not have here. So if we were to look at it from the standpoint of whether we want to promote something that reduced air pollution, it would be looked at in a much broader context than just the registration cost for those vehicles.

\* (1720)

**Mr. Maloway:** Mr. Chairman, well, that is the point. I mean, it is not only just air pollution, but it is the excessively high prices of gasoline and other areas. I will be taking this up with the Minister of Government Services (Mr. Pallister) who has a 3,000 fleet, you know, and he is aware that I am going to be asking questions. I just thought that this was one element of the whole picture that fits in with this minister's purview, and I thought that he would like to hear about it.

My last question deals with the Ford recalls which were fairly large last year. It was clear as time went on that Autopac was aware that Fords were combusting on their own and burning up in people's garages and outside of their garages and so on. So Autopac became aware of the problem as time went on last year. The minister's department is in charge of the recall process. It gets notice of the recalls, as I do, and I would like to know why it is that the minister never found it necessary to issue any warnings to the public through the government press release service because it did become public through Autopac having press releases when cars were burning up.

But the point is that the minister's department was getting—and if the minister wants the very name of the person who gets these recalls, I certainly have had it for a year or so, and so the minister would have information of these recalls coming through every couple of weeks, would know how large and how big a problem it was, would be aware through the press of Autopac being aware of the problem, and I am just wondering why there was not any warning sent out.

**Mr. Findlay:** Mr. Chairman, we are not in charge of recalls here. I mean, the company involved does the recall and they do it under federal authorization. We get notice, but that does not mean that we run out and start fearmongering. There is a process where, through federal legislation, the public is to be informed, and the public is informed by the manufacturer when the time comes. If they are having trouble tracking somebody down, through our registration process we can facilitate that wherever. To whomever that vehicle, that certain serial number is registered, we can facilitate that. That is the role we play, and I do not think that the problem was astronomical in any sense whatsoever.

**An Honourable Member:** You do not drive a Ford.

**Mr. Findlay:** That is true.

**Mr. Chairperson:** Excuse me, could the honourable member bring the mike forward, please.

**Ms. Rosann Wowchuk (Swan River):** I thought you could hear without a mike.

I have a few questions that I would like to ask the minister and, in the interest of time, perhaps I will go through a few of them and, if the minister does not have to answer to them, then maybe he or his staff can get back to me in writing and let me know what specifically is happening.

In particular, I want to talk to the minister about Highway No. 275. This is a road west of Swan River where there is a lot of controversy right now. There has been discussion about upgrading for some time but there has not been an agreement between the R.M. of Swan River and the Town of Swan River. The R.M. of Swan River has not been in agreement with what the government is proposing.

**An Honourable Member:** Is not in agreement.

**Ms. Wowchuk:** Was not, until this year. In the last year, I should say, it is my understanding that the Department of Highways went to the R.M.s and said, either you take our proposal or nothing is going to happen, so the R.M. agreed to go with the new position of the highway.

**An Honourable Member:** The new location.

**Ms. Wowchuk:** The new location, that is right. The people of the area are not happy with the new location, what is being proposed, and, in fact, there has been a petition with well over 200 signatures that has been given to me that I will be passing on to the minister in the very near future, because they think that where the department is proposing to put this road is going to cost too much money, it is not what the farmers want, it is not what Pool Elevator wants. I would ask the minister if he would look into that situation and, perhaps, hold a meeting with the people of the area to get the local views in on it. So that is the one area that I would like the minister to

address and respond to. If the local people are not happy, they think that it is going to cost too much money and it will not meet their needs, perhaps there is a better way that it can be done. It is in the design stage, I believe, right now and a consultant has been hired already to look at it.

Nothing has been done. There has been money set aside to buy properties already, but I am hoping that none of the properties will be bought until this is all resolved. So if the minister could look into that and let me know so that I can get back to the people in my area as to how that is going to be addressed.

**Mr. Findlay:** Because time is short, let me look back into it. Normally when we do things like this, there is a fair bit of public process involved. I will find out what took place and verify or otherwise respond to what the member is saying.

**Ms. Wowchuk:** I appreciate that. I would also ask the minister if he received a letter on May 4 from a Mrs. TerHorst. I am sure the minister remembers Mr. Joe TerHorst, who has been at the minister's office many times to talk about the completion of road 487. This is starting at Highway 83 and, in her letter, she says, this project was started by Sterling Lyon and has never been completed, and there were plans to have that road upgraded and it has fallen by the wayside, as well. So if the minister could look into that one, as well, and respond.

The other issue that I would like the minister to address is, I understand that there have been proposals put to municipalities to take over the maintenance of roads, and I wonder if the minister could let us know whether he has been in contact with any of the bands, as well. I understand a couple of the bands, in particular Indian Birch Band and Pelican Rapids, have been in contact with the minister's office to look at how they fit into this scheme and whether the minister has had any contact with them, what consideration he has given.

I have raised with the minister many times the poor quality of the road into both Pelican Rapids and Indian Birch. In desperation, because of the conditions of these roads, these people are now saying, if we put forward a proposal to help look after these roads, will you consider that? I would like the minister to address that one, as well.

The other issue I would like to ask the minister to look in is a long, ongoing issue, and that of course is the Lenswood Bridge, which has been the subject of many election promises by many people who have run in that area. In fact, I did not promise it, but my opposition in both the last elections did. Those Conservatives promised it and, in fact, in the last election, they made a big joke about saying, we can promise this bridge another few more times and the people will still vote for us, but I am more serious about, it and I would like to know what the status of that bridge is, because it was my understanding that there would be some work done on it, if the minister could let us know what the problem is, why the construction is not going ahead.

If the minister could address those few questions for me, I would very much appreciate it.

**Mr. Findlay:** I will just quickly cover the last point, the Lenswood Bridge. Yes, it has been around for a long time. I have been there, seen the bridge; it is a serious obstacle to movement, particularly of farm equipment. It is all programmed; and, with budget considerations, we hope to get on with the approaches very soon.

**Ms. Wowchuk:** This year?

**Mr. Findlay:** I said very soon. I mean, there are a lot of factors. We do not even know the impact of the flood down there yet. Remember how we responded to Swan River a few years ago, massive floods, bridges washed out. We responded by taking dollars from other parts of the province, so we have a major consideration down here. We do not know the impact, so I cannot give you an absolute yes, but the intention is to be able to budget very soon.

**Mr. Chairperson:** Order, please. The hour now being 5:30 p.m., I am interrupting the proceedings of this committee. The committee will recess until 9 a.m. tomorrow (Thursday).

\* (1440)

## FAMILY SERVICES

**Mr. Deputy Chairperson (Ben Sveinson):** Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of

Supply, meeting in Room 255, will resume consideration of the Estimates of the Department of Family Services.

When the committee last sat, it had been considering item 4. Child and Family Services (e) Family Dispute Services on page 56 of the Estimates book, Family Dispute Services (1) Salaries and Employee Benefits \$296,900.

Order, please. The honourable minister has something that she wanted to give to the committee.

**Hon. Bonnie Mitchelson (Minister of Family Services):** Mr. Chairperson, I did undertake yesterday to provide for my honourable friend the criteria for reviewing proposals for Family Dispute Services, and I do have a few copies that I will share with the committee.

**Ms. Diane McGifford (Osborne):** Thanks to the minister for providing me with this document. I certainly will be interested in reading it.

Yesterday I was asking some quite general questions about Family Dispute, and I would like to bring to the minister's attention something that had been brought to my attention, and I know that the minister has announced that single parents, 85 percent of whom are, of course, women, may be deemed employable once their youngest child turns six. I know that this does not apply to women in shelters, or I understand that this does not apply to women in shelters. Is that true?

**Mrs. Mitchelson:** That is correct.

**Ms. McGifford:** Could I ask, please, the length of stay that women are allowed in shelters?

**Mrs. Mitchelson:** There is no limit on the length of time that a woman can stay in shelters. There is an individual needs assessment and an individual plan done. There is, however, a reporting requirement to the Social Allowances department if, in fact, the stay needs to be over 10 days. So there is that kind of reporting, but if, in fact, there is a need for an extended length of stay, that will be granted.

**Ms. McGifford:** Is it true that women tend not to stay more than 10 days? My point is, the shelter does not become a home, or if it does so, I assume it is only very rarely.

**Mrs. Mitchelson:** I am informed that the average length of stay is about 6.5 days. There are individual circumstances that would require longer stays, but as a result of follow-up services being provided and interim housing now being available, it seems to work fairly well.

**Ms. McGifford:** Mr. Chair, I am not critical of the number of days women are allowed or do stay in shelters. That may be another matter. My point here is that if the average length of stay is 6.5 days and then in special circumstances perhaps longer, then it would seem that this exception which allows women to be on social assistance even though their children are over six really is not anything that greatly benefits them because it only is in place usually for 6.5 days.

**Mrs. Mitchelson:** We included women in shelters as not having to face that hardship, but I do want to indicate to my honourable friend that out of the 7,000, approximately, single parents that we do have on social allowances with children over the age of six, it is unrealistic to think at this point in time that they will all be employable immediately. What we will strive to do, in fact, is ensure that we look to individual personal employment plans as people come into the system of social allowance and move them as quickly as possible into the workforce. But I do want to indicate that there is not an expectation that everyone tomorrow will be employed.

(Mr. Frank Pitura, Acting Chairperson, in the Chair)

**Ms. McGifford:** The point that the minister has made is really exactly the point that I wanted to make but does not really touch on the matter that I was concerned about, and that was saying that 6 5 days in a shelter during which time a woman can claim social assistance does not seem to me to be an inordinate break or anything of that nature. I am interested in knowing whether women who are in second-stage housing are able to, even though they have children over six, live on social assistance, receive social assistance, I suppose I should say.

**Mrs. Mitchelson:** Second-stage housing is there in order to assist and help women who need that support as a result of abuse to become independent and self-sufficient, and if indeed they need support through social assistance, they do receive that support.



**Ms. McGifford:** I am very pleased to hear that. I had not understood before that women in second-stage housing were also entitled to receive social assistance. I think that is very important.

I wanted to ask the minister some questions about the 2 percent cuts to Family Dispute. I understand that there has been a 2 percent cut in '96-97 over '95-96. Was there a similar cut in 1993-94?

**Mrs. Mitchelson:** I am still trying to get some additional information, but I will provide what I do have at the present time. The 2 percent reduction was on the operating grants for shelters only. It was not on the per diem, so there was no reduction in per diems. So when you look at the total budget for shelters at \$4.226 million, there was not a 2 percent reduction on that; there was only a 2 percent reduction on the operating portion. I am just trying to get the number from staff on what the 2 percent reduction on the operating portion would equate to on the total overall budget for shelters.

**Ms. McGifford:** Is the minister talking about '96-97 or in reference to my question on '93-94?

\* (1450)

**Mrs. Mitchelson:** Mr. Chairperson, I am talking about '96-97 now. The announcement was just made in this budget. In 1993-94, if I understand correctly, there were reductions in per diems at that time, but there is no impact on per diems in this year's budget.

**Ms. McGifford:** I notice that the minister is addressing her remarks to the circumstances of second-stage housing and shelters. I am wondering about the other funded groups too, for example, women's resource centres, Age & Opportunity, Clinic.

**Mrs. Mitchelson:** All of the organizations that are funded under Family Dispute received a 2 percent reduction in their operating grants. There was no change to the per diem rates for shelters.

**Ms. McGifford:** I want to ask the minister if it is true that together with the 2 percent cut to funded agencies came directions that the 2 percent should be taken from staff salaries, which, of course, would mean that staff should take a cut without compensatory time off.

**Mrs. Mitchelson:** There was absolutely no designation as to where the reduction should occur. Everyone had the opportunity to make those decisions internally. I am told that one organization came forward and asked whether they could take it out of supplies, and we said sure.

**Ms. McGifford:** So all organizations funded by Family Dispute would know this and have this information?

**Mrs. Mitchelson:** It is my understanding that they do.

**Ms. McGifford:** It is my understanding that they do not, but just to pass that information along then.

I am wondering if, from '93-94 to the present time, it would be possible to have a figure, including inflation, which would show the overall cut to Family Dispute.

**Mrs. Mitchelson:** The funding through Family Dispute in 1993-94 was \$4,855,000, in 1994-95 around \$5 million. In 1995-96 the funding was \$5.9 million, rounded off, and in 1996-97 it is \$5.8.

**Ms. McGifford:** I thank the minister for that information. I notice that she did give me figures rather than any presentative that would consider inflation.

I wonder if the minister is aware that most of the agencies funded by Family Dispute which offer counselling have waiting lists in excess of one year.

**Mrs. Mitchelson:** I think I have to go back and remind my honourable friend that since we came to government, when the funding for Family Dispute was around \$2.2 million, there has been a considerable increase. We are up at over \$5.5 million in support and funding.

Are there waiting lists? Yes, there are. In some instances, we know that there are people on more than one waiting list for service, but that does not explain the whole issue. There are waiting lists, and I guess we are trying our best to look at ensuring the resources that are available are being used in the most appropriate fashion. I do know that through the Women's Post Treatment Centre there has been some money provided through Victims Assistance to train people to deal with those that need counselling for sexual abuse.

We also know that, at the Klinik with a "k," there is a staff-year vacancy on the men's program side for a considerable length of time, and we are trying to work with them to see whether that position could be filled; or there is a surplus of dollars available there, and they could utilize those dollars or that staff year in a manner that might be able to provide some extra support and counselling for some of those in need. But I cannot say that there is not some wait for service. We are doing our best within the resources that are available to try to work with those that we fund to see how we can best help manage those dollars and those waiting lists.

**Ms. McGifford:** Well, I appreciate that the minister is doing her best as the Minister of Family Services, but as the critic for the Status of Women, it is my duty to point out that there are waiting lists in excess of a year; in addition, to point out that most of the women on these waiting lists simply do not have the financial resources to purchase services. I should not say most—a good many of them do not, perhaps most—I do not know what their incomes are. I think it is also my duty to point out that the government has made a commitment to the full and equal participation of women in our community, and women who are broken, beaten, depressed, oppressed simply cannot participate equally and fully. So I feel I need to make that point and get it on the record. I do not know if the minister wants to respond or whether I should continue.

**Mrs. Mitchelson:** I hear your concerns and your comments, and thank my honourable friend for pointing out those issues. I do not think I disagree in any way with some of the deplorable circumstances that women who have been through abuse are presented with, and we will just continue to work as we can to try to alleviate some of the issues.

\* (1500)

**Ms. McGifford:** I wanted to make reference to the discussion paper of the NDP caucus task force on violence against women entitled Ending the Terror: Toward Zero Tolerance, and I wondered before I begin if the minister has seen this paper, and if not, if she would like a copy.

**Mrs. Mitchelson:** In the spirit of co-operation, I would love my honourable friend to provide me with a copy.

**Ms. McGifford:** The reason I want to make reference to this paper is that during the task force we were overwhelmingly told that the greatest gaps in Family Dispute Services are in regard to programs for abusers. We kept hearing over and over that without radical intervention the men who abuse will continue to abuse. It seems to be quite unfortunate, although I did hear the minister's comment on the vacant position at Klinik and have made a note of it, but it seems quite unfortunate that without new services available it seems that this abuse will continue. I want to ask the minister if she has considered any new services for abusers.

**Mrs. Mitchelson:** There is some limited support for men and men's counselling through Ma WI. We have provided some support there and also through Evolve. In more rural and remote areas I know that Probations does some work, some group counselling for men; those are not mandated through the court, but Probations does work in a limited way with men who need counselling and support, an issue that Family Dispute branch has been discussing with the Department of Justice to see how we can better utilize some of the resources that are out there and try to ensure that there is programming for abusers.

**Ms. McGifford:** I would like to ask the minister if it is true that basically Family Dispute funds only the sort of counselling that allows women to deal with issues related to domestic abuse rather than other kinds of abuses that they might have suffered.

**Mrs. Mitchelson:** Our shelters do have a mandate to deal with those who have been involved with sexual abuse, physical abuse, mental, emotional abuse, and we move to the services that are provided through our resources centres; their mandate is even broader. They have a lot of different programming options available; they can deal with childhood sexual abuse as one example. So there is a mandate to deal with more than just physical abuse.

**Ms. McGifford:** I am speaking here a little bit as a former director of the Women's Resource Centre. Some of the issues that we were frequently presented with were support in employment. I am not really talking about employment counselling, but generally helping women with their self-esteem, sometimes giving out pointers about resume writing, sometimes just providing some

moral support, which would allow a woman to go out and seek employment. Women in our society, of course, often have very serious self-esteem issues. Does the current system allow women to deal with those issues? Pardon me, what I mean to say is, does Family Dispute support those issues? One of the anomalies, of course, with the Women's Resource Centre is that it is not necessarily a centre that is always dealing with disputation, so it is a little complex.

**Mrs. Mitchelson:** Certainly I think the Family Dispute branch does support the need for all kinds of services for women and certainly would support referral; but, if I can just broaden the discussion a little bit beyond the Family Dispute branch and talk about our whole welfare reform initiative, I have said many times that I want more for the women in the province of Manitoba than a life of poverty on welfare. I think if you look at successive governments right across this country in all different provinces all with the best of intentions, we have really created a system of welfare that is a dependent system.

I have had concerns raised with me around the issue of our old policy that labelled single parents unemployable and said that they were unemployable with no support of any sort until their youngest child turned 18. Well, I will tell you, when you have a 40-year-old or a 45-year-old woman with no education, no connection to the workforce, no self-esteem, and then all of a sudden we say, you are employable, go out and find a job. I mean, I would not want to be in that circumstance, and I do not want to see that kind of circumstance for any woman.

I am not blaming any government. I think it is governments of all political stripes, right across the country for many, many years that have created a very dependent system. I think it is time that we try to put supports in place, not only through Family Dispute, but right throughout the Department of Family Services and any other services that might be able to be co-ordinated through government to try to ensure that women have the opportunities earlier on in life, and have the opportunity to build their self-esteem to develop their skills and have the tools that they need in order to be self-sufficient and independent and feel like they are contributing and, as I said earlier, break the cycle of poverty on welfare.

**Ms. McGifford:** I appreciate the minister's point of view and her argument, but my point was really to know

whether funding from Family Dispute can be used to cover a range of counselling issues or whether it is confined almost exclusively to domestic and/or sexual abuse?

**Mrs. Mitchelson:** No, it is not confined only to sexual and physical abuse. There is information, referral, counselling, educational programs, training, and community development activities that are also under the mandate of Family Dispute.

**Ms. McGifford:** Maybe I could ask the minister about service agreements. I understand that each funded agency signs a service and funding agreement?

**Mrs. Mitchelson:** Yes, there are 25 agencies with which we have service and purchase agreements and two remaining agreements that are outstanding that are in the process of negotiation.

\* (1510)

**Ms. McGifford:** Is this agreement a generic agreement, or is it tailored for each individual agency?

**Mrs. Mitchelson:** There is a template that is developed by the Department of Justice that has certain criteria for negotiation of purchase of service in that template, but there is an addendum to each agreement that is somewhat individualized based on the service that is being delivered and the service that we are purchasing from that agency.

**Ms. McGifford:** I wonder if it would be possible for me to have a copy of the template.

**Mrs. Mitchelson:** Again, we do not have one here today, but I will provide that for my honourable friend.

**Ms. McGifford:** I understand that Family Dispute may directly or by way of external consultants conduct an evaluation or audit or both of the programs and services provided by an agency, and that the agency shall provide either to government people or to external consultants access to all financial and program records. Is that accurate?

**Mrs. Mitchelson:** When we do a major review along with agencies or organizations that we fund, we do look at financial records, we do look at programs and services

along with them, but we do not look at individual client files or client information.

**Ms. McGifford:** I was concerned about what program records meant specifically and was specifically concerned about counselling records. I am glad to hear that they are protected, since they are not in several other jurisdictions in our country right now, but anyway. What I wanted to ask about was the financial records as well. Would the financial records then include all money received by an agency whether it were from Family Dispute or United Way or the Winnipeg Foundation or whoever else they may happen to receive money from?

**Mrs. Mitchelson:** There is an annual reporting requirement by all agencies of the revenue that they generate, and if they get revenue from United Way for a project of some sort, that is fine. We take no interest specifically in that. I guess the part of the support that they receive from government in the way of support through the service and purchase agreement that we have with them is the part that we hold them accountable for, but if they can generate revenue from other sources in order to enhance programming or deliver programs that they could not with the financial resources they receive from government, we have no quarrel or question about that.

**Ms. McGifford:** Are the agencies funded through Family Dispute expected, or is it demanded of them to submit audited reports annually?

**Mrs. Mitchelson:** Mr. Chairperson, they submit annual audited reports.

**Ms. McGifford:** I have no more questions.

**The Acting Chairperson (Mr. Pitura):** Section 4.(e) Family Dispute Services (1) Salaries and Employee Benefits \$296,900—pass; (2) Other Expenditures \$91,200—pass; (3) External Agencies \$5,480,200—pass.

3.(a) Administration (1) Salaries and Employee Benefits \$435,800. Shall the item pass?

**Mr. Doug Martindale (Burrows):** Mr. Chairperson, I would like to begin by asking if the minister has information for me that I requested previously, to begin with.

**Mrs. Mitchelson:** Mr. Chairperson, there were a couple of questions that were outstanding from yesterday. The first one was the number of investigations of fraud. I have information here that says in the last fiscal year 75 cases were referred by field staff to the central investigative unit, and those were not related to the welfare fraud line. The department does not keep statistics on the number of investigations conducted by field delivery staff, because it is part of their ongoing responsibilities to do investigations.

\* (1520)

The number of charges that were laid as a result of the welfare fraud line since its inception are 20, and 15 of those 20 were under The Social Allowances Act and five of the 20 were under the Criminal Code. The results of those charges were nine convictions, two stays of proceedings, and nine cases are before the courts presently.

Can I just ask if there is any more detail, any more questions around those answers?

**Mr. Martindale:** Does the minister have a breakdown on the number of convictions by category, either Criminal Code or The Social Allowances Act?

**Mrs. Mitchelson:** Mr. Chairperson, all nine convictions were under The Social Allowances Act.

**Mr. Martindale:** Could the minister tell us in percentage terms the number of charges that were laid as a percentage of complaints? I believe the previous figure we heard was 6,200, although today I think we had another 75 added to that.

**Mrs. Mitchelson:** Mr. Chairperson, it is less than 1 percent.

**Mr. Martindale:** Since I see some sophisticated calculators there, I would like to have the exact figure, please.

**Mrs. Mitchelson:** It is .15 percent.

**Mr. Martindale:** Thank you for that information. It is quite interesting and revealing because most estimates of welfare fraud are in the range of 1 percent to 3 percent.

**Mrs. Mitchelson:** I think my honourable friend might be trying to skew the facts and the figures around welfare fraud. When we introduced the welfare fraud line, there was some indication that welfare fraud was somewhere around 2 percent. I think, if you look to the amount of money that we have saved since the inception of the welfare fraud line, it is about \$4.4 million, not an insignificant amount of taxpayers' dollars that could be used in other, better ways.

I would have to question—here I am questioning again my honourable friend, but I would ask the question of whether he feels that fraudulent activity is the best use of taxpayers' dollars or would he like to see those dollars go to the programs and the people that are truly in need? I do not condone fraud, and I think if you looked at the \$4.4-million figure, you would find that is about 1.2 percent of our welfare budget.

**Mr. Martindale:** Well, we also take abuse of the welfare system seriously; however, the amount of money that this department saved from the 20 people who were charged is very small and my experience, from talking to people on the phone frequently about this, is that people are asked to bring in information to have verified, and in the meantime, they get no assistance. So my contention would be that the vast majority of the money that is saved here is by having benefits suspended while there is an investigation.

**Mrs. Mitchelson:** Mr. Chairperson, I hate to get angry with my honourable friend, but I have to indicate very clearly, as I have said many, many times before, that the policy of our department, if in fact there has been an allegation of abuse, is to continue to pay social allowances until there actually is proof of that abuse. No one is cut off while that investigation is going on, and that is a policy that is strictly enforced in the department, so I take exception to the comments that my honourable friend has put on the record.

I do want to indicate that, as a result of investigation, there have been some people that have been collecting social allowance that were not entitled to social allowance and those people had their payments terminated. There were people that were collecting social allowance and were not reporting certain income, and that payment was adjusted accordingly. As a result—it is not from cutting anyone off during an investigative

procedure; it is a saving actually achieved as a result of overpayment or people claiming social allowance when they were not entitled to it.

Again, I repeat that I think it is important that we as government ensure that the dollars that are going to a program are used in the best manner possible. When I look at some of the increases—and there are not many areas within my department that received an increase, but we are coming to one of them in the Estimates—those people with mental disabilities have received some increase in support for services. I guess we could say, well, we continue to spend the \$4 million that we have saved on people who are not entitled to receipt of payment under social allowances or we could redirect that to the increases for services for the mentally disabled. My decision, quite clearly, would be the latter, to ensure that the dollars are provided to the programs and that we can provide additional support for some of the most vulnerable people in our society.

**Mr. Martindale:** Well, I thank the minister for that answer, and when people phone me and tell me that their benefits have been suspended during investigation, I will tell them what the minister said and tell them that I have been assured that people's benefits will continue during an investigation. I think that is very helpful information for me to have.

**Mrs. Mitchelson:** Mr. Chairperson, I would just like to say to my honourable friend that I would appreciate those calls and that kind of information, because it is not the policy of the department, and if there is any information my honourable friend has, I would hope that he would share it very expeditiously with me so that we could resolve the problem.

**Mr. Martindale:** Line 3.(a) has to do with The Vulnerable Persons'—

**Mrs. Mitchelson:** There was another piece of information that I undertook to find for my honourable friend, and that was the cost of the comedian at the ministers' conference. Yes, indeed there was an honorarium paid to a comedian and it was \$500.

**Mr. Martindale:** Under line 3.(a) Rehabilitation, Community Living and Day Care, I see that the administration here is responsible for department and

government policy and legislation. I would like to ask the minister when The Vulnerable Persons Act is going to be proclaimed. Last year, I believe we were in Estimates in May, and this minister said that the act would be proclaimed soon. I do not think any dictionary definitions of the word "soon" would give this minister enough latitude to have waited a year, and so I guess I will ask the same question again that I asked last year.

Since The Vulnerable Persons Act was passed in third reading in July of 1993 and this is May of 1996, when will the act finally be proclaimed?

**Mrs. Mitchelson:** Mr. Chairperson, I guess I have to apologize to my honourable friend. In the heat of the day—and I think it was a very warm May day last year when we were in Estimates—

**Mr. Martindale:** That is why you said it.

**Mrs. Mitchelson:** No, not really. I was hoping that we would have a date that was sooner than we will be able to proclaim the legislation, and we are looking at a fall proclamation now. I hope I can say that with some confidence. As you know, we have the Vulnerable Persons' Commissioner hired and working

I have indicated many times that it is a very comprehensive piece of legislation. It is groundbreaking legislation. I guess we want to ensure that we put all the proper processes in place so that it can be successful and be something that can be held up as an example to the rest of the country as a result of us doing our homework upfront, and it has taken longer, but as I indicated, it is very complex, and we are in the process right now. We have gone out to the community and sought names from the community for panel representation to hear cases and will be developing that list of panel members. They will be oriented so that once the act is proclaimed, they will be able to start their work immediately on reviewing those cases that need to be reviewed and have decisions made. So I do apologize, it is not quite as soon as I had expected or anticipated last year. I think I can say with some confidence that we are looking towards a date this fall.

**The Acting Chairperson (Mr. Pitura):** Line 3. Rehabilitation, Community Living and Day Care (a) Administration (1) Salaries and Employee Benefits

\$435,800—pass; item 3.(a)(2) Other Expenditures \$244,300—pass.

3.(b) Office of the Vulnerable Persons' Commissioner  
(1) Salaries and Employee Benefits.

**Mr. Martindale:** Can the minister tell me if, after the act is proclaimed, there will be an abuse registry such as exists now for children or would the minister consider a similar kind of abuse registry?

\* (1530)

**Mrs. Mitchelson:** It is not contemplated at this time. It is certainly something that we could explore to see whether it had merit, but it is not part of the process of proclamation or part of the legislation as it exists today.

**Mr. Martindale:** Will there be money available for counselling and healing for people who have been abused, that is, vulnerable persons?

**Mrs. Mitchelson:** We do have money for support services within our budget and if there is a need for that kind of support, those funds could be utilized.

**The Acting Chairperson (Mr. Pitura):** Item 3 Rehabilitation, Community Living and Day Care (b) Office of the Vulnerable Persons' Commissioner (1) Salaries and Employee Benefits \$207,800—pass; item 3.(b)(2) Other Expenditures \$257,000—pass.

Item 3.(c) Community Living and Vocational Rehabilitation Programs

**Mr. Martindale:** It is my understanding that, I presume due to budget restrictions, there has been a freeze on family support such as respite services, special equipment, summer programs, as well as cuts in supports required by children to remain in regular classrooms. Can the minister confirm that?

**Mrs. Mitchelson:** No, there have not been cuts in service as such. There has been increasingly more money available for services, but there is an increasing demand for services also. As we see people move out of the children's system into the adult system, that does free up money to provide more services to others but there are more people served today. Are there waiting lists for

service?—yes, there are, but we try to accommodate in the best manner possible the needs of people on a priority basis. As I said, there have not been cuts to service or cuts to respite. As money becomes available we provide support to those that need.

**Mr. Martindale:** Has there been a freeze for Children's Special Services?

**Mrs. Mitchelson:** There have not been any cuts to Children's Special Services. There is an additional \$250,000 available in order to provide support for 75 families, so there has not been a reduction. There has been an increase in the amount of money available for Children's Special Services. But there is also an increasing demand for those services, so it is an ongoing battle to try to keep up with the services that are required and the funding to provide those services. But there will be 75 additional families served with the increased allocation of resources.

**Mr. Martindale:** I believe this part of the department is getting an additional almost \$2 million this year. Is that right?

**Mrs. Mitchelson:** Yes.

**Mr. Martindale:** The minister is saying that part of this is going to help to serve these 75 families. Is that right?

**Mrs. Mitchelson:** That is correct.

**Mr. Martindale:** In the past fiscal year, was there a waiting list? I understand there were about a hundred new families not receiving any form of support who are on a waiting list.

**Mrs. Mitchelson:** Can I just ask for clarification? Is this in Children's Special Services? Okay. I understand that as children turn 18 they move it out of the children's system and into the adult's system, so there is a continual turnover. They do not all turn 18 at the beginning of the year so, throughout the year, there will be a turnover of people into the adult system and funds will become available in the children's system.

We know that has occurred and some people have rolled into the adult system, so we have been able to provide support for some of those families that were on

the wait list. This 75 families is in addition to that. As resources are freed up, as people move out of the system, we are able to provide the support for those that need it at the front end.

**Mr. Martindale:** Was the hundred new families on a waiting list an accurate figure?

**Mrs. Mitchelson:** It is my understanding there were around 85 on the wait list.

**Mr. Martindale:** So the minister is saying that in this fiscal year, of those 85 families, 75 will receive service, so the waiting list has been shortened considerably?

**Mrs. Mitchelson:** Mr. Chairperson, yes, probably many of those who were on the wait list would be receiving service, but my honourable friend has to recognize, too, that there are more people coming in at the front end that are going to require service, so that is an ongoing process. There still is a wait list and, as I said, as people roll off, we try to accommodate those who have been on the wait list, but we have not been able to eliminate it completely.

**Mr. Martindale:** Could the minister tell us if some of the increased funding for this department will be allocated to groups that have applied for funding such as the St. James project? I believe they met with senior staff of the department. I have a brief that they wrote which has the Hope Centre Inc. on the title page, and I also met with them as well. This is a group of parents with adult children living at home and because of the age of the parents and some of their difficulties, they would like to see their adult children living in a residential setting and have submitted a proposal.

Has the minister given serious consideration to funding this proposal?

**Mrs. Mitchelson:** Mr. Chairperson, the staff have been working with them to see whether there is any way that we can assist. As I said earlier in my comments when we were talking about welfare, welfare fraud and priority spending, this is one area within the department that I have placed a high priority on. Any increased resources that we can find, I have placed a high priority on having those resources go to this area within my department.

We have had increases on a year-by-year basis and the direction has always been if we are prioritizing, if we are looking at the one area of the department that is going to see an increasing need, it is in this area. I have made a commitment to try to ensure that the maximum amount of dollars available will go into this area.

\* (1540)

There is a need. We all know that with new medical technology, children, infants, babies who are born are staying alive today that would not have years ago and with technology at the other end and our health care system—although it gets criticism from time to time from those on the opposite side of the House—is advancing technologically with new drugs and new ways of treating people, keeping people alive longer that may not have lived as long as they do today. So we are seeing increasing pressure at both ends of the system and increasing demand for more resources. I recognize that.

(Mr. Deputy Chairperson in the Chair)

So that is why I have felt that this is an area of very high need, of high priority for me in the department. I will commit again to ensuring in future years that as additional resources become available, this is the area in the department in which they are going to go and we will try to address the needs. I wish I could solve all of the issues and all of the funding needs today, and I cannot. I have to say that to my honourable friend very honestly and openly. The additional resources will go to those who are most in need of the service, and we will try to come to grips and find the resources as they become available to provide the service that is so badly needed.

**Mr. Martindale:** My understanding from the parents is that they submitted their proposal in April '95 and that it was accepted in principle, but it would only be implemented when there was money and that it was postponed from the '95-96 fiscal year to the '96-97 fiscal year. The minister wrote to these parents on February 5, 1996, and said that the department was unable to provide funding at this time as the required resources are not available. Now that the budget for this part of the department has been increased by almost \$2 million, is there some hope that this project will be given serious consideration for funding?

**Mrs. Mitchelson:** Mr. Chairperson, there will be some incremental steps taken, and we are working towards full funding in this budget year. I hope we will be able to accomplish that.

**Mr. Martindale:** Can the minister tell me if the Children's Special Services is the part of her department that funds programs for children at the Society for Manitobans with Disabilities?

**Mrs. Mitchelson:** Yes, it is.

**Mr. Martindale:** Can the minister explain to me the recent cut there and her plan, which, I believe, is to provide similar services in the community?

**Mrs. Mitchelson:** The Society for Manitobans with Disabilities had an in-house daycare program that served about 25 individual children with special needs. The majority of their programming was done on an outreach basis into the community, and that is the direction they had been moving over the past number of years. So, as a result of some studies that have been done in co-operation and consultation with the Society for Manitobans with Disabilities, I think there was a consensus that they would continue to move towards that community outreach model and that probably the best use of dollars was not in the structure in-house where there was a lot of money going to a few children. In fact, many of the children that were going to the daycare at SMD were being looked after in the community half days in another child care centre and then would move into the in-house child care for part of the day.

Some of those children would be moving on into the school system, so in fact the decision was made this year to terminate the in-house program and use the resources in a more co-ordinated fashion to outreach and serve more children on an outreach basis rather than having to support the overhead costs of an in-house daycare. So it is our belief, and we have been working very closely with SMD around this issue, that as the services are devolved to the community we will see more children served as a result of the process that has been undertaken, not less.

**Mr. Martindale:** Can the minister assure the parents of these children that the resources will be there for their children in the schools or daycare centres or wherever in the community?



**Mrs. Mitchelson:** Mr. Chairperson, yes.

**Mr. Deputy Chairperson:** Item 3.(c) Community Living and Vocational Rehabilitation Programs (1) Adult Services (a) Salaries and Employee Benefits \$1,292,100—pass; (b) Other Expenditures \$353,100—pass; (c) Financial Assistance and External Agencies \$44,938,000—pass.

3.(c)(2) Children's Special Services (a) Salaries and Employee Benefits \$246,800—pass; (b) Other Expenditures \$283,300—pass; (c) Financial Assistance and External Agencies \$21,041,900—pass.

3.(d) Manitoba Developmental Centre (1) Salaries and Employee Benefits \$22,246,800.

**Mr. Martindale:** I believe the Association for Community Living would like to see demonstration projects in order to bring 50 people per year out of institutions. Can the minister tell us what her position is on that?

**Mrs. Mitchelson:** Mr. Chairperson, I have to say, quite frankly, that I have not set a target. We, as a government, have indicated clearly to all of those that we meet with on the community side, on the institutional side, that we believe there is a broad cross section of support and services that needs to be provided going from the institution to the community and independent living. So I have not been supportive, necessarily, of a target for deinstitutionalization of 50 individuals.

I think as we move to proclaim The Vulnerable Persons Act and all of those that are in institutions presently are reviewed and that will be part of the mandate under legislation of the commissioner's office to review those and determine what is appropriate. Rather than setting a target, I would rather try to ensure that those that have the ability to move to the community we work with and try to find some of the solutions and the answers. My honourable friend should know that there will be no one, once the act is proclaimed, admitted to an institution until the Vulnerable Persons' Commissioner's office has had the opportunity to review that and see whether that is an appropriate placement.

We are not expanding our institutions. They have decreased over the years and I think you will probably see more emphasis on, and there has been a considerable emphasis on community living and we will continue, but I am not prepared at this time to set a target of any number. I think we look at MDC, who does serve a purpose. I would like to see less people there, and we will continue to work towards that goal. I look at St. Amant Centre, that I think serves a role in our community and does a very good job of support and service to those with disabilities, and I will continue to support St. Amant in their endeavours. But I also know that, you know, through the process that will be put in place under legislation that people will not be able to be admitted to institutions unless they pass a certain test, I guess. We will continue where it is appropriate to work with families of individuals and individuals that can move from institutions into the community.

**Mr. Martindale:** I understand that the Vulnerable Persons' Commissioner, Dr. Hansen, is currently in the process of reviewing all of the individuals who are in institutions. Can the minister tell me if the result of this review could be discharge planning for some of these individuals?

**Mrs. Mitchelson:** Mr. Chairperson, they are sort of updating their records and starting into a process, but that has not got completely underway.

The job of the Vulnerable Persons' Commissioner will be a very onerous one over the next few years as we get the act proclaimed, and in some instances, he will be able to make a decision independently. There will be some instances where he will have to refer to a hearing panel, cases for evaluation, and have them make recommendations back to him on what should happen in each individual circumstance. So that process is just starting to get underway now.

**Mr. Martindale:** But if the commissioner or the panel recommends that someone be discharged, will the resources be there for those people to be returned or put into the community or a community setting as opposed to an institutional setting?

**Mrs. Mitchelson:** Mr. Chairperson, I hope I have got this clear. I will try, and if I do not, I will be corrected and correct the record.

The process that the Vulnerable Persons' Commissioner will go through is to review every case to determine whether the individual can make the decision on their own around their life and their daily activities or whether in fact they need a substitute decision maker to help make those decisions on any part of their life. The commissioner himself will review all of the cases and determine whether he feels the person has the ability to make the decision, a clear-cut decision, that they can manage their own affairs. If in fact that is not the case, that is when it will go to a panel process, and the panel will then recommend to the commissioner what decisions he can make and where he needs help in making decisions. Those recommendations will come back to the commissioner.

If in fact there seems to be a determination that the person is capable of making their own decisions or that the person would be better off in the community, as resources become available, we can work towards that goal. I cannot say to you today that if in fact a decision was made that a person would be better off in the community that the resources would be there tomorrow. We have additional resources in this area. Whether the resources are able to accommodate absolutely every case or every issue I cannot say. I probably could say that they would not be. But as resources become available, as we increase resources in this area of the department, we will be able to do more of that.

**Mr. Deputy Chairperson:** Item 3. Rehabilitation, Community Living and Day Care (d) Manitoba Developmental Centre (1) Salaries and Employee Benefits \$22,246,800—pass; item 3. (d)(2) Other Expenditures \$2,806,700—pass; item 3. (e) Child Day Care (1) Salaries and Employee Benefits \$1,904,600.

**Mr. Martindale:** I would like to begin with comments that the minister made in Estimates last year because I felt quite misled. Specifically on June 15 on page 1755 of Hansard I asked the minister if the number of cases had been increased from 9,600 to 9,900, and the minister said yes. I would have assumed that this was based on increased demand. In fact, the minister implied that in her answer because she said it was based on an evaluation and appealed to centres to see whether there was a need for increased cases. I had understood the minister to be implying that the level of utilization was at

9,600, but because of increased demand it was increased to 9,900. Could the minister clarify that for me?

**Mrs. Mitchelson:** Mr. Chairperson, absolutely, I can clarify that. We, through our budgetary process, had indicated that the number of subsidized cases would be 9,600. There was not a complete uptake of those spaces, as we learned in this year's budget, and it had been a couple of years that there had not been the full uptake of spaces. I hope my honourable friend would not want me to dictate to people or families how they choose to have their children looked after while they are working. Those are decisions and choices that parents and families make. But the cases were there and were available for anyone who needed them within the system.

Now, the evaluation that was done, because we allocated certain cases or spaces to different centres or family daycare homes, there was some trading between centres. We did not arbitrarily take spaces or cases away from any individual centre, but there was some co-operation between centres or homes where if a centre or home was not using spaces or cases that they would trade or share them with someone else. In some instances, there were centres or homes that did not want to give up their subsidized spaces in case there was a need within their home or within their community for that space.

What we did was look and ask around the community with the centres and the homes whether in fact there was an increased need, whether there were any that were waiting for subsidized spaces because they had families in their communities around their centres or their homes with needs. There were some that had used or filled all their subsidized spaces and could use more.

So on a centre-by-centre, home-by-home basis, if there was a need or a demand for those spaces, we increased their allocation. So therefore there were 300 additional spaces without taking any away from those because, from time to time, things change; a family moves into a community or a neighbourhood or a person on social allowance gets a job and needs support. Those things do happen. From time to time, there is an increased need in a certain community in a certain area. We tried to accommodate those as best we could but, when we looked at this year's budget—so I was honest and open with my honourable friend last year.

\* (1600)

We increased the number of spaces, but I do not determine who utilizes those spaces. The spaces were there if they were needed. There was not an uptake on those spaces and, as we looked to this year at the major reductions that we saw from the federal government, we recognized that there were several options I suppose we could have used. We could have reduced operating grants to daycare centres and homes. We did not want to do that. We wanted to be able to leave intact what they were utilizing presently today while we go through a review.

We have made a commitment to that review. I have the community supporting that review and working with us around that. So the best place to find the money in the daycare budget was in spaces or cases that were not being utilized. Indeed, that is exactly what we did. You know, there is a pool of resource there, as I said, for our Making Welfare Work initiatives if we have single parents who are going to be able to enter training or enter the workforce because of some of our new initiatives we will accommodate. That was a conscious decision that we made; no easy decisions to make, but the best place to find the resource was in the area where the money was not being spent.

**Mr. Martindale:** So the minister is telling us that the reason for the increase of 300 cases was due to need or possible need. Is that right?

**Mrs. Mitchelson:** Yes, Mr. Chairperson, that was as a result of absolute need in one community or one neighbourhood or one centre or one family daycare home on an individualized basis. If there is a community that was growing and there was a need for subsidized spaces for working parents, those were provided in those neighbourhoods, in those communities.

**Mr. Martindale:** Well, that is not what the minister's briefing note of November 29, 1995 says. It says: Due to vacancies in the 9,600 cases, the minister allocated an additional 300 cases to the child care community in September 1994.

Why would you add 300 more cases if your utilization was way under that? I think the minister's briefing book explains it all quite clearly. This was to make the

minister look good in the child care community by supposedly adding more cases to the system, when in fact the system was underutilized. Would the minister like to explain that? I will help the minister with her answer; I would like to table three copies of the minister's briefing note.

**Mrs. Mitchelson:** My honourable friend may not have known, but I will tell him that the child care community knew that there was underutilization of spaces. That was not new to them, and it was not new to me. It may be some sudden revelation to my honourable friend, but it was not anything new to the community or to me.

I had the choice, I suppose, of taking away spaces from certain centres, arbitrarily taking them away and saying, you are not using them, we will take them away, at that time or just saying, we will add to the number of subsidies. I mean, my honourable friend says I knew the spaces were not being utilized. I knew that, but I also knew that the spaces were there and available should parents so choose to access those spaces. I was not prepared at that point in time, just as we were embarking upon Taking Charge! and some of our Making Welfare Work initiatives, to take those spaces away.

**Mr. Martindale:** I still do not understand why the minister would increase the number of cases by 300 when she knew that the budget was underexpended by \$4 million and the actual utilization was way under the 9,600 cases. In fact, during '93-94, the average annual utilization was approximately 8,354 children. So why is it necessary to add 300 cases when the budget is underexpended and the average utilization is considerably less than 9,600?

**Mrs. Mitchelson:** Again, I will repeat, we did an analysis on a centre-by-centre, home-by-home basis. My honourable friend, if he was making the decisions, may have decided to arbitrarily take 20 subsidized spaces that were not being used in one centre away from that centre and give them to another centre. That might have been a decision that he would have made, and then that centre that may have seen a new family move into the neighbourhood would not have any spaces available for subsidized cases. That may have been a decision that he would have made; it was not a decision that I was prepared to make at that point in time. I decided to leave the spaces, even though they were not being utilized in

one centre, and add the spaces into the communities, into the neighbourhoods that needed the additional support and the additional spaces.

In those centres where spaces were added, it was because they were full to capacity in their subsidized spaces and they needed more in order to serve the people who believed that they were the best people available to deliver that service to their children.

**Mr. Martindale:** Why have there been or why were there last year children waiting for special needs funding if the minister's budget for daycare was underspent? Why were there 46 children waiting for funding support as of September '95?

**Mrs. Mitchelson:** Mr. Chairperson, in the children with disabilities program funding there has been an annual increase year over year of support and dollars in that program, and the number of children that have been served in that program has increased also. People enroll their children. Children are enrolled in these programs, enrolled and roll off of these programs on an ongoing basis. So there are more children being served. There is more money going into the program today than there was last year or the year before. Actually, I should not say that. I think I put some false information on the record, and I want to correct that because I would never want to leave the impression that I did not give full, open and honest answers to all the questions that have been asked. We have the same amount of money in the program over the last couple of years, and we are serving more children today than we have served in the past. As I said, there are children who are on a waiting list but they, very quickly, find a place in the program because there are children who are rolling out of the program.

**Mr. Martindale:** Can the minister explain to me why children are on a waiting list and some daycare directors tell me that they have difficulty getting special needs funding when the budget was underexpended for the last several years? Why is there no subsidy money for special social needs when the budget is underexpended? Why is there a waiting list?

\* (1610)

**Mrs. Mitchelson:** Mr. Chairperson, this is not a subsidy need as such. This is support, additional support through

additional workers in the system for those with disabilities. So it is not a subsidy issue. It is a different issue.

**Mr. Martindale:** I am sorry. I could have read that in the second paragraph of the minister's issue page from September '95.

But the question still stands. Why is there a waiting list as of September '95 of 46 children waiting funding support if the budget was underexpended and the minister was projecting that it would be underspent by \$4 million last year?

**Mrs. Mitchelson:** Mr. Chairperson, I think my honourable friend is trying to confuse things a little bit. We have a subsidy program in child care, and we have a program for support for children with disabilities and that is additional support. It is not a subsidy issue. I guess he is saying we could have transferred money from one appropriation to another. I guess that is maybe what he is recommending. Quite frankly, I have indicated that in this program there may be a waiting list. The waiting list is for a short period of time, because there are people who roll off of the program, and those people would be enrolled in the program with supports within a very short period of time.

**Mr. Martindale:** Can the minister tell me what the budget is for the children with disabilities program?

**Mrs. Mitchelson:** It is \$2.83 million.

**Mr. Martindale:** Has that amount of money been expended in recent years in spite of underexpenditure in other parts of the day care budget?

**Mrs. Mitchelson:** Yes, it has.

**Mr. Martindale:** What is the budget for children with disabilities for this fiscal year?

**Mrs. Mitchelson:** It is the same as it was last year.

**Mr. Martindale:** Why did this minister not reallocate within the day care budget line and put more money towards children with disabilities programs?

**Mrs. Mitchelson:** A good question. I have to thank my honourable friend for that question, and I want to indicate to him that we are undertaking a complete review of our child care programming in co-operation with the community over this next year. Why did we not increase? Well, I have indicated previously that we received considerably less money from the federal government.

We had to find some reductions within our department. That is reality. The one area that I chose to ensure that there was additional support was in the services for those with mental disabilities. I consciously made the decision that was the area of greatest need within the department, and also on the Child and Family Services side there was increased support to the Winnipeg agency.

Those had to be priority areas and we made reductions. We made significant reductions in our social allowances lines, as my honourable friend knows and has been critical of. We made a reduction in Child Day Care of around \$4 million, and if we prorated what the federal government reductions would be as a result of no CAP cost sharing, we were looking at somewhere between \$3 million and \$4 million. The best solution at the time was to freeze the money and the spaces that were not being utilized while we go through the review process.

In the child care community—I mean, my honourable friend was there during the last election campaign. He tells me on a regular basis that I was very honest and open with the community when I said there is no more money, and they know that the level of funding that is in the budget this year will probably not be higher. It will not be increased again next year. The community knows that. They are prepared to sit down and work with us and see where we can find efficiencies, maybe administrative efficiencies, better utilization of the cases, the spaces, the subsidies, in whatever way, to ensure first and foremost that the children who need the care through our child care system receive the service in the most efficient and effective way.

I think we have developed that partnership, and we will be working together over the next year understanding and recognizing that there is no more money and that the dollars that are allocated today will have to be used, and hopefully we will be able to come to some consensus on how we can better spend the dollars that are available, focusing first and foremost on the needs of the children

and the families that need child care service. So it will be a challenge. I am not expecting that there will not be some differences of opinion, but I think we can come to a mutual agreement on better ways to utilize the resources that are available for us today for services for families and children through the child care system.

**Mr. Martindale:** Since I knew that this minister was underexpending her budget by approximately \$4 million a year and the minister knew that and some people in the daycare community knew that, were there people in the daycare community that advised the minister to take \$3 million or \$4 million out of the budget because they thought that it would not do any harm?

**Mrs. Mitchelson:** I had many meetings with the child care community, and I am sure my honourable friend has had meetings with members of the child care community. They recognized and realized fully and quite possibly because we have been so open and honest and up front with them in indicating that we were not going to be able to backfill for the federal reductions. We said that very clearly at the outset, and I think they were prepared to see some reductions. They knew there would be. I think that probably if they had a chance to contribute in any significant way they would have been pleased to see that grants were not reduced but that the dollars were taken out of unexpended funds that were available.

Did anyone specifically make that recommendation? I cannot recall that happening, but I do know that they were prepared for reductions, because I never held out any hope that we would be able to maintain status quo in this year's budget as a result of the federal offloading.

**Mr. Martindale:** Can the minister tell me why, if the budget is underexpended by \$4 million to \$5 million a year for several years in a row and then you take \$4 million out of the budget that apparently is not being spent anyway, why is it necessary to freeze or reallocate subsidy cases and downsize?

**Mrs. Mitchelson:** As I have indicated, I will say again, the decision was made not to reduce operating grants but that we would take the money that we felt we had to take out of the child care line from spaces that were not being utilized and dollars that were not being utilized. We will go through a process with the community over the next year to try to see whether there are efficiencies, to review

regulations, to work with them and see whether we can come to a mutual understanding and get some creative ideas from the community from those that work in the community and those parents and children that live in the community that need the service on how we can better deliver our child care service into the late '90s and beyond.

We have a system that has been in place for—I am trying to think of how many years now our system has been in place. It has been well over 10 years, a system that does not necessarily meet the needs of working families today. Family makeup, family composition has changed. Flexibility is needed in the system to ensure that many of the jobs that are available for single parents, for working families, are shift work, weekend work, part-time work. There needs to be the flexibility within the system to meet the challenges of the '90s and the job opportunities that are available.

\* (1620)

We also need to look at rural Manitoba and some of the unique circumstances facing farm women that ever increasingly need to help on the family farm and the safety issues around the children, and the issue also in rural communities where many women are having to go to work to provide the additional support required by the family. There are a lot of issues that need to be looked at. I think it is very timely, and we have a community that is willing to sit down with government and look at the system, recognizing that there is going to need to be changes and that there are not going to be more dollars to do that, and see how we can best work together to come to some positive solutions to the dilemma that faces us.

**Mr. Martindale:** If the minister is underspending in her department by approximately \$4 million and then she takes \$4 million out of the budget, why is it necessary to downsize the child care system?

**Mrs. Mitchelson:** What we have done is frozen the subsidy spaces, but we recognize and realize that on an individual, case-by-case basis, if there is a need, we will look at that need. I have made that comment to my honourable friend in the past, that if he has people who are looking for a subsidized space and need our assistance, we are more than willing to help to try to facilitate that process.

While we are going through the review for this year, we have frozen spaces because I do not want to predetermine what the review will come up with and what recommendations will be there. It might be major change in the system, or it might be maintaining somewhat the status quo. Until we have the final conclusions mutually agreed to, we have frozen the subsidy spaces that are presently being utilized, recognizing that if there is any centre or any home that feels that they have not been treated fairly or allocated fairly based on past experience, we will look at each of those cases individually.

**Mr. Martindale:** So the minister is saying that if people have a need for subsidized care, she will look at it on a case-by-case basis, and she is also saying that there is a freeze on because she is studying the system. So that means there is no downsizing of the child care system?

**Mrs. Mitchelson:** Mr. Chairperson, when we indicated that we were freezing cases at around 8,200, I have to report to my honourable friend that we are at approximately 9,000 subsidy cases now as a result of negotiation, discussion, dialogue with centres' needs. My understanding is that most of them are currently being utilized.

**Mr. Martindale:** Well, it is too bad that the minister will not admit that she is downsizing the child care system because her own '96-97 expenditure Estimates submitted to Treasury Board for the Department of Family Services say, in No. 1, downsize the existing child care system by freezing the number of subsidy spaces. I would like to table copies of this Treasury Board document.

So I do not understand why this minister, when she has her own Treasury Board documents that have been part of her budget process for months now, probably from late last fall, in fact there is actually a date on this Treasury Board document that says that Treasury Board direct the department to return to Treasury Board by January 15, 1996, with a detailed plan.

So this document is at least six months old now. Why will the minister now not admit that she is downsizing the child care system since it is in black and white in her own Treasury Board document?

**Mrs. Mitchelson:** I think there is sort of a difference of interpretation. I mean my honourable friend talks about

downsizing. I have said clearly there were 9,900 subsidized cases in the child care system last year. I have indicated quite clearly that they are frozen at 8,200 as a result of this year's budget, but there was flexibility. So I am not saying that there are not less spaces in the system, and he is talking about downsizing. I have admitted openly here that when there were 9,900 subsidized cases last year, there are only 8,200.

But as the result of negotiation and dialogue and discussion with centres and family daycare homes, we are now back up to around 9,000 subsidized cases. Does he want me to say we have downsized, we have frozen, and we have less subsidized cases in the system today than we had last year? There is \$4 million less in the Daycare line. I am not hiding from that, it is there. I have been very open. I mean I remember my honourable friend sitting at the election—no, he was not there, it was his leader at the election forum that was making all kinds of promises to the child care community.

Although I was not very popular, I spoke what I knew to be the truth, if we should be re-elected, that there would be no more money. We know there is less money in the child care community and Manitobans know there is less money today than there was last year. There is less money in the budget. I admit to that and it does not matter what documents my honourable friend has. Yes, there is less money, there are less subsidized cases in the system. I admit that. That will be the case, and there are not any expectations out there in the community that there will be more money next year. I cannot guarantee that, and I would not even hold out any hope for it. So we have come together with the community to try to determine how we can best utilize the dollars that are available, and who knows, we may come up with ideas that look at administrative efficiencies so that in fact more children will be able to receive service. We may be able to change the structure. I am not going to predetermine that, I am not there with any agenda of my own. I am wanting to hear what the community has to say, what working families have to say, and what those who deliver the service have to say, and then we will determine what the system will look like in the years ahead.

**Mr. Martindale:** One of the reasons why I brought this up is that I believe that the so-called freeze at the current level of utilization according to the letter from the

director of the Child Day Care office dated April 1996 is really in fact one way of downsizing the system which the minister's Treasury Board submission proves. I am pleased that the minister talks about a need to streamline administrative processes, because the other way that this government is going to make changes is by reviewing regulations, and it is not as if they have not thought about this ahead of time. They already have some ideas, because there are three examples in the Treasury Board submission, and I think this government is on the road to increasing staff to children ratios and to having fewer visits from co-ordinators to family daycare homes and centres. The minister already has some ideas about how to streamline daycare administratively, and they are in this Treasury Board document. Will the minister admit that this is her idea of streamlining?

**Mrs. Mitchelson:** Mr. Chairperson, one of many suggestions or options or ideas that can be put on the table, and I will say to my honourable friend, I will put suggestions or ideas on the table, as will parents that need the service and as will those that work in the system in our child care centres, in our family daycare homes, in the community and our before and after school programs, in our infant labs. All of those people will have the opportunity to put suggestions and ideas forward for discussion and for dialogue, and I will have some suggestions, and if the community feels they are feasible suggestions to look at implementation, we will do that. They will have lots of ideas that they will present to us, and if they are ideas that we think have some merit, we will pursue those.

\* (1630)

I mean, this is a give-and-take process, and all of us—I am sure my honourable friend, if he was sitting around the table, might have some suggestions or ideas. You know what? He may even have a good one that we might look at implementing. So I would challenge him to really put his thinking cap on and think very seriously about what he thinks could make a more efficient and effective system, keeping the children and the families that need the service in mind. You know, I will listen, and if it is a good idea and a good suggestion, I may even consider, if the child care community agrees, implementing it.

**Mr. Martindale:** Well, the minister is asking questions again instead of answering them. I think she wants to be the critic for Family Services.

Can the minister explain to me why there are variations in the average cost per case? I have a chart here, another Treasury Board review document, with the year and the average number of subsidized children, the actual subsidy expenditure and the average cost per case. I will table these, and I think this question is for information. I wonder if the minister can explain why the costs go up and down.

**Mrs. Mitchelson:** Mr. Chairperson, it depends on the mix of the type of care that they are getting.

**Mr. Martindale:** Could the minister explain that more fully?

**Mrs. Mitchelson:** It depends on whether it is a nursery school subsidy or a daycare subsidy. It depends on whether it is a full-time subsidy or a part-time subsidy. It depends on whether it is an infant space or a school-age space. There are all kinds of variables, and the subsidy would be allocated based on the specific individual circumstance.

**Mr. Martindale:** I just have a couple more questions and we will finish the daycare area.

I have been getting many phone calls from family daycare providers who are concerned, first of all, that they lost their unused subsidy cases. Secondly, any cases that have been loaned to them, they believe that once those children are gone they will no longer have that subsidy case. The minister keeps saying that wherever there is a legitimate need, I guess, an attempt will be made to provide a subsidy case, but the family daycare community are very concerned that once these cases that are not being used are gone, they will never get them back. I am wondering if the minister can assure the family daycare providers in Manitoba that they are not permanently losing the subsidy cases.

**Mrs. Mitchelson:** Their allocation that they have received for this year is their allocation for this year. But I want to remind my honourable friend that we are a government that supports, in a very major and substantial way, family daycare. I think we have seen more family daycare homes open under this administration over the years because we believe that family daycares are an extremely viable option. So we are not looking to harm family daycare in any way through this process, and they

will be a part of the process of reform and change in the daycare system.

**Mr. Martindale:** Well, I believe they have been assured that they will be consulted, and that is good. But I am looking for assurances about the subsidy cases that are being lost due to this letter about so-called freeze or so-called re-allocation; once they are gone, the family daycare providers are very concerned that they are going to be gone permanently, that they will not get them back. What assurances can the minister give that they will be there when they are needed?

**Mrs. Mitchelson:** I will work very co-operatively with the family daycare community to ensure that, as the spaces are needed for working families and the need is there, the spaces will be provided.

**Mr. Martindale:** The minister keeps talking about flexible daycare and the need for a daycare in rural Manitoba; however, it is my understanding that there are very few daycare centres that are providing evening or weekend care, and that they have a lot of problems in providing flexible hours or extended hours. Can the minister tell us what new resources, if any, are going to be made available to provide extended flexible hours?

**Mrs. Mitchelson:** I have had that discussion and dialogue with the child care community on an ongoing basis, and that is what the review was all about. They understand the need, too, for more flexibility, and maybe part of the reason the spaces have not been utilized in the formal structure that we have that exists today is because the flexibility has not been there to accommodate those working families that need the weekend hours, the shift hours and they have had to go to other places to get the care for their children that is needed.

That may be one of the reasons that there has not been the full utilization, so they are prepared to take a look at the structure to make recommendations on how within the centres and the homes today we can provide the flexibility that is needed.

**Mr. Martindale:** I think the daycare community is willing, and they have been wanting to do this, at least some particular centres have been. I guess the question is, how is the minister going to help to make it possible to provide extended hours and flexible hours?



**Mrs. Mitchelson:** Again, I do not want to predetermine what the review is going to reveal to us or what recommendations will come forward as a result of the review. I know that there is a desire by those that work in the community to serve the needs of the families that need to be served, and that there is a real need by working families to have the efficient and effective service provided. So we will work with them, and, hopefully, my honourable friend at the end of this process will be satisfied that we have done a good job and that we have come up with the solutions that need to be found.

**Ms. MaryAnn Mihychuk (St. James):** My question is also on daycare. Over the past few months I have received a call from one of our local daycares that was looking to try to raise some funds for a play structure in the daycare. Many years ago there was considerable amount of lotteries money available for daycares, and I raised the question in the House indicating at one time that there was a virtual guarantee of lotteries monies for daycares. Today we see that source of revenue totally shut down. Daycares are not eligible either to get the direct grant, as they did in the past, initiated in 1988 I believe, and I have the annual records of the Manitoba Services Council, and those grants at one time exceeded a million dollars for the day care allocation.

Now the grant has actually dwindled down to, I believe, zero in '94, approximately 13,000 in '95, and '96 there was no allocation. Has the minister raised this issue in terms of fairness and equity, since daycares which are nonprofit community-run organizations, should according to the principles of fairness be eligible to receive some lotteries money?

\* (1640)

**Mrs. Mitchelson:** Just from my former life as Minister responsible for Lotteries, I know that the Manitoba Community Services Council from which daycares were funded is an independent body. They are allocated lottery resources from government, but there is no government representation on their board. They are an independent community-elected body that makes decisions on applications that come in for funding on a regular basis. They are allocated the resources; they make the decisions; there is no government input or interference into the decision-making process that they undertake.

On that side of things I know—I mean I could certainly ask the question on who is receiving funding and where are they putting their priorities, I suppose, just as my honourable friend could write a letter to them as an independent body and get that answer.

On the other hand, I do know that from time to time, and I know when I was the Minister responsible for the Community Places Program that there are capital dollars available under Community Places. I know my colleague the Minister of Culture (Mr. Gilleshammer) is here and I think he may be finished his Estimates, but I am sure that—oh, he is not. There is a good opportunity then to ask him through the Department of Culture's Estimates what dollars are available in the Community Places Program and maybe that is a place you could channel your child care. It sounds like a playground structure which, if I can recall, is one of the criteria that fits under the Community Places Program. Possibly your centre that has made the inquiry could be directed to that program.

**Ms. Mihychuk:** I would like the minister to put on record whether she believes that daycare should be eligible to receive lotteries money or not.

**Mrs. Mitchelson:** I think I have to go back again to say that the lotteries dollars that are allocated to the Community Services Council were not dollars that were granted to daycares by government. They were not granted under the New Democratic government, lotteries dollars to daycares. It was done through the Community Services Council. Those dollars are allocated based on a volunteer board, elected by the community, without government involvement. If my honourable friend is telling me that there was political interference with the Community Services Council when the New Democratic Party was in government, I think she should put that on the record, because, in fact, it is a duly elected community body that makes independent decisions and that has always been the policy of this government. If, in fact, the New Democratic government was giving dollars to the Community Services Council under the guise of an independent body, making independent decisions and then politically interfering, I would like her to tell us now, because that has never been our policy.

**Ms. Mihychuk:** I would like to perhaps inform the minister that now there is a government representative

that sits on the Manitoba Services Council and perhaps it would be wise for her to update herself as to the mandate and who sits on that council. The Department of Finance does have a representative and is a member of that Services Council.

One of the dilemmas that the Manitoba Services Council has is the dwindling amount of resources that is being allocated to them by the government. I am trying to say that, as minister responsible for daycares and, hopefully, for families that need them, she would actually perhaps go to her colleagues and lobby and ensure that there is fairness for daycares as a nonprofit community group.

So I just ask her for her assistance, as an advocate for daycare, to move in this area and perhaps facilitate some inclusion of them in that access to Lotteries money.

**Mrs. Mitchelson:** The commitment that I will put on the record to daycares, to the child care community, to children and families that need that service is that, in fact, we will have a fair system that is flexible and affordable into the future and we will work in consultation and co-operation with them to ensure that does happen and does take place. That is my commitment. My commitment will be within the dollar resource that we have available to us, and I still would like my honourable friend to confirm or deny that there was political interference in the years that the New Democratic Party provided resource to the Community Services Council.

**Mr. Deputy Chairperson:** 3.(e) Child Day Care (1) Salaries and Employee Benefits \$1,904,600—pass; (2) Other Expenditures \$969,200—pass; (3) Financial Assistance and Grants \$40,374,700—pass.

Resolution 9.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$137,601,100 for Family Services, Rehabilitation, Community Living and Day Care, for the fiscal year ending the 31st day of March, 1997.

I believe it is the will of the committee to take a five-minute recess. [agreed]

*The committee recessed at 4:47 p.m.*

### After Recess

*The committee resumed at 4:54 p.m.*

**Mr. Deputy Chairperson:** Order, please. We will resume the Estimates of Family Services.

**Mr. Martindale:** I have so many questions here I hardly know where to start, and I am running out of time. I promised your government House leader that we would pass the Children and Youth Secretariat line by 5:30, so there may be some areas here that do not get the kind of justice they deserve. Is it okay with the minister if under the first line here I ask questions about post-adoption services?

**Mrs. Mitchelson:** Sure.

**Mr. Deputy Chairperson:** Item 4.(a)(1).

**Mr. Martindale:** It has been brought to my attention that some people feel that preferential treatment is being given to some people doing adoption searches because information is available to them that is extremely helpful in locating birth parents or birth children and that that kind of nonidentifying information, but extremely helpful information, is not available to others. Specifically, I am told that if a treaty number—no, not a treaty number—if a band number is given out, it makes it extremely easy to make a few phone calls and find the person that they are looking for. But, of course, if you are not First Nations and there is no band number involved, and you get nonidentifying information, it is much, much more difficult to find someone that you are searching for.

I guess the way to solve this is not to make it harder for some people, but to make it easier for everyone. I am wondering if the minister is open to suggestions about amending the section of the Child and Family Services that has to do with post-adoption. I know that jurisdictions in other places in Canada and other countries have made major changes in this area, and I am wondering if the minister is open to looking at those changes and possibly adopting them in Manitoba.

**Mrs. Mitchelson:** I will answer very quickly and shortly: Yes, we are looking at major amendments to the Child and Family Services Act, and post-adoption service will be a big piece of that.

**Mr. Martindale:** I would like to ask some more questions also in the area of adoption, that have to do with an adoption initiative of Child and Family Services agencies whereby they are trying to get more and more foster children adopted. I am getting complaints from foster parents who are saying that pressure is being put on them. In fact, they are describing this as blackmail because in some instances parents have been told that, if they do not adopt, the child will be moved, and in one case that a brother and sister would be separated.

I would like to ask the minister if she would talk to the directors of Child and Family Services agencies and tell them to stop this quite unfair practice because this kind of pressure is not appreciated, would seem to be unwarranted, and I would like to see it stopped. Is the minister willing to look into this and, if it is happening, put an end to it?

**Mrs. Mitchelson:** I would certainly like some details around specifics because I would very definitely investigate and ensure that that kind of activity is not taking place. We have placed a major focus on adoption of older children. I think it is important that every child deserve and receive, wherever possible, a permanent home. I think there has been a renewed focus on adoption as a very positive parenting option for those children that have become permanent wards, but I would not want to see insensitivity to children and those children that have bonded with foster families. I would not want to see any type of inappropriate behaviour taking place in the agencies and, if there were specifics, I would certainly investigate and ensure that is not happening.

**Mr. Martindale:** I would like to go back on an issue that I raised under the Children's Advocate report, and that is budgeting for Child and Family Services agencies. It is my understanding that agencies have a budget that they set and I assume that they submit to your department. Is that correct?

**Mrs. Mitchelson:** Yes.

**Mr. Martindale:** That seems to contradict what the minister was saying the other day, that she does not get budgets from Child and Family Services agencies. Unfortunately, I do not have Hansard here to prove that. But since the minister does get budgets from Child and

Family Service agencies, why does she not budget realistically, as has been recommended by the Provincial Auditor and by the Children's Advocate?

\* (1700)

**Mrs. Mitchelson:** I am sorry, in the interest of speeding things up I was listening to staff, so I did not hear the end of the question. But the budget setting process for the upcoming year would be based on actuals from the previous year. It is not sort of a wish list of things that the agency brings forward.

So maybe, as I answered yes very quickly, I seem to recall information that I had provided last time we were here discussing this issue, and so we look at actuals. We also look at service and funding agreements that would look at what we would want to purchase from an agency in the way of delivery. We provide Family Support Innovation Fund, special grants to agencies for special projects to try and keep families together.

So the budget process I guess very simply is, we look at actuals, we look at what kind of service we want to purchase from the mandated agencies and set the budgets accordingly.

**Mr. Martindale:** Has the minister acted on the recommendations of the Provincial Auditor, who reported in December 1994 about the inadequacies of the budgeting process both by agencies and by this government?

**Mrs. Mitchelson:** We are in the process right now of developing service and funding agreements which will look at the appropriate level of funding for the service that we expect the agencies to provide. In the case of Winnipeg Child and Family, I think I indicated the other day that we are going to be undertaking an operational review along with the agency to determine the kinds of service and the level of funding that is appropriate to deliver those services.

**Mr. Martindale:** I would like to move on to a different topic, namely that of volunteers working for Child and Family Service agencies in Winnipeg. Perhaps the minister does not have the information at her fingertips today but, if she could provide it to me, it would be appreciated.

I wonder if the minister can tell me how many volunteers the Winnipeg agencies had before the centralization occurred and if she could tell me how many volunteers the agencies have by year since the centralization.

**Mrs. Mitchelson:** Mr. Chairperson, I can undertake to get that information pulled together and provide it.

**Mr. Martindale:** One of the issues that frequently comes to my attention is children who are 16 and 17 years old whose parents believe that they are in need of service, and sometimes they believe that they are in need of services by Child and Family Services agencies, but the parents are telling me and the staff in Child and Family Services agencies and several newspaper articles within the last year have all agreed that this is a badly neglected group. I believe the Children's Advocate commented on 16- and 17-year-olds and the lack of service provided. I am wondering if the minister can tell us why it seems that there is no service for 16- and 17-year-olds unless they are in an extreme crisis.

**Mrs. Mitchelson:** I think that is incorrect information. In fact, if 16- and 17-year-olds are willing to participate in treatment or school, and the family is supportive of that, there is service available. In the instance where there is a child that will not participate in any type of a program, then in fact we have to consider whether that is good use of taxpayers' dollars to try—you know, if you have a child that is on the run, do we continue to pay a hundred dollars a day while a foster home or facility has a bed empty waiting for that child to return, or do we utilize that space in a more appropriate fashion for a 16- or 17-year-old that is prepared to co-operate with treatment and programming and a family that is supportive of that? Those are the kinds of issues that we have to deal with, and I think we have to try to use the resources and the programs and the services that are available to those that are prepared to participate in the program and the treatment.

**Mr. Martindale:** In recent years there has been a shocking number of children who have died either in the care of an agency, or a foster parent, or who were recently in care of an agency and returned to immediate family or extended family. In a shocking number of cases no charges were laid, including cases where the RCMP would have liked to charge someone with murder—

**Mrs. Mitchelson:** Lots of people were charged with murder—some of them convicted, too—and attempted murder. Charged and convicted.

**Mr. Martindale:** —and I have called for a public inquiry into several of these cases. I believe that a public inquiry is the only way to get at all of the factors involved, not just the culpability of the care providers, but also issues such as whether or not there were sufficient resources being provided to these children and families, and whether or not agencies or this minister and the funding of her department were partly to blame. I would like to ask the minister if particularly after some of the existing internal investigations are over and inquests are over if she is willing to have a public inquiry to look at two or three or more of the recent child deaths in Manitoba?

**Mrs. Mitchelson:** I have never ruled out a public inquiry, but I have to say that if all of the information that is required by the public is revealed through other processes, I think it would be sort of duplication. That is an option that will remain open until we have the results from the other investigations in any of the criminal proceedings that will be taking place.

**Mr. Martindale:** Could the minister give me updated statistics on the number of children in care by Winnipeg Child and Family Services by district, and if I could have '94-95 and '95-96 stats of children in care by area of Winnipeg Child and Family?

**Mrs. Mitchelson:** We do not have that information available by area. I think we have the numbers of children in care in the Winnipeg agency, but we can undertake to get that information and provide it.

**Mr. Martindale:** Is it possible for the minister to give us similar figures on the number of aboriginal children in care in Winnipeg as well?

**Mrs. Mitchelson:** Yes.

**Mr. Martindale:** I have in front of me a story from the Winnipeg Free Press dated April 10, 1996. The headline is, Mitchelson urged to act on crisis—Medical examiner targets failure in Lake St. Martin child slaying. Another headline, I believe, on the same story but over the page says, Once suspended director returned to helm. This story is referring to Anishinabe Child and Family

Services, and obviously there are, according to this newspaper story, some significant problems there. I believe that a director was let go and there is an acting director who had previously worked for the agency but, according to this story, was suspended.

There have been some serious management problems; there have been deaths of children in their care. I know that this minister's department has been involved and that there have been numerous reports. There has been a management review, and I know that, in addition to all the reports that have been done about this agency, the minister has been personally made aware of all the problems there.

I would like to ask the minister what is being done to try to resolve some of these very difficult problems.

\* (1710)

**Mrs. Mitchelson:** We presently have a service team that is in that agency right now working with the staff of that agency to ensure that services are being delivered to children, and case planning is being done and children are not in need of protection. That team has been in for close to two months now working with the agency to see if we cannot resolve all of these problems. It is a very serious concern for me, too, and we had Chief Phil Fontaine, the Chief Medical Examiner, the Child Advocate and myself try to facilitate a resolution. I think we have got the co-operation of the agency now to work with the team. I know that they are working in a very proactive way, and I am looking forward to the results of their findings.

I think it is important that all children in the province of Manitoba, no matter where they live, have access to the appropriate services and the trained staff to deliver those services. So that is one of the issues, of course, that we are dealing with, with the team being in there. What qualifications do the staff have to deliver the service, and how can we help them upgrade that service, if need be, so that children on those reserves served by Anishinabe have the same kind of care afforded to all children in the province.

**Mr. Martindale:** Can the minister tell us what is in the plan to restructure Seven Oaks Centre?

**Mrs. Mitchelson:** Seven Oaks Centre has been an issue for a number of years. I think a lot of comments and concerns have been around warehousing of children with not appropriate services. In working with the Children and Youth Secretariat and with the players involved, I think we are close to a more co-ordinated approach to delivering emergency services to children that need those services.

The proposal that we have in front of us presently is redevelopment of an institutionalized service into a community-based service and intersectoral co-ordination of services to youth at risk. We are right now in the process of looking at how we might implement and go through a transition period to close down Seven Oaks Centre and devolve the service into a more co-ordinated approach involving the mental health system, the justice system, the education system and the family services system.

Some of the components of the new structure will be mobile crisis teams, acute treatment outreach teams, home-based crisis intervention programs, short-term crisis stabilization unit and psychiatric inpatient services. It will be a comprehensive approach, co-ordinated approach, intersectoral approach. It is a lot of money going into our system to provide services to a few very high needs children, and we want to make sure that those dollars are used in the most appropriate manner possible.

**Mr. Martindale:** Where will the short-term crisis stabilization unit of 10 to 12 beds be located since Seven Oaks Centre will be closed?

**Mrs. Mitchelson:** That is yet to be determined. These are the plans, there will have to be an implementation strategy and also a transition period of time to get things up and operational. We are looking at not a short-term process, probably a year, a little over a year.

**Mr. Martindale:** Where will the psychiatric inpatient service of five beds be located?

**Mrs. Mitchelson:** I think the psychiatric health centre.

**Mr. Martindale:** Would the funding then come from the Department of Health?

**Mrs. Mitchelson:** Yes. What we are going to have to do is look at what funding is coming from all

departments to serve the children that need the service and pool that money and ensure that it goes to deliver the services in the appropriate fashion in the appropriate place.

**Mr. Martindale:** It is my understanding that in spite of the problems there in the past that this is one of the few facilities that is able to accept, maybe even manage children that other institutions and organizations will not take. In the future will there still be a facility, either locked or unlocked, that will take these hard-to-handle children?

**Mrs. Mitchelson:** Yes, that is what the plan is; that is part of the plan.

**Mr. Martindale:** What will happen to the staff? Will the staff be redeployed or laid off?

**Mrs. Mitchelson:** There will be a workplace adjustment strategy for the staff. They will be consulted through that process also.

**Mr. Martindale:** What does workplace adjustment strategy mean?

**Mrs. Mitchelson:** Some of them will be redeployed into the community, there will be new opportunities for others and, as we move through the process, it is not a matter of just laying off all of the people that work at Seven Oaks Centre today but, if in fact we are moving more to a community focus, there will be opportunities in the community for employment.

**Mr. Deputy Chairperson:** Item 4. (a) Administration (1) Salaries and Employee Benefits \$395,600—pass; 4.(a)(2) Other Expenditures \$64,300—pass.

4.(b) Child and Family Support (1) Salaries and Employee Benefits \$2,118,400—pass; 4.(b)(2) Other Expenditures \$2,567,200—pass; 4.(b)(3) Maintenance of Children and External Agencies \$101,918,200—pass; 4.(b)(4) The Family Support Innovations Fund \$2,500,000—pass.

4.(c) Seven Oaks Centre (1) Salaries and Employee Benefits \$1,819,200—pass; 4.(c)(2) Other Expenditures \$271,000—pass.

4.(d) Family Conciliation (1) Salaries and Employee Benefits \$727,700—pass; 4.(d)(2) Other Expenditures \$165,100—pass.

Resolution 9.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$118,415,000 for Family Services, Child and Family Services, for the fiscal year ending the 31st day of March, 1997.

The last item to be considered for the Estimates of the Department of Family Services is item 1. Administration and Finance (a) Minister's Salary. At this point we request that the minister's staff leave the table for the consideration of this item.

Item 1. Administration and Finance (a) Minister's Salary \$25,200.

**Mr. Martindale:** Could the minister tell me briefly if she is able—and I realize that her staff are not at her side anymore, what kind of advice she and her department got from Dr. Fraser Mustard since she quoted him quite favourably in her opening statement and talked about how he believes that the first few years of a child's life are very critical and very important. What sort of advice did this minister get from Dr. Mustard?

\* (1720)

**Mrs. Mitchelson:** My honourable friend, if he ever has the opportunity to hear Dr. Fraser Mustard speak, should take advantage of that opportunity. I have heard him a few times. I think what he does indicate to us and to many who have bought into the theory right across the country—and I do not think just in our country but throughout the world—that early intervention and co-ordinated service, not only in the early years of life but prenatal months, are very important months in the development of a child. If you got a healthy child off to a healthy start to life, not low birthweight, not parents that have participated in unhealthy activities, substance alcohol abuse, smoking, all of those things that contribute to low birthweight and unhealthy children, there is every indication that that child is going to thrive and do much better as they grow and mature and develop into an adult.

So the focus of all resources that governments should be spending should be concentrated on those early years, that stimulation in the early years of life. Bonding and

nurturing are very important and very critical to a child's development. So he challenges governments to place and put resources into the front end of service delivery and develop community in a very appropriate fashion to help government ensure that children, as I say, are off to a healthy start to life because it really does impact on their ability to thrive and to cope and to be productive members of society.

**Mr. Martindale:** I am glad to hear that the minister is getting advice from progressive and noteworthy sources. Another source of advice for this minister would be a document called *The Health of Manitoba's Children*, produced by Manitoba Health, which also has some recommendations that have to do with poverty and social welfare in children and also nutrition and has recommendations about nutrition for prenatal women and also about improving the food allowance within social assistance programs to be increased to allow for adequate nutrition of infants, so I would hope that the minister, who is talking a good line, would actually do something about it.

We are on the Minister's Salary line and I would have liked to have moved a motion to reduce the Minister's Salary to either the same as a recipient on city social assistance, \$411 a month, or perhaps the price of this minister treating her colleagues and about 60 civil servants at the Le Beaujolais Restaurant, which was about \$5,000. I think either one of those would have been appropriate for this minister, especially since it was her policy of standardization which forced the City of Winnipeg to reduce allowances for children on city social assistance.

We already know, because we have gone through this in Estimates before, that it was reduced by almost one-third for children under one year of age, so the minister talks a good line about being concerned about nutrition and giving children a good start early in life, but when it comes to her department's budget and when she has a chance to actually do something about it, instead of doing the right thing and the progressive thing based on good advice that she is getting, in fact she does the opposite. However, we do not have time to debate a resolution like that, because I have promised that we will pass the Children and Youth Secretariat line before 5:30, so I conclude with that. Thank you.

**Mrs. Mitchelson:** Obviously, I do not have time to get into a major debate with my honourable friend. I just would like to leave one thought with him. We have many community organizations that are looking to more proactive approaches to ensuring that parents have the tools in their hands to prepare nutritious meals and ensure that their children do not go to bed hungry at night. I cannot guarantee that more money into the hands of everyone is going to ensure that children are still well nourished and well fed, and I think that has to be the goal and objective of all of us. I will strive toward working with the community to meet that goal. I wish we did have more time. Maybe my honourable friend and I could sit down over a cup of coffee one day and further discuss some of these issues.

**Mr. Deputy Chairperson:** 1. Administration and Finance (a) Minister's Salary \$25,200—pass.

Resolution 9.1—RESOLVED that there be granted to Her Majesty a sum not exceeding \$7,615,900 for Family Services, Administration and Finance, for the fiscal year ending the 31st day of March, 1997.

This completes the Estimates of the Department of Family Services.

The next set of Estimates to be considered are the Estimates for the Children and Youth Secretariat. Shall we briefly recess? Very briefly.

## CHILDREN AND YOUTH SECRETARIAT

**Mr. Deputy Chairperson (Ben Sveinson):** Children and Youth Secretariat 1.(a) Salaries and Employee Benefits \$419,200.

Will Committee of Supply please come to order. This section of Committee of Supply will be considering the Estimates of Children and Youth Secretariat. Does the Honourable Minister of Family Services have an opening statement? No.

Does the honourable opposition critic have an opening statement?

**Mr. Doug Martindale (Burrows):** I feel badly that we have allocated only a few minutes to this budget line. This is what happens sometimes during Estimates when

some departments get more time than maybe they should and other departments get much less time than they should. We will try to do better in terms of scheduling and maybe we will try to do better in scheduling next year and maybe the Minister of Family Services can lean on some of her colleagues to do better in their departments when they are answering questions.

**Mr. Deputy Chairperson:** I thank the minister and the opposition critic for those brief words.

Item 1. Children and Youth Secretariat (a) Salaries and Employee Benefits \$419,200.

**Mr. Martindale:** Can the minister tell us how many staff are in the Children and Youth Secretariat?

**Hon. Bonnie Mitchelson (Minister of Family Services):** There are nine staff, some on full-time and some on a part-time secondment basis from the five departments that are associated with the Children and Youth Secretariat.

**Mr. Martindale:** Does the minister have an organizational chart, since I understand there are quite a few committees under the secretariat?

**Mrs. Mitchelson:** There was an agreement, I guess, during the Health Estimates to table some documents, and I think they are pretty self-explanatory. I will not go into naming all of them, but I will provide them for my honourable friend.

**Mr. Martindale:** Could the minister tell us how much money the secretariat gets from which government departments please?

**Mrs. Mitchelson:** The operating dollars are \$144,000 that are shared by all of the departments. The staff would be seconded and paid by the departments that they represent.

**Mr. Martindale:** What are the major issues that the secretariat is working on at the current time?

**Mrs. Mitchelson:** There are five steering committees: early childhood, care and protection of children steering committee, adolescents and pregnancy, high risk youth steering committee and critical health incidents steering committee.

**Mr. Deputy Chairperson:** Item 1. Children and Youth Secretariat (a) Salaries and Employee Benefits \$419,200—pass; 1.(b) Other Expenditures \$144,000—pass; 1.(c) Less: Recoverable from other appropriation (\$419,200)—pass.

Resolution 34.1—RESOLVED that there be granted to Her Majesty a sum not exceeding \$144,000 for Children and Youth Secretariat for the fiscal year ending the 31st day of March, 1997.

This completes the Estimates of the Children and Youth Secretariat. The next set of Estimates to be considered are the Estimates of the Department of Agriculture.

The hour is now 5:30 p.m., and I am interrupting the proceedings of the committee. As previously agreed in the House, the committee will recess until 9 a.m. tomorrow (Thursday).

## NATURAL RESOURCES

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

We are on Resolution 12.1.(b) Executive Support (1) Salaries and Employee Benefits.

**Hon. Albert Driedger (Minister of Natural Resources):** Mr. Chairman, during Question Period today, the Premier (Mr. Filmon), in addressing the member for Crescentwood (Mr. Sale), said he was wrong, wrong, wrong. Unfortunately, I have to, in my remarks, make that same statement to the member for Crescentwood based on the things that he was trying to put on the record yesterday. He was wrong, wrong, wrong. I will try and take and spend a little time, and I am going to try to correct the record, to some degree, with your indulgence.

First of all, there has been a lot of confusion and misinformation about the project that the government has undertaken together with Linnet Geomatics International Inc. Last fall, I arranged a full briefing for the opposition on this project.



**Mr. Chairperson:** Order, please. Could I ask for the members wanting to carry on their conversations to do so in the loge or out in the hall. I am having great difficulty hearing the honourable minister's presentation. Anybody who does not want to listen can leave.

The honourable minister, to continue.

**Mr. Driedger:** Mr. Chairman, based on the questions they have been raising in the House, it is obvious that they have difficulty at comprehending the essence of the project. I would like to take this opportunity to set the record straight on a number of these issues.

What does Linnet do? It has been charged that Linnet has been given the monopoly on all government mapping and that this is not being done accurately and completely. The truth is that Linnet is not doing the mapping for government. Linnet's focus is on bringing all the different land-related information together and then creating computer applications to enable nontechnical people to perform their day-to-day tasks. The mapping generally is a responsibility of the Department of Natural Resources, and to accuse Linnet of inaccurate mapping is a total misrepresentation.

The Land Information centre of my department has been charged with the creation of various topographical and parcel property maps. This is done to the standards set by professionals in the area, and the quality of the mapping that they produce is as good as that produced anywhere in Canada. For instance, the 1-by-20,000 topographical maps produced by my department fit perfectly the orthophotography which we have been acquiring through Linnet. By focusing these various mapping programs and giving them a common goal of supporting specific applications, we have enabled the rapid completion of a number of application projects spanning several provincial departments. This is in contrast to the previous approach for the topographical mapping program of having a 20-year cycle to complete the mapping for southern Manitoba. Anyone who wishes to wait until the year 2015 to receive a map and is critical of this accelerated program has to be seriously questioned.

It is important to understand that the nature of mapping has changed considerably with the use of computers. A computer or digital map has much greater flexibility and

can be changed or added to at any time depending on the requirements of the user. Those who are stuck in the past and would like to see the old paper-based mapping practices carried on into computer age will not be the leading companies that will bring the geomatic sector of Manitoba into the 21st Century. This lack of foresight is what is creating the current conflict and whose cause is being supported by the opposition here today and yesterday.

\* (1440)

In 1988, there was almost no use of this technology by government departments. Through the foresight of my government and the introduction of the current approach with Linnet Geomatics, we have brought this technology into a number of departments, including Agriculture, Environment, Natural Resources and Highways. Linnet now has 65 employees and continues to grow. The company was named Manitoba Business magazine's fastest growing company in 1994 and was in the top 50 for 1995. It was No. 36 in the Financial Post's recent ranking of the Canadian information technology companies.

It should be noted that less than 20 percent of Linnet's employees are working under contract for the Manitoba government. Others are working on Manitoba-based projects which would otherwise have been done by outside firms. This would cover projects being done for the City of Winnipeg, as well the current contract which Linnet won against 15 other Canadian and U.S. companies for Centra Gas.

In addition, Linnet has had or holds contracts in Mexico, Chile, the United States, Britain, Russia and other Canadian provinces such as British Columbia and Saskatchewan, refuting the fact that Manitoba is 10th among 10, when actually we have continued to be the leader across Canada and North America.

Linnet has been criticized for not creating 350 jobs. This was an earlier projection which assumed that the government would be entering into an \$80-million contract with Linnet. To date, the government has spent \$5 million and has 65 jobs. As you can see, the job creation is four times better than originally anticipated. For those who are analytically inclined, with an investment of \$80 million, we would have created over a

thousand jobs. Again, the opposition in its ignorance has totally misrepresented the facts and made untrue statements.

It is an unfortunate fact that Manitobans often underestimate their abilities to do something innovative and creative. The government has recognized that the global geomatics sector is growing rapidly and has tremendous potential for employing Manitobans. We have required some innovative approaches to get where we are with Linnet, and we would like to take on the challenge of getting other companies established in the province that can develop their expertise here and go on to be successful in the international marketplace.

For instance, the government recognized that the local Manitoba economy supports a geomatics sector with activities worth approximately \$50 million a year. Only \$10 million of this is done through the private sector. This has limited the size of many local companies, and because of their limited size they cannot effectively participate in the international marketplace. The government is open to interested suggestions and proposals from other Manitoba companies on how we can help them develop internationally as Linnet has successfully done.

Many of the current geomatic companies that are complaining about Linnet are two- or three-person operations which, with due respect to their professionalism, do not have the financial resources to compete internationally. Limiting the current contracts is not the solution.

Industry, Trade and Tourism has commissioned a study, which the member made reference to yesterday and tabled, to foster the growth of the geomatics sector. It focuses on redirecting a lot of the current inhouse services to encourage the growth of local geomatic companies and giving them a chance to develop a unique area of expertise to enable the total geomatics sector to grow. Those companies that are more interested in dividing up the current market rather than possibly the growth of the whole sector may not survive in this environment and will be forced to rely on the good will of the opposition to cry foul for them when they are not being competitive.

In the last days, my honourable friends opposite have made a number of comparisons to progress in other

provinces, and the implication has been left that they are doing better than Manitoba. I would like to set the record straight and show that Manitoba is, in fact, the leading province in this area. Establishing the direction that we have requires new and innovative approaches which are not always appreciated by those who wish to protect the status quo.

Manitoba has received a number of compliments from individuals in other provinces and states who are amazed at the progress we have made in establishing a co-ordinated approach to the management of land-related information. Other provinces that have attempted similar initiatives have not succeeded. For example, the Province of Alberta has spent in excess of \$75 million in their initiative before abandoning it due to lack of support from other Alberta government departments. Other provinces have spent in excess of \$30 million on extensive mapping programs only to find that few users can afford to pay the royalty fees needed to maintain them. By comparison, Manitoba has done extremely well with its modest \$5 million investment.

Finally, I would like to deal with some of the points raised in the news release issued by the member for Crescentwood (Mr. Sale) yesterday. It is amazing that the opposition always has more suggestions on how we can spend money. So far in this project we have managed to lever every \$1 spent by Manitoba government to get an additional \$4 spent by others in Manitoba. The suggestion in the news release will not leverage similar expenditures in Manitoba. They represent straight government expenditures of some \$10 million to \$15 million. To make this kind of an expenditure without guaranteed users of the mapping is to repeat the mistakes made in Saskatchewan and Alberta, and we will not do that.

The other suggestion of updating the survey monument system is a favourite suggestion of the surveying community. While all the suggestions have a certain degree of validity, the opposition would cry foul if we were to divert funding from other crucial areas, for example, closing hospital beds, to these kind of activities. I am surprised to recognize what the priorities are for the members opposite, or the member opposite.

In conclusion, I would like to say, Mr. Chairman, if the members opposite still are not convinced of the merits of

the approach and strategy being pursued at the present by my government, I think it is only fair that those in opposition and the news media would again, and I again extend that invitation, take time to visit Linnet, talk to some of the users and understand the creative and innovative ways that the information is being managed.

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

**Mr. Tim Sale (Crescentwood):** I am glad the minister had a chance to do some homework on this study. Unfortunately, if I was grading his homework, I might rank it somewhat incomplete, I guess. Let me tell the minister why. I did not ever suggest that Linnet had a monopoly on mapping. A quote from the background which we issued is: Since 1989, Linnet Geomatics has had a virtual monopoly on provincial geographic information systems (GIS) applications. Their monopoly expires December 31, '96, and so forth.

The memo which I issued to the press is about geomatics; it is about geographic information systems. It certainly talks about mapping as an issue, but that is only one element of geomatics, as the minister probably knows.

Secondly, to suggest that we are in favour of the maintenance of some old paper-and-pen system of mapping is, of course, to completely misrepresent reality. The problem is that the failure to move reasonably quickly towards digitizing the information that is available and towards the development of an accurate base map for all settled parts of Manitoba is precisely the issue that we were raising.

Thirdly, the technical capacity of the department, the reduced and diminished department responsible for mapping in the government, is unquestioned. According to the same people that are critical of Linnet, the government mapping branch produces extremely high quality, very accurate, very good work. That is not the issue. The issue is that that department has been reduced in its capacity to do work and that the amount of time required to finally get an accurate, adequate scale base map in place in all the developed sectors of Manitoba is far too long.

Now the issue of digitizing is not one that I think either the minister or myself is competent to advance expertise

on. I will simply ask the minister in his next response if he can either confirm or correct my impression given to me by what I believe to be competent people in the field that digital orthophotographs have an accuracy, absolute maximum, everything working wonderfully well, of plus or minus a metre but, in real world applications, plus or minus 10 to 15 metres is the usual standard of accuracy for digital orthophotographs. So they are fine for crop mapping, nothing wrong with that, but nobody can use them for any other purpose.

\* (1450)

When the minister says that they overlay perfectly on the 1:20,000 scale maps, I would challenge him to talk to any one of Manitoba's leading survey firms and make that same statement, because the experience in the field is that they do not in fact overlay, that substantial adjustments have to be made and that the underlying base of digital orthophotographs as a base map is simply functionally useless for anything other than crop insurance and perhaps tree cover or forestry mapping applications but certainly not adequate for roads and completely inadequate and inapplicable for any cadastral mapping. So I do not think the minister dealt very adequately with that question.

I would say, in addition, the Centra Gas contract which this company won is essentially the tracing and digitizing of maps into a computer database. It is the equivalent of script-driven telemarketing. It is not high tech. It is not particularly skilled work. It is grunt work that has to be done at high volume and low hourly cost. In other words, it is not terribly exciting work. I am glad that a Manitoba company got that contract, but it does not indicate wonderful expertise on that company's part, because the work that they are doing for Centra Gas is essentially the tracing of the existing maps and digitizing that information to place on base maps.

One of the primary reasons why this company has survived and has begun to get international work of course is that its majority ownership is SNC-Lavalin, which has international and more than a very major Canadian presence in this field, which involves in many cases geomatics applications. So their subsidiary in Winnipeg is well-placed to take advantage of its parent's work. I am glad they are doing that. Let me make it very clear to the minister, I am glad that Linnet has 65

employees. I am glad they are competing for international work that they can do, but I am saying that the minister has yet to explain to the committee why it is that if all is so well the report which he did not know about yesterday needed to be done in the first place?

If everything was working just fine, why did we need to commission the Nordicity company to do a strategic report and say, look, if we are going to survive and prosper in this field, there are certain things we have to do. The company identified quite a number of them. Why, if everything is so well in this field, have we one-third of the Canadian average employees in this sector?

Why, if everything is going so well, and I ask the minister, do we have what he very disparagingly called a bunch of mom-and-pop shops, a few firms with one or two or three employees and one big firm, Linnet, which kicks all the babies out of the nest every time they try to crawl in?

I ask those questions and I would be very interested in the minister's response.

**Mr. Driedger:** Mr. Chairman, I have to express disappointment again in the member for Crescentwood when he puts down the position and the ability of the people operating with Linnet and operating within the province of Manitoba.

When he talks about the Centra Gas contract, which is well over a million-dollar contract which was tendered across North America and where Linnet basically won out over 15 or 16 major companies, he treats it as if it is nothing, it is a minor project. That shows the attitude the member has towards the operations of Linnet, and I am very disappointed, and then makes reference to the fact of how long does it take to make a map. [interjection] Mr. Chairman, I listen very patiently when the member speaks, and I do not interrupt him. I ask him to do the same thing, unless he has a bit of a problem somewhere along the line.

I want to tell the member, by and large, that in Alberta they spent \$80 million doing their mapping, and it is sitting there virtually doing nothing. The whole thing basically collapsed. In Saskatchewan, they spent \$30 million doing mapping, and they have no people who use it. What we are encouraging Linnet and my department to do is basically we respond to requests. If somebody

wants to have mapping done, we have the expertise, the professional people. We go out there and do it.

The member is making reference again to that report. I am not surprised. The member made accusations that they did not know about the report. I did not either. It was done by I, T and T and Linnet, and if the member thinks that I am in the intricate day-to-day workings of the Linnet company, think again. My position and responsibility is in the policy area, and my deputy is the director on that board, and I feel very confident that the best decisions are being made for Manitobans and for the government of Manitoba.

Basically, this study was commissioned with the intent to see whether there was a better way to expand further in the business, which makes only abundant sense. If the member wants to go and read through that whole report—and I do not know whether he did or not—he is going to get different views because there is a lot of language in there that, basically, I do not know whether he knows where it is leading to. I certainly, in glancing at it, do not, but I am still having it further defined by my staff, and I will respond eventually, in due course, after I have had a chance to go through this with my colleague from I, T and T.

**Mr. Sale:** Mr. Chairperson, the minister still has not responded to the question and does not seem to have a response, so perhaps he wants to take it as notice—why is it, if all is well, we have a third of the Canadian average. Why is it, if all is well, we have, as he disparagingly notes, a small handful of mom-and-pop shops with two and three employees and one great big bird in the nest, Linnet, that essentially goes in and engages in predatory competition with the mom-and-pop shops and drives them out and, in fact, drove one company in Brandon out of business as a consequence of muscling in on a contract which they had virtually agreed to with the City of Brandon?

So if all is well, Mr. Minister, why are we in the situation that the report that your colleague the Minister of Industry, Trade and Tourism (Mr. Downey) commissioned said we are in, which said we have to have a new strategy; we have to have a strategy that looks at government regulation; we have to have a strategy that looks at price; we have to have a strategy that deals with the fact that we are underrepresented in this field?

You have not answered those questions at all, and I would appreciate—either I guess you could take them as notice, but you certainly have not provided an answer today.

**Mr. Driedger:** Mr. Chairman, if the member went through the report and if he is comparing the figures basically shown in the chart in there, it shows that, yes, we are lower, and I am surprised that the member would take that kind of an angle and tangent on this because part of the rationale and reason for why it is that low in Manitoba is because we do too much within government departments.

He is promoting more privatization, that we should take it out of government? Let him put that on the record if that is what he is basically saying, which is not consistent with his philosophy or his party's philosophy. He is basically saying, take it away from government departments and privatize more. If we do that, it will show different figures in there.

**Mr. Sale:** The problem in Manitoba is that we have very little in the way of competitive industry in the geomatic sector, so the small companies have not been allowed or enabled to develop the kind of expertise or the staff size or the scale or the capital to enable them to compete effectively for big projects or medium-sized projects, either here or elsewhere. That is the problem.

The question of government procurement is always an open question about what ought to be done in-house and what ought to be done on a contract basis. This government has decided to in effect favour deeply one company and give them a great advantage over the rest of the field. Now, as has been said, there are times when incubating a new industry is an appropriate strategy.

The question that has been raised by this side of the House and in the report was, it has had a seven-year incubation period, it is now not only the biggest in Manitoba, it is by many multiples the biggest in Manitoba. Surely it is time to end the incubation, to let the rest of the industry begin to compete on a level playing field for the kind of contracts that small towns and medium-size towns in Manitoba and even cities the size of Brandon wish to let, to stop favouring one company, to recognize that you are in a conflict of interest, Mr. Minister. The conflict is that you have a

government policy backed up by ownership of 24 percent of the shares of the company that is your policy instrument.

The business of government is government and the business of business is business. When you mix the two, then your judgment begins to be clouded because you do not want to have a bad investment, you do not want to lose money on your investment. So you are naturally tempted to favour the company in which you have a significant equity position over against companies in which you have no equity position because you do not want to be embarrassed by the failure of a company you have tried to incubate.

\* (1500)

But we are not asking you to be embarrassed, what we are saying is, the incubation period, by any reasonable standards, is over. End the monopoly, let the other companies compete on a fair, open playing field, let Manitoba young people have better chances to get employment in this very exciting and emerging sector and make a public and open commitment to a base map strategy in which all can take place without unfair subsidies being provided to some. That is what we are asking for. I do not think they are unreasonable requests and, in fact, if you think about your own free market philosophy, what we are asking for is that you stop interfering in a market in which you have crippled many small Manitoba companies.

**Mr. Driedger:** Mr. Chairman, the member makes reference to me not being embarrassed with the operations of Linnet. I am not embarrassed; I am very proud of the operations of Linnet and I want the member to wake up and smell the roses. If he would, instead of encouraging a negative approach to this thing, take those people that he is championing, trying to be the champion for, if he would encourage them to come and talk to Linnet—we have six operators out there that basically take advantage of the information and the operations of Linnet, and it had its own business through that. We have this major company here that basically has this kind of ability and has the expertise.

Instead of keeping his head in the sand, why does he not encourage his people that are coming to him or that he is trying to be the leader of, ask them to come to Linnet? Let them go and talk to Linnet; let them go and

see what Linnet has to offer. It probably would be to their advantage to be able to maximize the expertise that is out there and be able to create more employment and opportunities for them on their own instead of trying to say, no, you cannot do that, that we have a monopoly on it. It is not a monopoly. The information is available. Professional people and expertise are available for these people if they want it.

**Mr. Sale:** I wish the minister could hear himself. What he is saying essentially is, go to this one company, appeal to this one company to become a player in the industry. They are the big daddy, you are the little kids. You go there and they will share their wealth of information with you.

Let me tell the minister that Linnet does not share very much information willingly with anybody, especially if they are not members of the MLRIS in the first place. The cost of retrieving data is very excessive in this province now. The minister, I think, does not realize—the minister needs to get out and smell the roses himself and talk face to face to some other players in this industry, some impartial people who are not in an equity ownership position and defending the government's strategy.

I would say to the minister, he asked me to go to Linnet. In fact I am quite prepared to do that. I would ask the minister in return, will he go and sit down one-on-one with the other companies in Manitoba, the small companies that have come to us and said, we are dying? Will he go and sit down with them one-on-one and talk with them about the issues that they have raised in detail with us? Will he make that commitment?

**Mr. Driedger:** I have to tell the member that I have not had one request to meet about this issue, and I am going to repeat again for the member that basically we are the leaders in the country. Why would Saskatchewan and British Columbia have contracts with us? Why are we on the verge of signing contracts with Alberta? Because we have that expertise. Why would our own people not be able to want to make use of that expertise that we have? I have difficulty trying to understand where this member is trying to go.

**Mr. Sale:** Is the minister, then, saying that the monopoly will continue and that this company will continue to have

a preferred role and status within the role of the public policy of Manitoba? Is that what the minister is saying?

**Mr. Driedger:** I will tell to the member what I said to the public yesterday, that the agreement that we have terminates at the end of March 1997. In the meantime the board of directors is looking at options and will be having discussions; and, once they have reached certain conclusions, they will be coming forward with recommendations at which time the Manitoba government will basically be taking a position as to whether we want to consider terminating, whether we want to renew the contract. I do not have any definitive statement at this point in time. I just know that discussions are taking place; and, once we have the information and recommendations, we will make that decision.

**Mr. Sale:** Would the minister make the commitment today that before that decision is reached he will proactively visit with, speak with, meet with members of the geomatics industry sector in Manitoba on a one-on-one basis, other than Linnet, and will listen, at least listen, to their perspective on the issues that have been raised here?

**Mr. Driedger:** I will make a statement that I have done very many times. If anybody wants to meet with me, all they have to do is request. Meetings will be set up and meetings will take place.

**Mr. Sale:** I thank the minister for that commitment, and I will make sure that the industry people are aware that he is willing to meeting with them at their mutual convenience.

Mr. Deputy Speaker, I want to—maybe you could answer a question: In your role, are you Mr. Deputy Speaker or are you Mr. Chairperson?

**Mr. Chairperson:** Mr. Chairperson.

**Mr. Sale:** Thank you. I never know which hat here.

Mr. Chairperson, I want to ask some questions about the Linnet contract with Louisiana-Pacific. First, the government has frequently indicated that this is a contract between Louisiana-Pacific and Linnet Geomatics. Is that the minister's understanding?

**Mr. Driedger:** I was going to note here, I wonder if the member would mind repeating the questions.

**Mr. Sale:** My question was whether the contract in regard to the forestry mapping program is between Linnet and Louisiana-Pacific. Is that his understanding of the contract?

**Mr. Driedger:** Louisiana-Pacific has a contract with whomever they want to make a contract. We do not get involved or recommend. They have their contract with Linnet.

**Mr. Sale:** I wonder if the minister would like to reconsider his remarks and decide whether he either perhaps was misinformed by his deputy or is misleading the committee, I am not sure which.

The contract was made December 15, 1994, between Linnet Geomatics International Inc. of the first part and Louisiana-Pacific of Canada Ltd. of the second part and Her Majesty the Queen in right of the Province of Manitoba of the third part. Are we referring to two different documents?

**Mr. Driedger:** Mr. Chairman, I am told that Louisiana-Pacific has their own deal with Linnet to do the geomatics work on the forestry end of it. Yes.

**Mr. Sale:** Mr. Chairperson, I am in a bit of dilemma here. The contract, there is the signature of one Albert Driedger, minister. Perhaps he was not entirely conscious when he signed it but it seems to be his signature and it seems to be L-P's signature and it seems to be Linnet's signature of Mr. Graham. It is a 13-page contract and, as I said, it is December 15, 1994, so I think the minister owes the committee a clarification and perhaps an apology.

**Mr. Driedger:** Mr. Chairman, I am trying to get a clarification here as to why basically I would be a signatory to it, because we did not tell or instruct Louisiana-Pacific to get into a deal with Linnet. We had an understanding with Louisiana-Pacific that they should do certain works. Who they did the work with was not stipulated by us. I am trying to establish as to why we are a signatory as part of it.

If I could just continue, I am told why our signatures are on there, to confirm the fact that the agreement, the

understanding we had with Louisiana-Pacific, that this work was going to be undertaken. That is why that signature is on there. I will get further clarification on that.

**Mr. Sale:** The minister I presume will also acknowledge that there is a contract between Louisiana-Pacific Canada Ltd. and Manitoba in terms of the development of the oriented strand board. This contract is signed by Jim Downey and Clayton Manness and by two Louisiana-Pacific officials. In this contract it calls for the development, among other things, of some work on behalf of Louisiana-Pacific for what is called a forestry-managed licensing agreement to be supported by a GIS funding agreement, Section 9.04, which calls for the company to enter into an agreement.

\* (1510)

This is a very interesting clause, Mr. Chairperson, and I want to read it into the record. This is Section 9.04 of the agreement made the first day of September 1994 between Her Majesty the Queen in right of Manitoba, et cetera, and Louisiana-Pacific and, as I have said, was signed by Jim Downey and Clayton Manness.

9.04 reads: GIS Funding—If the company does not enter into an agreement with a Manitoba company as referred to in Section 7.11, within three months of the date of this agreement (the GIS date), the company shall upon the issuance of all environmental licensing and permitting for the plant pay to the province the sum of \$5 million at the rate of \$225,000 per quarter, at the end of each quarter commencing on the GIS date, to be used by the province solely for purposes of creating GIS databases for the Forestry, Mountain Forest section. The company shall be entitled to access such databases during normal business hours from within the Province of Manitoba without cost, except for reasonable out-of-pocket costs.

Now the reference to Section 7.11 is to an agreement that the company, Louisiana-Pacific, shall enter into with a Manitoba company (MC). Now I wonder if the minister could suggest any other Manitoba company that had the ability to do a forestry management GIS system for Louisiana-Pacific. He has been very, very disparaging about these Mom-and-Pop shops, two- and three-person operations, and there is this one big elephant called Linnet, and the minister has the gall to suggest this was not a wired contract. Who else, what other firm in

Manitoba had the capacity to do a forestry management GIS for Louisiana-Pacific of that scale? And it was not a wired contract? I do not think so.

**Mr. Driedger:** I do not know. The member just read into the record the fact that the agreement with Manitoba government and Louisiana-Pacific was that it had to be a Manitoba company. The member is asking me what other company. I do not know who would be capable of doing it. Can he suggest someone?

**Mr. Sale:** I think the point is very clear. This government entered into a contract which was destined for only one destination, and that was Linnet. When the minister said earlier, we have only given them \$5 million; what he meant was we have only given them traceable \$5 million directly from government operating departments. He did not tell the committee the numbers of millions that have been levered from other, somewhat unwilling or partially willing users of their service. He did not talk about Hydro. He did not talk about any of the other contracts, and he certainly did not talk about the \$5-million contract with Louisiana-Pacific.

First of all, I think it was less than forthright of the minister to not remember that he had signed the document, and to try and indicate to the committee that the agreement with Louisiana-Pacific was purely an arm's-length arrangement between two willing partners in the private sector, each doing business with the other to their mutual advantage. The reality was the government set up its contract with Louisiana-Pacific in order to wire the GIS contract to its friend, Linnet, in which it has a 24 percent share.

This was a wired deal from Day One, and if the minister cannot put on the record any other Manitoba company that could have done this work, Manitoba company, then he is going to have a hard time convincing the people of Manitoba that this was not a wired contract from Day One to its favourite geomatics company.

**Mr. Driedger:** First of all, the member for Crescentwood has still not indicated to me what other company he felt would possibly be qualified to do the work.

**Mr. Sale:** There are not any because your sector development strategy failed.

**Mr. Chairperson:** Order, please. Could I have the members coming through the Chair. It would be much more appropriate and we will keep the decorum that way.

The honourable minister, to answer the question.

**Mr. Driedger:** First of all, the member says there is no other company that is qualified, but when you consider that we are a 24 percent shareholder, and if we can generate that kind of business, that is not a bad deal. I want to say though in further clarification to the member for Crescentwood (Mr. Sale) who was concerned about why my signature was on that document, part of the reason was because a lot of that data belonged to the province, and that is why our signature was on that agreement.

**Mr. Sale:** Mr. Chairperson, I am glad the minister has confirmed that the intent of the agreement with Linnet entered into in September and the intent of the agreement entered into between Linnet, Louisiana-Pacific and Manitoba on the 15th of December was to ensure that Linnet would do the forestry management GIS for L-P. The minister has on numbers of occasions insisted to the press and he insisted earlier here today that the government had nothing to do with the granting of that contract. The truth is now clearly on the record, the government wrote its agreement with L-P in such a way that L-P was coerced to use Linnet, because Linnet was the only company of a sufficient size to be able to undertake the work. If Louisiana-Pacific attempted to use a company other than that, they would forfeit \$5 million which the Manitoba government could then use to do what it should have done in the first place which is develop a forestry GIS some years ago. So I am very glad to have that sorry admission on the record.

I would like to ask the minister whether the forestry management GIS is a public data base that can be accessed by any person who wishes to access the data base for normal nominal fees or whether this is a proprietary and closed data base that is not available to the public.

**Mr. Driedger:** Mr. Chairman, I think the member would agree that the information basically is a provincial information that we have responsibility to take, and whichever means we use, in terms of making it available, either through purchase from Linnet, but ultimately we



are still the signature that is required to release that information.

Mr. Chairman, the member is asking pretty technical questions, and I am trying to get the right information on that. My understanding is that information basically that the government has, for example, in the department of forestry or Crown lands, Land Information services, that is our information to not necessarily to be sold through Linnet. We can take and make that information available if that is the desire of the department.

**Mr. Sale:** Mr. Chairperson, Article 6, specifically 6-6.02 of the contract indicates that all data shall be the exclusive shared property of L-P and the province. L-P and the province are to be provided a copy of all original materials, et cetera, et cetera. All information data, computer programs, et cetera, shall be the exclusive shared property. Section 6.03(b) Linnet Graphics International is entitled to a copy of the material for all purposes in connection with this agreement for other uses with the approval of L-P and the province, including the sale of the materials to a third party at a price and on terms agreed to in advance by the parties. When the sale of a material occurs, L-P and the province shall collectively receive 60 percent of the sale price, et cetera, et cetera.

\* (1520)

In other words, Mr. Chairperson, these data that are developed at great expense using stumpage fees are not available to the public for any kind of nominal fee, and any future forestry licence review is going to be based on a geomatics information system, a geographic information system, that is owned by the party that is applying for the review, and it will be very difficult for Manitobans to access that data in a way that could allow them to review the request of L-P for forestry licence extension or, alternatively, for interested parties to monitor whether L-P is, in fact, living up to its forestry management licence, because the data are not going to be publicly and readily available according to this document. Could the minister respond?

**Mr. Driedger:** Mr. Chairman, we can continue this debate, I guess, for as long as the member wants, but I could tell him again that basically the information, the provincial information that we have, each department within its own, you know, information bank has the right to release whatever they want to release or to sell it.

**Mr. Sale:** Mr. Chairman, is the minister saying that a member of the public or an interested party who has a concern about the FML administration in the L-P cutting areas could go to the branch and request and require that the branch would release information that was up to date, complete and that the party applying for that information would not be faced with high fees for getting the information that they could not afford?

**Mr. Driedger:** I do not know how I can answer that. It would depend on the type of information, how extensive the information is, you know, what cost there would be involved in getting the information.

If the member has somebody who is interested—for example, the member himself, why do you not make an application and find out what the process would be? I cannot say off hand at this point in time exactly what would be involved when you ask for the type of information you ask for, whether it is readily available, whether all kinds of work is involved in making that information available. Do a trial run.

**Mr. Sale:** Mr. Chairman, the minister essentially, I believe, has confirmed the concern on which my question is based; that is that public resources in the form of stumpage fees and payments which are a reasonable cost of doing business out of which Louisiana-Pacific, presumably, is making good profit, provincially levied fees are being used to develop a geographic information system the data of which is not publicly accessible.

It is only accessible on request, in some specific format, at some price, and if it is anything like the prices that are being charged for other data sets in Manitoba, most groups will simply not be able to afford it.

I am not going to make a dry run or a test run. I do not have the resources as a member of this Assembly to go and spend a thousand dollars to get a picture of the cut area at the present time. My question is on behalf of the many groups, tourist groups, lodge operators, resort operators, who are concerned about the impact of the FML on their livelihoods.

They, I think, have a legitimate interest in any licence renewal or licence amendment, and it would seem from the minister's answers that they are not going to be able to afford to get the data that would allow them to make a

critical, thoughtful application to any FML renewal process.

**Mr. Driedger:** The member is making assumptions that I do not think he can back up. He is speculating and making a statement that this information is not going to be available, unless it is at high cost. I tell him, depending on the kind of information that is required. Have him give me an example. Let us work one through, find it out. It would be good experience for both the member and myself to find out exactly, you know, what information is available at what cost. [interjection] Then what are we talking about?

**Mr. Stan Struthers (Dauphin):** I want to ask the minister a few questions on our parks and our park system here in the province. We touched on it a little bit yesterday. I would like to go into it a little further today. Could the minister indicate what stage is the fulfilment of the promise that Natural Resources made to the Clean Environment Commission for two new protected areas in the Duck Mountains?

**Mr. Driedger:** I wonder if the member could repeat the question. I did not catch that.

**Mr. Struthers:** What I am interested in knowing is, at what stage—at one point Natural Resources has made a commitment to make for two new protected areas within the Duck Mountains—I want to know what stage that land is in for protection?

**Mr. Driedger:** I am going to try just to be a bit more specific. Is one of the areas that the member is referring to the Roaring River area and the Shell River area? Yes, we are reviewing the areas as part of the 1996-97 schedule. We are looking at designating them but we have not quite established exactly whether we would designate them as endangered spaces or protected areas. There are various categories and we have not made that decision. Once we have a better idea what we want to do with it then I will make the member aware of that.

**Mr. Struthers:** I am interested in more of a time frame and how soon it is that we can look forward to hearing from the minister on this.

**Mr. Driedger:** Maybe I should try and clarify it a little better. We have ongoing process in terms of areas that

we are looking at. I think we made reference to it yesterday. As we were trying to move towards a target of 12 percent of endangered spaces, we have various categories that we are moving forward in various stages. I would like to be more definitive, but it would be within this fiscal year that we basically will be making the decision on that, but I cannot say that it would be by the end of this summer or fall or whatever the case may be. So I will say by the end of this fiscal year is when we will be making that decision and designation.

(Mr. Mervin Tweed, Acting Chairperson, in the Chair)

**Mr. Struthers:** Could the minister give me an idea of how much Crown land would be involved in this protection?

\* (1530)

**Mr. Driedger:** Not at this time but I am just going to check with my staff to find exactly what the process would be in terms of how we establish this, whether we do this through a public hearing process, public input into the matter.

Mr. Chairman, I have the commitment from my deputy that this would be part of that process of a schedule that basically he is developing together with my Parks director and Parks people toward meeting the objective of the overall picture and ultimately the timetabling of the 12 percent by the year 2000.

I am told that I will be able to get back to the member on the acreage once I have a little bit more information on that. I do not have that specific information as to how many acres of Crown land would be involved.

**Mr. Struthers:** What would prevent a company such as Louisiana-Pacific right now from going in there and cutting, going into those areas that we have been talking about here?

**Mr. Driedger:** Mr. Chairman, it is my understanding that discussions have taken place with Louisiana-Pacific because of the consideration that is being given toward these areas, that they are not necessarily going to be moving into that area for cutting purposes. So I have to tell the member that by and large our discussions with Louisiana-Pacific and Repap too, for that matter, are

ongoing negotiations all the time about some of the areas that are affected, and it is very positive. They are very conscientious about trying to be good corporate people and my forestry people are very conscientious, of course, with their responsibilities, so there is a good liaison.

The member was trying to pinpoint specific times or areas. Unfortunately, I cannot be that specific at this time and place, but related to those areas I think we have the understanding with Louisiana-Pacific that they will not be moving in there to do any cutting at this time at least.

**Mr. Struthers:** Another concern that I have with the area that Louisiana-Pacific could eventually be cutting in is its impact on the treaty land entitlement, the claims that have been made in the area and what kind of protection can bands in the area—for example, in my own area, with the Valley River Reserve, what kind of protection do we have in there that the entitlements that the bands of the areas have been putting forth will be honoured by Louisiana-Pacific or Repap of Canada?

**Mr. Driedger:** Mr. Chairman, I want to just tell the member that it would be our hope and desire, of course, as that is with the Minister of Native and Northern Affairs (Mr. Praznik), who is very actively involved with the treaty land entitlement and the settlements that are taking place, the sooner that they identify their land the sooner we can take and resolve the issue as to where cutting can take place and where not. I think the department and probably these questions will probably be more appropriate for the Minister of Native and Northern Affairs, but I believe there is a process in place right now where they are looking at setting aside a certain percentage of lands which the bands are setting aside or identifying, and those will then stay protected for the process. I am not quite sure of the process but the Department of Native and Northern Affairs is banking this land, setting it aside until, you know, final decisions are made on that, until the bands and the federal government come to some understanding and conclusion as to which areas should be designated.

In fact, I have to say to the member that I think a lot of progress has taken place. My understanding from my colleague, the Minister of Native Affairs, is that we are very close to getting decisions made on that, and I think everyone is going to be relieved once we basically have done that. Certainly, I think all considerations, all

departments, everybody is concerned to make sure that we do not take and pinch land that basically would be picked or chosen by the various communities.

**Mr. Struthers:** I am just not quite sure what the minister means by the process. My fear is that bands in the areas that are involved in the cut for Louisiana-Pacific and for Repap have not had their fair share of consultations. They have not had enough of an input to make their claims clear. I would like the minister to explain to me exactly what he means by the process that is being used here because it is important that the desires of aboriginal people be worked into this whole equation. From what I have seen so far, that has not been worked into the equation.

So far what I see is two very large lumber companies who have been proceeding along at will with the encouragement of the provincial government and the Department of Natural Resources. I am afraid that aboriginal desires are going to get walked on as we move along and that the process that the minister refers to is not so much a process at all for consultation but is simply an avenue for another company to come in and have its way with our natural resources.

I am hoping that the minister can give me some kind of reassurance that the aboriginal people will be involved in the equation.

**Mr. Driedger:** I repeat again, possibly my colleague the Minister of Native Affairs who is responsible for the negotiations right now will probably be able to give you a more definitive answer on that. I can just mention to the member that we certainly are not going to set aside all the lands that are out there. That is why I mentioned before the sooner they can pick their lands that can be set aside, big areas are going to be set aside and held in trust until the agreement between the feds and the bands can take place.

But I am not certainly going to direct Repap or Louisiana-Pacific not to cut because then I would sit back and this thing could go on for another 20 years with no action being taken. I would encourage them to move ahead. There is a process that is taking place and my understanding is we are very close to agreements on the overall picture, and I am very encouraged by the latest information that I have received, that it is very, very close to being finalized.

**Mr. Struthers:** I would like to know then, where does this leave the minister of Resources in his goal of getting 12 percent protected land by 2000?

**Mr. Driedger:** That is definitely a challenge and we have always accepted from the time that we started with, I think, 1 percent being designated at one point in time. We are at 5.5 right now. We feel comfortable and I hold my staff accountable that they are developing a scenario and a time frame so that ultimately by the year 2000 we can accomplish the 12 percent set aside that our Premier is committed to. I never said it was going to be easy. It is going to be tough, but I am encouraged by staff saying that they feel they can accomplish that.

**Mr. Struthers:** Does the land that is claimed by the bands in the area, does the minister consider that part of the protected lands?

**Mr. Driedger:** Mr. Chairman, that land is definitely not under consideration for endangered spaces. It would be reserve land, especially once the entitlements are completed, and certainly will not be part and parcel of the Endangered Spaces Program.

**Mr. Eric Robinson (Rupert's Land):** Mr. Chairperson, I was listening very carefully to the remarks of the minister with respect to particularly the endangered spaces initiative and the 12 percent that has been committed of land space in Manitoba by the year 2000. The minister has not really, in my opinion, responded to the member for Dauphin's questioning with respect to how that is going to be done. I know we went through an exercise to achieve that 5.5 percent last year, but that was deemed as overriding the whole notion of treaty land entitlement in this province by the First Nations leaders.

\* (1540)

Mr. Chairperson, I would like to go back and ask the minister exactly what processes and what mechanisms he has in mind, particularly his staff, in having some dialogue with the First Nations leaders and particularly the Treaty Land Entitlement Committee in achieving what he would like to do by the year 2000.

**Mr. Driedger:** Mr. Chairman, I made some comments yesterday in my opening remarks related to trying to—you know, how we intend to proceed to try and get to the

objective as set out there. I made reference to the fact that we are having consultation process right now in terms of The Parks Act. We are looking at proclaiming The Parks Act. I would have liked actually to have done it sooner already. When the final round of consultation, where we will basically establish classes and categories—once having done that then I would believe that we would be able to take and possibly designate some of the provincial park areas, and we have well over 100 parks, designate some of those as endangered spaces parks depending on the classes and categories that they work into. We also have the lowlands park which we are working together with the federal government on on a very positive scale.

The member, I think, and myself had the opportunity to have just a brief discussion on that issue when we were coming back from Churchill after the signing of the Wapusk National Park. We are working on the lowlands park.

The member asked what kind of process of consultation is going to take place, and if he is making reference to the, I guess, controversy, differences of opinion that were developed when we designated the four provincial parks a while ago. There always was that reaction, and criticism came forward that we had not consulted with the native communities in the area. I have to take some exception to that, and put it on the record at various times that when that process took place communities were notified. I think the members have the list of all the people that were notified, including bands and councils, chiefs, et cetera, that basically were notified, you know, anybody that had any concerns that they should come forward. A few people did. I think I have tabled those letters as well. But because of the concern that was expressed, I want to assure the member that if we are going to move further in these areas that there is going to be—I will hold staff responsible to make sure that there is very definite consultation taking place. The member is probably aware of the consultation that is taking place under the designation of the potential designation of the lowlands national park that we are working on.

**Mr. Robinson:** I think that I join with the minister in commending the efforts that have been made with respect to the designation of the Wapusk National Park, and the signing that occurred. That was truly an indication of consultation at its best with First Nations communities.

particularly the Fox Lake First Nation and also the York Factory people that had an interest in that particular area. I believe that differs drastically. The minister and I can sit here and differ on our opinion about what went right and what went wrong with the four provincial parks that were designated last year.

Our position, and certainly the position of First Nations people throughout this province that it was not done right, it was done wrong. However, the opinion is different with the Wapusk National Park. I simply want the players identified who are going to be consulted, who are going to work with this government in a partnership arrangement to begin dialogue in designating the remaining land that has been committed by the year 2000. I simply want the names of the organizations and the communities involved and the ones that are going to be directly affected by the designation of the land in the Endangered Spaces Program. That is simply my question, Mr. Chairperson.

(Mr. Chairperson in the Chair.)

**Mr. Driedger:** I just want to tell the member that, for example, in the process—and I concur with him—the process that was used with Wapusk National Park was a very positive one. I have not heard anybody come up with a negative comment. I would like to hope that as we develop the lowlands national park that that same kind of understanding and co-operation would be worked out.

The other thing I wanted to say to the member, that even if we set aside land for park, that the bands can still select, and we would consider if there were lands in there that they would want to take and be as part of their entitlement.

**Mr. Kevin Lamoureux (Inkster):** I have a number of questions that I would like to ask the minister, understanding that we are still in the Executive Support line and at times it can be somewhat flexible in terms of answering some of the questions, so I would ask for the minister to give that consideration.

The questions that I had to ask were in a couple of different areas, the first one being in the game farming area and if the minister can give us some sort of indication on what the current status is with reference to elk farming.

**Mr. Driedger:** I will try and do a bit of a recap of the status of where we are at. Maybe for the member's benefit he should be aware that between 1977 and 1981, under the Sterling Lyon administration at that time, there was an experimental elk ranch set up in the Swan Valley, and there was some difficulty in terms of how that process evolved because it was a pilot project. There were a number of players involved, and some of the elk that were being captured out of the wild. A certain percentage was supposed to be turned back. The program obviously did not go well somewhere along the line, and in 1986 the Premier's administration at that time decided to terminate the elk ranching. Payment was made to one individual to cease and desist and get rid of his elk herd, and invariably—you can criticize, I certainly do not feel very good about it—certain individuals throughout the province were into elk raising, I suppose, with viewing permits and continued to raise elk, including the individual that was paid out to cease and desist the elk ranching.

Over the years there has been a bit of problem developing and it has never been properly dealt with. The government of the day, this government made a decision some time ago that it would get back and allow elk ranching as a cultural diversification program. With that in mind, once that decision was made, my department was exposed at that time with certain difficult problems in the Swan Valley where we have a resident elk herd that is not up in the mountains but is down below in the valley and is creating problems for many of the agricultural farmers out there. Combined with the very cold winter, lack of feed and extreme weather conditions, elk were moving out of the mountainous area into the valley as well, and the farmers were asking us to deal with the issue one way or another way.

One of the things that they suggested—and they supported actually elk ranching at that time. We then made a decision because in spite of the fact that we knew legislation was required, and the disposal and the implementation of elk ranching will be part of the agricultural initiative, the Department of Natural Resources has the responsibility and the decision has been made that for four years we would, based on the amount of animals available out there—we do not necessarily curtail the hunting activities of the people that are interested in that regard—we felt our elk herds were getting very healthy. We have approximately 10,000 elk

in Manitoba at the present time. The objective was to take, and based on the decision that we are going into elk ranching, that we would capture some of the resident elk out of the valley.

When we made our final move in that direction to try and alleviate some of the pressure—and that was only part of the initiative, the capture of elk—we had resistance from the farmers who felt that they did not want us to catch the elk and used it as a bargaining tool to try and get 100 percent compensation for the damage that they were receiving. Under the crop insurance program, all they do receive is 75 percent.

A study had been commissioned by the Manitoba Crop Insurance to address that issue. That report, I think, is coming to the Minister of Agriculture (Mr. Enns) at this time, but we were not in a position to make a commitment of paying 100 percent compensation. What we did then with the department, rightfully or wrongfully I suppose, prematurely probably—I will accept that to some degree—was move ahead to try and alleviate the situation and catch some elk. We captured 114 elk and at the present time—and that is within the rights and the responsibility of the department to do that, but we have no right to dispose of them in terms of an initiative related to elk ranching. At the present time my departmental people and the Department of Agriculture are developing criteria and guidelines as to how the elk will be disposed of.

The legislation, I think, has received first reading by the Minister of Agriculture. I think second reading will take place very shortly, but as the member is aware, the rules of the House are such that the legislation in all possibility will not be passed until November 6 or 7, at which time then we would officially be able to, if the bill passed, would be into elk ranching. That is it in a nutshell.

**Mr. Lamoureux:** The 114 elk that were captured, were they then all captured from the Swan Valley?

**Mr. Driedger:** Yes, Mr. Chairman, we had a number of catches out there. I have to tell the member that it was quite challenging. I am actually, in retrospect, pleased that we did move in that direction and start capturing elk because it is a new—you are dealing with wild animals. It was a real learning experience for our staff people. We

brought in people from Saskatchewan who have gone through this who, basically, were our mentors and gave us advice as to how to deal with the issue. The capture of wild animals in such a way that you do not harm them, kill them, is very challenging and exciting.

\* (1550)

Then, of course, we had resistance there by the animal groups. The farmers themselves were concerned. Hunters were concerned. It was very challenging for people out there. We did manage to catch, like I say, 114 elk, I believe. We moved the male elk to the Pine Creek Reserve. They have a facility out there. That was another challenge that we had, to find a proper facility. We had hoped to take and store them actually close to Riding Mountain National Park where the feds have a pretty elaborate corral system, but they were not receptive to allowing us to use that. Ultimately we moved, aside from the male elk, the balance of 95 animals. We moved them into the game farm at Grunthal. The majority were caught in the Swan Valley.

**Mr. Lamoureux:** It would have been the department then that was ultimately responsible for the capture of all the animals. The majority came from the Swan Valley area. There was a supply of monies provided to one of the area farmers to build a fence from what I understand and to retain animals or elk. Can the minister comment in terms of the type of money that was allocated out. Was it tendered? How many animals of the wild elk that were captured would be at that particular facility?

**Mr. Driedger:** Mr. Chairman, the initiative was taken by the department to set up—I think we had two traps that we basically—outcrops that the department developed and set up. We also had the venison council that basically consisted of people who have elk at the present time, at least some of them. So we basically—they offered to catch elk for us as well. However they also met with all kinds of resistance and concerns and ultimately, I think, they did not catch any.

I have to tell the member though that we had a tremendous amount of offers. Everybody wanted to get into this exciting business of catching elk and we were very sensitive. Initially we looked at offers by native communities, groups, and were toying with the idea of whether that was the route to go and ultimately made

what I think is the wise decision not to take and allow anybody except departmental people to take and capture the elk.

**Mr. Lamoureux:** The other part of the question was in regard to the location of the elk after they were caught. I understood that there was money that was given in order to put up a fence. If the minister can confirm that and the amount and if in fact it was tendered, and did all the elk go there or do we have out of the 114 elk some at one location, others at another location? If he can indicate that?

**Mr. Driedger:** Under the Department of Agriculture, there was a certain amount of monies that was being set aside to take and embark on the program because I certainly did not have the money in my area but the Department of Agriculture set aside certain monies for the agricultural diversification to go into the elk ranching. It was that money which basically my department—it was transferred from Agriculture to Natural Resources and it was that money that was used basically to do the capture by some of these squeezes, to deal with the animals that had to be DNA tested, blood tested, et cetera and also that we built—some of the monies that were expended for the fencing and the game farm where the animals are at the present time.

The rationale that basically was brought forward to me by staff was that if we were going to do this for four years we need to have a base where ultimately we can take them, test them, take them and separate them and do the proper dispensing of the animals at a point in time once we have a proper policy in place to do that.

The member asked whether the fencing, whether that was done through tendering. I believe not. I believe we basically at that time, because we had the animals, moved ahead in 40 degree weather by and large, and we used some of the Parks staff that we had in the St. Malo Park that basically we utilized, bought the wire and just basically used most of our own staff people that were laid off for the winter and brought them on to basically build the fence.

**Mr. Lamoureux:** I would appreciate, if it is not available right now, if the minister could get back to me sometime over the next couple of weeks as to what the costs were in terms of administration and what the

Department of Agriculture would have put forward, only because we have somewhat limited time during the Estimates. I would be very much interested in the actual cost to the government in taking this thing from the ground up to distribution.

So currently, from what I understand, all the elk then for the next four years are going to be kept in some sort of a containment under government jurisdiction with the idea of what, at the end of the four years the elk would be auctioned off? I am assuming that the private sector ultimately is going to be taking responsibility of elk farming. How, at the end of the four years—or if it is before the four years? When do we start to see the average farmer that decides that they want to venture into this area of speciality being provided the opportunity?

**Mr. Driedger:** I mentioned before that we are just in the process of developing some of the criteria and the regulations as to the disposition of the animals and what price we are going to put on them. I can tell the member right now that in Saskatchewan, Alberta, Manitoba's elk are the most desired elk in the world, really, that if we put our animals up, possibly, for a public auction that—I might be speculative but I think we would probably be fetching prices of \$12,000 to \$15,000 for bred cows.

So there is quite an asset that is sitting out there, but if we are going to take maybe just some of the concerns one expressed—oh, incidentally, I will get the information related to the costs involved to date, but I just want to tell the member that the disposition of the animals is going to be very crucial in terms of how much money is generated. The idea is to take and have it fully cost-recovered in terms of the sale of the animals.

The decision that we are contemplating at the present time is that half the money will be going into the Treasury Board. The other half will be used to basically offset costs related to capture, handling, disposition of the elk, including enhancement of habitat throughout the province, to work with organizations for the animals in the wild to make sure that we can improve their habitat. By and large we think that it is going to be a positive program once we have it implemented to the stage where we start moving the units out.

\* (1600)

The other question that we have to deal with is who can basically qualify for elk farming and how many. Do we put them on a public auction sale and the highest bidder buys them and then maybe two guys buy them and then we lose the impact of trying to accomplish what we want by agricultural diversification? The intention would be to try and supplement income for farmers and have as wide a coverage as possible. Now do we do that on a draw basis, that we basically pull somebody's name out of the hat and he qualifies for so and so many units and then he has to build a certain amount of fence based on so many acres per animal? The cost of the fencing, et cetera and, you know, do we allow them to take and roll over and sell the animals? If we give them at a subsidized price, can they dispose of them at a full market value? There have to be controls on it. I am just illustrating some of the debate that is taking place that has not been resolved, but we feel between the two departments, they are working on recommendations. Once those recommendations have been finalized, then the Minister of Agriculture (Mr. Enns) and myself will take these recommendations forward to the government of the day and hopefully make some decisions.

All this is still pending, you know, the fact that legislation has just been introduced and we will not pass that till November 6 or 7. So the sense if there is any criticism I am within my rights in the Department of Natural Resources to have captured animals, I am allowed to do that. This position is a different story again. So we might be accused of having moved prematurely and in the event that the legislation would not pass, we have the means of things we could do possibly with the elk that we have in captivity right now.

The member asked before and I think I failed to answer that. They are in two locations. The male elk are at the Pine Creek Reserve, the facility there where they are being held, and the female elk and the young male and female elk are in the Cottonwood Game Farm in Grunthal.

**Mr. Lamoureux:** Does the government have any intentions on capturing more wild elk? Before this dispersement—and I understand we are talking somewhat hypothetically because the legislation has not passed that would authorize the minister to do it—but are we looking at optimum number before the elk become available?

**Mr. Driedger:** Mr. Chairman, it would not be the intention of my department to catch any more elk until, first of all, we have legislation to allow elk ranching to take place. If and when legislation passes and provision is made for elk farming or elk ranching in Manitoba, at that time it would be our intention to possibly have three or four years where we take certain animals, you know, where we feel we have the surplus and capturing them and disposing of them in the same way that the initial group would be disposed. We would not intend to catch any more elk until we basically have done all the necessary things in terms of legislation and the process how we dispose of them.

**Mr. Lamoureux:** Mr. Chairperson, is it legal? I am not really 100 percent sure. Are there any elk farms today that Manitobans have ventured into outside of what we have just talked about in terms of the captured elk? Again, I would ask, if the minister is looking at some sort of an optimum number. For example, once we hit the herd at 400, then we would be looking at some sort of distribution, or is it more of an ad hoc number that they would be looking at?

**Mr. Driedger:** Mr. Chairman, initially, I think we looked at approximately catching maybe 100, 150 a year for four or five years. They would be disposed of on an annual basis as we captured them, did the proper testing. They would then be disposed of on that basis, whatever process we ultimately finally agree to in terms of doing the disposition. So we would not be banking a whole bunch of elk. We would be taking them—for example, the best time to catch them is usually in January where you have the coldest weather when they come down to feed. You can bait them, I suppose. So there would be no elk for the elk catcher captured now until we basically have legislation in place to have elk ranching.

**Mr. Lamoureux:** So the soonest possible time in which the government would actually enter into the dispensing of captured elk would be when?

**Mr. Driedger:** Mr. Chairman, I do not think we could legally do that until the legislation is passed. My personal feeling was, and we did not want to try and be presumptuous and arrogant in terms of saying that the legislation will pass because we cannot say that and anticipate that necessarily, but it would be nice if we could possibly have allowed those people who qualified



through a draw basis, if that is the approach we take, that they could basically build their structures and their fencing during the summer months instead of in winter when it is minus 30, minus 40 below. These are still questions that are out there, question mark, and have not been resolved.

**Mr. Lamoureux:** The minister did not necessarily respond to the current—are there any commercial elk farms? Then I would add to that, does the government believe that there is going to be a geographical area in which elk farming would be allowed? Are they at that stage currently?

**Mr. Driedger:** I will start from the end first. Some of the consideration that is being forwarded and under discussion between the two departments is that there should be no elk farms established on Crown lands. The member asked about whether we have existing elk ranching taking place. We have viewing permits where five individuals have elk on farms right now, plus we have two reserves that basically have elk.

I believe the Department of Agriculture has been making an effort to establish exactly how many animals, elk, are out there at the present time in captivity and really, I suppose, the only one that would be an elk rancher at this time would be the operation in Swan River? Minitonas? There is no legal elk ranching taking place in Manitoba at this time. There is no legal, primarily elk ranching. [interjection] Not legal, no.

**Mr. Lamoureux:** The minister says not legal. I am wondering if he can indicate if there is any illegal elk farming going on.

**Mr. Driedger:** It is a matter of interpretation, Mr. Chairman, as to whether they are legal or illegal or whether they are within the bounds of a viewing permit or not, but it is a problem out there, and I can tell the member that a lot of the problems were created by maybe doing the whole thing prematurely. But there is a lot of interest out there, I must say, and even now we are probably in the next week or so meeting with some of the native groups who have a very strong vested interest in getting into this as well.

So these are all things that are being evolved. I suppose I have escalated the whole thing and brought it

to a different level by having captured the elk rightfully or wrongfully at the time that we did. We now have elk. Now all we have to do is see how we can take and work out a system so that we can dispose of them and accomplish basically what we wanted, once legislation is passed.

### Introduction of Guests

**Mr. Chairperson:** Order, please. If I could just have one minute, I would like to bring attention of the gallery to my honourable colleagues. We have with us today from R.J. Waugh School, under the direction of Mr. Art Grant from the riding of the honourable member for Gladstone (Mr. Rocan), 30 students from Grade 6. Welcome to the Legislature.

\* \* \*

**Mr. Lamoureux:** Ultimately we could even see elk farms out in Gladstone, quite possibly, you never know.

If the minister was made aware of an elk farm that is there today, a commercial elk farm, would it then be the intentions of closing that farm down?

**Mr. Driedger:** As I mentioned before, we are aware that there are elk in captivity in five places in the province besides two reserves where there are elk also in captivity. How the government is going to deal with them has not been established. That is part of the strategy that is being developed in terms of how we deal with the ones that we have captured and what do we do with the ones that basically are in captivity right now. I know that the Department of Agriculture has made an effort, the minister with his people, to ID how many animals are out there at the present time that are in captivity. That has to be part and parcel of the plan for disposition.

\* (1610)

**Mr. Lamoureux:** Mr. Chairperson, I am wondering if the minister can indicate what sort of a role—and this is in essence probably a question that one could equally put in agriculture—what sort of assurances can the minister give regarding potential disease of wild animals? I recall, I believe it was in Alberta, where some disease that was very similar to the mad cow disease was found in an elk, and then as it turns out that elk was actually somewhere

from the States I understand. It was not from the Alberta herd. I am wondering if the minister can give us some information in terms of the disease control, something that would alleviate right from the onset any concerns that many individuals might take issue in terms of the whole disease component of wild animals.

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

**Mr. Driedger:** Mr. Chairman, to the member for Inkster (Mr. Lamoureux) I want to say that I guess because we were sort of the last kid on the block to get into it with the exception of Newfoundland, I guess, Saskatchewan and Alberta had been—all the other provinces have basically been into game farming and elk ranching for some time—we do not have to reinvent the wheel in terms of how we should deal with it. The Department of Agriculture has some very qualified people who have been working on this thing in terms of looking at the registration of the animals, how the movement would take place, you know, interprovincially, the controls of it. The health end of it is a very, very sensitive thing, and that is why even the animals that we captured, they have all been blood tested by the federal Health department, health of animals department, and will be retested again.

There is very great sensitivity in terms of making sure that animals have a clean bill of health, that you do not take and have an element of disease because, if I can tell the member that even years ago, when the debate took place the first time around, there always was concern by the general public, by hunters, the Manitoba Wildlife Federation, about the disease end of it, whether by getting into the game farm or elk ranching there is the possibility of cattle infecting the elk, vice versa, all these things. But there are very tight regulations that other provinces have established, and we are following that example, and we think we can avoid any pitfalls.

I might say that at the present time the way we are establishing this is once we have the rules and regulations established that by and large Agriculture is going to take and be administering the elk farming end of it, the rules, the regulations, the transfers, registration, et cetera, et cetera. My responsibility in Natural Resources, by and large, will be for the four or five years, you know, based on the amount of animals that we think we have surplus, to provide those animals—Agriculture, once we have the system place, would then dispose of them and have their

system in place in terms of how they deal with health, registration, transfer, tattooing, et cetera, et cetera.

**Mr. Lamoureux:** The minister would ultimately be responsible, obviously, for the 10,000-plus elk that are out there, the wild elk. Is there an assessment of those elk in terms of disease? One would expect through time elk will die of more natural causes if they are not hunted down. There is some real concern that is out there, especially with the publicity that is going on in England over this whole mad cow disease, and the last thing I would want to be accused of is trying to spread a rumour of that effect in the province of Manitoba regarding our elk, but is that—

**An Honourable Member:** Rosann did that already.

**Mr. Lamoureux:** I would even put that particular heckle into the record. But is there any reason for Manitobans to be concerned at this point in time with regard to severe diseasing of our elk?

**Mr. Driedger:** I want to assure the member that, by and large, the management of our wildlife resources, like the fish resource as well, but certainly from the wildlife end of it, there are very qualified biologists out there that know what they are doing. I have no concern at the present time about the disease factor related to the elk. I just want to say that from time to time what happens, and I want to use this as a bit of an example, that we normally have 350,000 to 400,000 beavers in the province when the European Union basically started the ban on furs and the prices went all the way down.

People quit trapping beavers. As a result, we had a beaver explosion which is still in effect right now where we have well over a million beavers, and it is going through the roof. The member is probably aware or should be aware that municipalities, farmers, even the government departments have major, major damage and impact because of the excessive amount of beavers that are out there, aside from all the trees that they are cutting down. Ultimately, I am told that when you have an explosion of wildlife, whether it is beavers, ultimately if there are too many around then nature looks after itself and usually disease crops up in there and annihilates a good portion of them, unfortunately. So if we can control that without having these explosions—

**An Honourable Member:** Balance of nature.

**Mr. Driedger:** Balance of nature. We try and play a role in that, but the member is well aware too that we have cycles, for example, prairie chicken cycles, sharp-tailed grouse, the ruffed grouse, rabbits, deer for that matter. Things all work in cycles. We try and be good managers within the department to see through hunting regulations, et cetera, whether we can keep a healthy herd. I have to tell the member, though, that I guess in the last number of years our wildlife populations are very healthy, whether it is deer, bear, elk for that matter. We have to make sure that we, at least from my perspective, utilize, maximize the returns to the province in terms of using the resource and, at the same time, not jeopardizing it.

But from time to time you have glitches in there. For example, this winter we had anticipated because of the severe winter that there would be a tremendous amount of deer basically starving, and so we launched a feeding program together with the Manitoba Wildlife Federation. The lodges and outfitters in my department and many, many volunteers and wildlife associations set up deer feeding programs in various parts of the province, and my latest report is that we managed to stave off having a big winter kill of deer. What that basically does then is it allows us to have substantive hunting seasons for that coming year and giving people the enjoyment of the hunt as well as maximizing the returns financially to the province.

**Mr. Lamoureux:** A concern that we have is how this whole process—and we are at its infancy stage and the minister himself acknowledges to a certain degree that they might have acted somewhat prematurely in terms of the animal is caught but no dispensing. As time works its way through, ultimately we will see elk in amongst the different animals that are in captivity. One of the biggest concerns, of course, is cattle. Now this might be getting a bit out of the minister's jurisdiction, but who knows, a cabinet shuffle in June or September, he might be the next Minister of Agriculture. At the very least he sits around the same table as the Minister of Agriculture and there is a great deal of concern not only from individuals that would oppose elk farming outright but also from more moderates, if you will, individuals in particular from within the cattle industry that are quite concerned in terms of the potential impact.

That is why, as I say, there is no doubt going to have to be somewhat of a process and would trust that the Minister of Natural Resources is working very closely with the Minister of Agriculture to make sure that the concerns that are, in fact, being expressed are being taken into account. The minister might want to comment on that.

**Mr. Driedger:** Trust me, Kevin.

\* (1620)

**Mr. Lamoureux:** The minister says trust me. Well, we will wait and see and then ultimately find out. I do not know if the minister wants to comment on that area?

**Mr. Driedger:** One final comment to the member basically is, yes, we are very concerned about the disease faction and that is why, I think, the federal Department of Health and our own people are working very closely in terms of making sure that the testing is done, the proper precautions have been taken so that we do not create a disease factor out there which would naturally get everybody very, very upset that this had happened, especially prior to us even having established a proper program. So there is very much concern about that.

I can tell the member when we did the fencing at the game farm in Grunthal, we made very, very sure that there was no way that any—you know, there is a 30-foot span between the two fences so that there can be no contact with any other animals, strictly for health reasons.

**Mr. Lamoureux:** I have actually two other areas which I am going to briefly go into and unfortunately it is because of time that we are not able to go into the real detailed discussion as we probably should. Maybe we will get a better opportunity next year to be able to do just that. [interjection] Sure, and I appreciate the gesture.

The department, from what I understand, has now gone into some revenue generation with respect to the whole draw process for licensing. I had a constituent who visited me at the local McDonald's who was somewhat disappointed in the sense that he said, you know, Kevin, that the government says that they are not increasing our personal income tax. Then he shows me a piece of paper and on that piece of paper it says, now you have to pay in order to get your name in for a draw. Whether you are

accepted or your name is actually drawn is a secondary issue, but now there is a fee in order to submit your name for a draw purpose. I am wondering if the minister can expand on why that is being done and if he can indicate other areas regarding wildlife and fisheries where that is the new policy of the government.

**Mr. Driedger:** The member is accurate in making the statement that anybody who applies for a special draw has to pay additional monies. I want to illustrate to the member that over the years we have had the various draws in certain game hunting areas and certain species, and we have had people that if you get drawn one year, then you cannot be drawn the year after that. We have people that, by and large, apply and get drawn every second year. We have people that applied 10, 12 times and never got drawn because every name goes back in the hat. What we have decided to do is upgrade our system of having a draw so that if you get drawn this year and I get drawn this year, then the next year those that did not get drawn move up the slot and your name falls to the bottom. So it is going to be an ongoing basis.

We have to do that, we have to do equipment upgrades and stuff of that nature, and it is for that reason that we have a fee for anybody that makes an application for this special draw. You do not have to go to a special draw, you can go and hunt in the regular season if you like. There are still open seasons for moose, deer, et cetera. You do not necessarily have to go on a draw basis. On elk you have to on a draw, elk is always a draw. So if you want to hunt elk, basically you have to be in the draw basis.

I think the Manitoba Wildlife Federation is lauding the move that we are making in terms of making sure that everybody will be able to have a chance finally to get into the system, that it is not just the luck of the draw for certain people who invariably are more lucky and get drawn every second year. The guys who have been outstanding for many, many years basically will be able to get into stream, so we are moving it in such a way that everybody is going to have a crack at it. That was the rationale for doing that.

**Mr. Lamoureux:** So it had nothing to do in terms of revenue for general revenue purposes. It was more so just to be a bit more self-sufficient and provide more opportunities for other people that have not been as lucky, using the words that the minister has.

**Mr. Driedger:** I want to indicate to the member that in this particular case, it had nothing to do with money generation, it was cost-recovery in terms of setting up the new system. I have to tell the member though that I am on the verge of asking staff to do a bit of a study to find out whether we are maximizing the returns on our natural resources, namely, wildlife in terms of hunting. When you consider under elk ranching that if you put some of these animals on the block and they sell for \$12,000 and here you buy a licence for \$45 to go out and shoot an elk, is that something that we would have to start looking at?

Comparatively, when you look at the some of the lodge and outfitters, basically if you are a nonresident, you come into Manitoba and want to hunt a bear, you go to a lodge and outfitter and you pay two, two-and-a-half thousand dollars to shoot a bear. Are we maximizing the results or the returns basically from our resources? I throw that out only as a thought. It is not in place right now, but I think there is an opportunity that we have to look at. Maybe we have to compare it to what other countries are doing and the money that is being spent. Maybe we have to start looking at, do we have to charge more?

I have to say I am torn betwixt and between because basically I love to hunt, I am a hunter, I have hunted all my life. I do not want to have the price so high that I cannot afford to go, underpaid as I am. It makes me a little nervous. [interjection] I thought that would create a little bit of a rise somewhere along the line. I am just suggesting to the member that there is great potential in terms of maximizing the returns out of our resources and utilizing that money possibly to manage well our natural resources out there.

**Mr. Lamoureux:** Mr. Chairperson, to throw a thought also at the minister, did the department take a look into the possibility of charging extra then for those that were successful in the draw, thereby allowing individuals the opportunity to be able to participate at no cost? One would think that many would envision a draw where, you know, things are thrown into a barrel and you pick out names. Now, computer technology and programming the way they are today, it is actually a fairly complicated process no doubt in any given draw. But having said that, no doubt the same sort of costs that are being generated by entering your name into the draw, could they not be, that same money be compensated by charging that

much more for those individuals that were successful? This way you are not penalizing someone from being able to participate in the process per se.

**Mr. Driedger:** Well, Mr. Chairman, the member says it is an option to look at. When staff came forward with various recommendations, this is what they basically brought forward, and when we had our discussion about it, we felt that this was an acceptable way to go with it. This is the first year, basically, that we have embarked on this. We will be monitoring it very closely. If we feel that the system is not accomplishing what we want, I am not adverse to changing again.

**Mr. Lamoureux:** Mr. Chairperson, I appreciate the minister's response, and I will be sure to pass it on. I understand, and I do not have a full understanding of this—I will start right from the beginning—but there are lodges that are operated on some lakes. They would be assigned that particular lake. I am a bit miffed in terms of exactly how that works. What I am talking about is lakes or lodges where there is no road access. Individuals are literally flown in in order to be able to get access to it. The question that I would have is, what about the average citizen of the province if they were to trail to that particular lake, take a three-week holiday type thing, walk through the woods for a week and a half, choose to fish for a couple of days and then come back? In other words, you assign out, from what I understand, certain rights to a particular lodge at some sort of cost one would think. What access does the average Manitoban have to that particular lake if it has been assigned out?

\* (1630)

**Mr. Driedger:** I could spend a lot of time clarifying for members, I guess, the process that is out there related to lodges and outfitters. We have a variety of them. We have a committee that basically looks at—because there is ongoing activity, people getting into the business, out of the business, expanding in the business, and we try and control that. However, for Manitobans, they have the right to fish any lake in Manitoba. If you want to take a hike out to Bolton Lake, for example, God bless you if you can make it, you can fish all you like there, but there is a lodge there and that lodge by and large has a management agreement with us, so that it is a catch and release lake, for example, and you can have shore lunch. We get into an agreement with the lodge outfitter—I use

that as an example—that he might allow you to take home two pickerel or a jack or a lake trout or something like that, but by and large we have management agreements with many of the lodge operators in terms of management control of the resource out there.

Manitobans can fish pretty well wherever they like, unless we have limitations on there, a lake is closed or stuff like that, but no Manitoban would be denied just because there is a lodge on there. However, many of these lodges—and that is on the fishery end of it—you, of course, have lodges and outfitters basically that go in for fishing during the summer and hunting in fall. They capitalize on the moose season, the bear season, deer season. Everything comes through basically at committee where applications get made, they get licensed for a lodge, for fishing. They get licensed, if they want to, to apply and whether the resource is out there for moose, or bear or deer, it is an ongoing process.

My committee works with this all the time. Every two or three months I have a stack, a wad of paper about this thick coming across my desk in terms of revisions where somebody wants to have an out camp to fly into and have a bit of an out camp, but it is all regulated. People cannot do what they want out there on their own in terms of setting up a camp and doing that. That all has to be done through a committee where we authorize it and control it so you do not overuse the resource in the lake, fish it out. We are very conscientious of that.

**Mr. Lamoureux:** I know the member for Dauphin has been patient with me and I appreciate that. Just one final question and that is in regards to forestry. Can the minister give some sort of indication, if you will, of what sort of reforestation, generally speaking, that is there? For example, you have L-P, you have Repap, you have forest fires that occur that take down a certain percentage, let us say, of our forests in any given year. In terms of not natural but reforestation efforts from the government, can the minister give some sort of an idea of what percentage of the forest is, in fact, replaced on an annual basis?

While the minister is thinking about that, I am just going to make a general comment, if you like, Mr. Chairperson, and that is there is a lot of area that is covered within Natural Resources. I know that the member for Maples was hoping to be able to get off a

couple questions, but it is quite wide and varying in terms of the different issues that are in there, and it is only because of the time that we are not able to spend more of an effort in this area. Hopefully, in future Estimates we will have more time to spend more specifically in other areas, especially in environmental-related areas, areas such as the reforestation. What I am looking for is to get some sort of an idea of the government's attempts on reforestation.

**Mr. Driedger:** It is unfortunate that we cannot spend more time because I find this department a very exciting department, whether it is wildlife, whether it is fisheries or whether it is forestry. I could spend a great deal of time going through the whole process of what is happening in the forest industry. I will try and be relatively brief. We have management agreements with companies like Louisiana-Pacific. We have agreements with Repap. We have agreements with Abitibi in terms of reforestation that takes place. With the agreements that we have and with what the department does, we plant approximately 12 million seedlings every year, which is quite substantive, but we have these agreements basically in place, and it is all in terms of how much do we cut. I am not glossing over it, I am trying to give as much information I can in a short time, but we have what we call an annual allowable cut. That applies to quota holders, that applies to the big companies, that applies to everybody. There is so and so much wood that is allowed to be cut every year while we sustain the ongoing cycle. From the time that a tree is cut until you plant it, it is what, 30, 40 years sometimes until you have a tree that is harvestable again. So it is an ongoing cycle, and that is why we always talk about annual allowable cut.

That is why quota holders have a quota of 100 cords, 200 or whatever the case may be or metres. That is why Repap has so and so many cubic metres, that is why Louisiana-Pacific has so and so many cubic metres or Abitibi. It is all based on how much they are allowed to cut, and we factor into that disease to some degree. We factor into that forest fires to some degree. We factor into that the wildlife resources, for example, where we have sensitivity areas, where we have caribou areas, birds, like the great grey owl. We deal with all those things. They are all factored into it.

It is a very complex way of doing it, but it is not like this is the first time that we are in the business with me as

minister. This process has evolved over many, many years with very qualified Forestry professional people that basically work on these things on an ongoing basis. I have very good people out there that would, and I just want to say that I offer this to pretty well all members of the House if anybody wants to—I have my Director of Forestry Art Houle, who I think is a very, very qualified person, or some of his staff people will be prepared to sit down and maybe just give a bit of an overview of some of the things and concerns and questions that people have.

For example, I think I offered last year during the forest fire fighting days for people to come and have a look at exactly what was happening. They should see the sophisticated equipment that we have. I want to extend that offer here right now as we are coming into the fire fighting season. We know that the North is relatively dry again. We could be getting into heavy forest fires again, and I will extend an invitation to members if they want. If they will let me know in time, I will organize, and that goes for my colleagues as well, to go and see exactly our fire station here in Winnipeg, where when lightening hits anywhere in the province, you can see it right there. It shows right up in the chart. You look at your charts on an hourly basis, and it shows you exactly where every lightening hit goes. We know exactly, with the equipment that we have, what kind of timber is there. Do we send out our initial attack crews? If it is sensitive forest area, we have them out there within minutes with helicopters. It is a very sophisticated system that we have.

In fact, I am hoping, for the benefit of the members here to maybe do a bit of a tape that we could be using for schools and for members just to see how basically our crews out there work. We have thousands of people that are employed in it. It is dangerous work as the members are aware. We lost a very important person, every person is important, in a helicopter crash and people were killed last year.

\* (1640)

We are going to try and make the public more aware of basically how we defend our forests out there and what is involved with that. So I say that only because a member said he did not have much time to ask. There are very, very exciting and challenging things happening out there

all the time and if you want information, we will get you information.

**Mr. Struthers:** I was glad that the minister made the statement that he did not want to come across as arrogant in the capture of these elk and in so suggesting that the arrogance had something to do with the fact that he has got 31 members who can ram through any legislation that they want to ram through the Legislature. I must say that he must be feeling very confident since he did start the capture already and we have got 114 elk captured and stored in a couple of different locations in the province.

I was a little bit confused there for a while, though. At one point the minister said that all 114 came out of the Swan Valley, and a little while later he said that the bulk came out of the Swan Valley. Was there not an elk trap at McCreary luring elk at that point? How many elk were taken from that part of the world?

**Mr. Driedger:** I am trying to recall now. I will get specific information on this, but I think the trap that we had basically set at McCreary was the one that was done through the venison council as we were trying to work with them to see before we changed our mind ultimately. I think they had set up the trap at McCreary. I do not think we caught any there, but I will confirm that and let the member know. I think the elk basically all came out of the valley—no? I will find out specifically, but I thought most of them came from the general area out there.

**Mr. Struthers:** So far this afternoon, the score is two times you said they have all come from the valley and once you said that the bulk came from the valley. The information that I have suggested not even the bulk of them came from the valley, from Swan Valley, that only a small percentage of them were trapped in that area and that the bulk of them came from a trap at McCreary and that the elk were being lured out of the Riding Mountain National Park.

**Mr. Driedger:** Mr. Chairman, I am going to get specific information exactly where the elk were caught so that I do not leave any vagueness out there as to whether we caught 90 here and 14 there, whatever the case may be. I will get specific information on that and have it by tomorrow.

**Mr. Struthers:** Could the minister shed some light on the contract that he has with the venison council? How much money would they be receiving to do the job that you have asked them to do?

**Mr. Driedger:** Mr. Chairman, I was that close to signing a contract with the venison council and at that time everybody was getting into the game. It was at that point in time I decided not to sign that contract, and as a result we never did proceed with the agreement so they got no elk out of it. I think staff had worked out an arrangement whereby if they captured so many, that some of them would be available to them. It was a proposal basically that I never did enter into.

Mr. Chairman, we are having some debate here, my deputy and myself. I would not have signed it anyway, my deputy tells me, that the director for the western region, Bob Wooley, would have signed it. We are not sure now whether the agreement was signed and then I cancelled it as the minister, or whether it was not even signed before I withdrew the offer or being involved in that. I just know that we terminated it.

**Mr. Struthers:** Did the venison council then capture some elk at McCreary?

**Mr. Driedger:** My understanding is no, but I want to confirm that. I will have that specific information by tomorrow, exactly where the animals were caught so that there is not going to be any confusion about me putting things on the record more than I have.

My deputy informs me that the venison council definitely did not catch any. If there was any catching done, I will have to check whether it was my resource people that did it. We had entered into a contract with an individual who was sort of doing the captures, was it not? I do not know. I will get details on that.

**Mr. Struthers:** The other comments that I was interested in earlier when the member for Inkster (Mr. Lamoureux) was asking some questions, the minister was, on several occasions, telling us that he has a responsibility and a right as the Minister of Natural Resources to capture these elk without ever having a law in place to allow him to do that, and on the other hand, he was saying that he may have done it prematurely. I would suggest that he would be correct in saying he has

done it prematurely, taking on an initiative like this, hoping that the Legislature would then turn around and say it is okay as to what he has done. What I am trying to say here is, could I go out and capture elk as an individual citizen in this province?

**Mr. Driedger:** Most definitely not; only I. I do not want to be facetious. It is within the responsibility of the Minister of Natural Resources to be able to go and capture wild animals and hold them and dispose of them, transfer them. That is within the responsibility of the Minister of Natural Resources. Any private individual cannot do these things.

However, when I say having caught these animals prematurely because legislation is not in place, I mean, if the legislation would not pass, then I would have the liberty, together with my staff people, to decide whether we would transfer them into the southeast area of the province, stock them there as we have done in the Interlake, or we stock them somewhere else in the southwest portion of the province, Turtle Mountain area. There are many other options that basically myself and the department could make a decision on what to do with them if the legislation does not pass.

We could also, as an asset, decide to maybe sell them to Saskatchewan or Alberta. I do not know. I am saying there are many things that we could speculate about. I still believe that, all things being equal, the legislation is being proposed, and my department and myself will probably just mark time and see whether the legislation passes. If it does pass, then we will implement the disposition of it through the Department of Agriculture.

**Mr. Struthers:** In the final analysis, the minister is doing something that most Manitobans, or any other Manitoban cannot do. There are laws saying that we cannot do that, but that the law allows him to do it. Can aboriginal people capture an elk and keep it in confinement?

\* (1650)

**Mr. Driedger:** Legally, no, and the reason why, unless the member thinks I am trying to exert some kind of authority here, that is not the case, but the Minister of Natural Resources has certain powers that are granted within the department. For example, when we have the

polar bears up North that we basically put them to jails and we move them around with helicopters to get them away from the town of Churchill. Those are the kinds of things that basically the minister is allowed to do within his department in terms of dealing with wildlife.

If we have black bears, for example, that harass people at cottages, et cetera, my officers have the right, under their jurisdiction, basically to take and dispose of them, or capture them, to tranquilize them and move them. I mean those are the things that basically go with the department, but individuals, whether it is native or anybody, other Manitobans do not have that right to do that.

We give them the right, under the system the way it is set up, to hunt at certain times. We control that, but, no, in terms of dealing with wild animals, that is the prerogative of the department, by and large.

**Mr. Struthers:** Maybe the minister can correct me if I am wrong, but my understanding is that aboriginal people can capture the elk and confine them but they cannot sell them.

(Mr. Chairperson in the Chair)

**Mr. Driedger:** No, that is not the case. The Natural Resources Transfer Act, and I do not want to get into the court cases and stuff like that, but it gave the natives the right to take and hunt for food on Crown lands by whatever means, and that is for food. They do not have the right to basically capture and hold wild animals.

Part of the discussion that is taking place right now with the native community and with the chiefs is going to be as we move forward into elk ranching, subject to the legislation being passed of course again, that what role do they play, where do they fit into this thing because they certainly have a keen interest in it. Like I mentioned before, I know of two of the bands that basically have elk on their reserves right now and they do not even have a viewing permit.

There has been a problem sitting out there for a long time. I know the member for Swan River (Ms. Wowchuk) is well aware of that because her brother was the Minister of Natural Resources when a lot of this controversy was taking place and I was a critic at that



time. Just when I was ready to pounce, then all of a sudden he cancelled the whole program.

**Mr. Struthers:** Could the minister break down exactly where the elk are now? We understand that there are some at the game farm at Grunthal. How many would be there? How many are at the Pine Creek Reserve, and are there any other places where the elk are being kept right now?

**Mr. Driedger:** Aside from the elk that are in captivity that have nothing to do with government, the ones that we captured, there are 19 at Pine Creek Reserve and 95 of them are at the Cottonwood Game Farm in Grunthal.

**Mr. Struthers:** On the basis of what criteria did you decide to keep these elk at Pine Creek and on the basis of what criteria did you decide to put 95 at Grunthal?

**Mr. Driedger:** The reason why there are 19 male elk in Pine Creek is because these were the big bulls and it was felt that for reasons of safety for the animals themselves, where you have cows with young calves, that you want to separate them, especially when you take and run them through the shoots and taking blood samples, et cetera. The big bulls invariably—you know, they are wild animals, it would be the tendency to hurt some of the younger animals. It is for that reason that ultimately 19 of them went to Pine Creek, and the cows with the young males and females went to Grunthal.

**Mr. Struthers:** My question more specifically then is, I understand what he is saying about Pine Creek, why Grunthal? There are lots of places in the province you can go to and spend money to build a fence to keep elk without going to Grunthal, Manitoba. The reason why I am asking is that the information that I have been given suggests that the deer in that area, up 60 percent of the deer, carry brainworm. Why would the minister take the chance of subjecting these captured elk to brainworm that is prevalent in the deer in the Grunthal area?

**Mr. Driedger:** Mr. Chair, the member asked why Grunthal. I could ask, and why not, why anywhere else? If I had moved them to Kelly Taylor's farm in the west part of the province, would he ask why there, why not Grunthal? But, by and large, I suppose I created some concern in everybody's mind when I made a statement to the effect to say I was very pleased that they were in the Grunthal area. It was basically staff that went around and

checked, using various things, you know, where we have some management expertise in doing that.

I have to tell him that old Nick Janz there, who is 83 years old, basically has run the Cottonwood Game Farm for many, many years. He is the best operator of and has the best wildlife viewing farm in the province, if not in the country. He is a very qualified individual, a very easygoing man, understands wildlife, prides himself on it. Some time I would suggest that maybe the members take a drive out to have a look at his game farm. It is just very, very unique.

But staff were looking at some of the places that, by and large, had facilities, limited facilities, but facilities to hold these animals, and they are the ones that made the recommendation. Because of the pressure that was coming down in Swan where basically everybody was trying to get in there, you know, kill the animals, spook the animals, and things of that nature, the staff recommended that this would be a place where it was removed from the scene of the action, so to speak. We could take and hold them without having any difficulty, and when they made that recommendation, I jumped on it like crazy. I said I certainly support that and agree with that, and that is why they are in Grunthal. The other ones, basically because the Pine Creek Reserve had facilities as well that could handle the bull elk, that is why they went there. It was not that there were not other options being looked at. They looked at many places before the decisions were finally made.

**Mr. Struthers:** The minister said, well, why not there. I mean I gave him a good reason in my little preamble there about why not. I mean, 60 percent, so I am told, of the deer in the area are infected with brainworm. Could the minister deal with that part of my question?

**Mr. Driedger:** Without trying to be facetious here, I wonder if the member could clarify where he gets information that 60 percent of the deer in the southeast area have brainworm. That is certainly—I am flabbergasted. I mean, I do not know where the member got that information from. Certainly my qualified staff and people in the field have never, never mentioned anything of that nature. I will certainly look at that.

**Mr. Struthers:** I would suggest that the minister does look at that and ask the very same people that were

telling me the information which are very qualified people in his department.

**Mr. Driedger:** Mr. Chairman, I can tell the member that I will certainly find out. He does or does not have to tell me who of my people told him that, but I will tell you something, I am going to find out anyway because that is a statement that has never, never surfaced in the department at all. Mr. Deputy, has anybody in the department ever mentioned this? I will get details. The deputy says that it is not an uncommon thing to have brainworm especially in moose. There are not too many moose where I live, but if the member is saying that 60 percent of the deer have it, I will establish that. I will get that information.

**Mr. Struthers:** Earlier in the questioning, the minister had stated that they had, I believe, put a double fence around the compound. Why would you put the double fence around the compound if there was no danger of the elk contracting some sort of disease from another animal in the area?

**Mr. Driedger:** Mr. Chairman, I thought I had explained it before, that it was a precaution that we took so that no animals can touch or get in there. So stretching the disease factor, which we talked about before when the member for Inkster (Mr. Lamoureux) raised it, we are not going to be taking any chances. I certainly do not need that kind of problem before we even get into the elk farming business. [interjection] Well, escape—I mean, I do not think it tends to necessarily make a difference in that regard, but certainly it was for health reasons, by and large, that we set up a dual fence system so that there was no opportunity for outside animals to make contact.

**Mr. Struthers:** Could the minister indicate how much money has been spent upgrading the facilities at Grunthal? How many taxpayers' dollars went toward that? How much is the minister projecting is going to be spent on medicine and veterinary services and that sort of thing while the elk are at Grunthal? How much overall is this episode at Grunthal going to cost the Manitoba taxpayer?

\* (1700)

**Mr. Driedger:** Mr. Chairman, I gave that undertaking to the member for Inkster that I would get all the detailed information, exactly what the costs have been in terms of

the process. My colleague is now here, the Minister of Agriculture (Mr. Enns), but it was out of his department where that money was set aside for the part of the diversification program of getting into elk ranching. I have to say that we both feel very strongly, we have a very valuable asset out there, depending what price you put on the animals. With 114 elk out there, even if you take \$10,000 an animal, you know, we are well over a million dollars worth of assets that we have out there. I think it would be irresponsible—

**An Honourable Member:** What about the babies?

**Mr. Driedger:** Yes, and that is happening. My colleague the Minister of Rural Development (Mr. Derkach) is talking about additions coming, and my understanding is that will be happening within the next 10 days, and so we will have some more animals as well. But it is a very valuable asset, and I think we would be irresponsible if we did not take every precautionary measure we could take to protect these animals. It is not like we are spending money foolishly. I think we are spending money wisely because this is going to be a return for the province as well as for the elk enhancement which we basically are looking to undertake throughout the province. So we feel very confident that this is a win-win situation.

**Mr. Struthers:** How many of these little bambinos will be left at Grunthal after the elk are all dispersed?

**Mr. Driedger:** I do not know whether I heard that question right. Is the member asking how many of the little elk are going to be staying there after? Well, I could be a little facetious here and say, well, you know, it would be nice if this happened, but I know the Minister of Agriculture, his people are doing the counting, and I suspect that they are going to make very sure that every one of these animals is going to be accounted for.

Mr. Chairman, I have to say, though, I do not know how many of these cows that we have there are going to have young, to be calving, but—

**An Honourable Member:** They will not be foaling, they will be calving.

**Mr. Driedger:** They will be calving, yes. So I do not know exactly how many will be. I will be checking with

Mr. Janz in the next week and try and get an update. You cannot always tell exactly how many will be, but—

**An Honourable Member:** Prospects look good?

**Mr. Driedger:** Yes, they do look good.

**Mr. Struthers:** There are 95 elk at Grunthal right now. Will it be 95 elk that leave Grunthal when they are dispersed or will you leave some behind?

**Mr. Driedger:** My deputy says that the member is trying to imply that we have cut a deal with Mr. Janz to keep some elk. That is not the case. They get paid on a per diem basis per animal, you know, for feeding the animals. That is it. If Mr. Janz or his son want to get into elk farming they will have to go through the same process as everybody else in the province will have to do, which basically, once we have the rules and regulations established, whether it is by a draw basis, they will have to be subjected to the same conditions that anybody else would be.

**Mr. Struthers:** So I should not be worried about 95 elk leaving the site at Grunthal and this Mr. Janz keeping the elk that are born at Grunthal, or should I be worried about that? I mean, are you or are you not going to take 95 elk out of Grunthal when you disperse these across the province, or are you going to take all of the elk total, all of the elk born to the 95 that are there, and take them all out after you have dispersed them from Grunthal to the other parts of the province?

**Mr. Driedger:** Mr. Chairman, first of all, the 95 elk that are there will not all have young because there are a bunch of young animals of last year's calf crop that were there, basically males and females, many of them naturally would not have them bred yet. I am not sure exactly how many of the cows that are there, the cow elk, female elk that are basically pregnant and will be having young, because it is not abnormal that you have open ones as well out there. If the member wants to question the integrity of the operator out there, I want to tell him that I do not think there has ever been a straighter man that I know of than Mr. Nick Janz who basically has been the reverend in my church for the better part of 40 years. If any man has ever got integrity, this man has got integrity.

So it is not that an individual of this nature, God fearing minister that he is, would take and look for any corruption to take place in that operation.

**Mr. Struthers:** I want to assure the minister it was not Mr. Janz that I was worried about. It takes two to make a deal. Whether there is a deal or not, frankly I do not care. What I want to know is how many elk are going to be left there when you folks take off with your elk that you have moved in.

If your figures are correct, and earlier on you mentioned that an elk, a cow elk, could get \$12,000 to \$15,000, if you leave one single elk behind, that is a pretty good payoff for the amount of time that you have stored your elk at somebody's facilities.

**Mr. Driedger:** Mr. Chairman, I do not know how I will allay the concerns and the suspicion of the member in terms of whether we are honourable or not, but I do not know of any herd that has ever got more attention and has been watched more carefully than this herd here, not just watching the Janz operation or my departmental people. We have the whole Department of Agriculture and a minister that is very sensitive in terms of the benefits that will be accrued out of this as well. So I would like to just suggest to the member, if that is the big fear that he has that there is going to be something untoward going on, there will be full accounting of all the animals that basically have been delivered there that will have been born there. We have many, many watchdogs, and he can be one of them as well.

**Mr. Struthers:** Speaking of watchdogs, how much money has been spent capturing the elk of the Swan Valley? I want to include the amount of money that was spent by the department on security, building and rebuilding fences, everything that was included in capturing the elk and then transporting them to Grunthal. How much money, how many taxpayers' dollars did it come to?

**Mr. Driedger:** Mr. Chairman, twice I have given the undertaking that all the costs related to the elk operation, I am going to make that available. Like I say, the money by and large has been upfronted by the Department of Agriculture, and there will be a full accounting of all the costs that are related from the capture, the transportation, the storage, the fencing. I will make that available. I do

not have that here, but we will make that available. I gave that undertaking to the member for Inkster (Mr. Lamoureux), and for the second time I am now giving that undertaking to the member for Dauphin that this will be available.

**Mr. Struthers:** Can I switch gears a little bit on this elk ranching project? I am concerned, as many people are, about controlling disease within the elk population, not only the captured elk but wild elk. Could the minister describe any kind of tests that can ensure Manitobans that the spread of disease will be somehow controlled by people in your department?

**Mr. Driedger:** Mr. Chairman, I think that question would probably be more appropriately put to the Minister of Agriculture (Mr. Enns) who works with his counterparts, you know, the federal health of animals department, but I do not know what kind of assurance the member wants in terms of how do we control disease. We certainly have taken all the precautions. We were almost criticized a little while ago because we had double fencing to try and avoid disease impacts, et cetera, and I do not know what further assurances I can give in terms of guaranteeing that out of the 10,000 elk that we have in the province that they are all healthy, that they will not contact disease. I cannot give that kind of assurance other than the normal things that by and large my biologists do when we watch these herds to try and make sure that it does not happen.

\* (1710)

**Mr. Struthers:** Is there or is there not a test that can be administered on elk to tell us what diseases they have got, and is it accurate?

**Mr. Driedger:** Mr. Chairman, I thought I had indicated to the member already earlier that each one of the animals that has been caught was blood tested and they will be retested again, you know, as part of the federal requirement to make sure that they are totally healthy, that there is no disease there. In the first round of testing all this took place. We have no problems to date, and they will be retested again this fall, I believe—well, somewhere along the line. Right after calving they will probably be tested again. So the federal government vets come out there and basically take the blood samples and do the analysis. They tag and identify the animals so that

if there is anything at all they would identify that right away. There has been nothing coming forward to this point in time.

**Mr. Struthers:** I would like to suggest that one of the reasons why the minister has trouble answering that question is that there is no test that is 100 percent foolproof that he can point to to say to Manitobans that there is no problem with disease in the elk herds, that there is no way that this disease is going to be imported from other jurisdictions like Wyoming and Colorado and Saskatchewan and Ontario. There is nothing that the minister, or any minister on the other side of the House can point to that will absolutely ensure Manitobans that diseases such as tuberculosis, brainworm, mad cow disease, the list goes on, any of those diseases—[interjection] Then my question would be, why is the government moving to subject our elk populations to this kind of risk if the only thing that is certain in the world, according to them, is death and taxes? There is no assurance that you can give us that you are not inviting the spread of disease, and very costly, inhumane diseases, into this province.

**Mr. Driedger:** Mr. Chairman. I cannot give any assurance that even if we had not captured one elk that there would be a guarantee that the elk herd is healthy, that 10,000 elk. There is no way. I mean, we are not going to be starting to catch, you know, the wild herd and try and test them to see whether there is disease in them. The only thing we can basically do is what is available to us right now, which is the taking of blood samples by the federal department of health of animals who then analyze and then have told us to date there are no problems out there.

There is nothing that I can give better assurance of other than what we are doing at the present time. There is no foolproof thing, and for all I know, a third of the elk herd out there has some kind of a disease. I do not know. We do not see animals dying. We assume that, by and large, they are healthy out there, but there is no way I can give a guarantee that there is not—you know, this disease portion of it is a thing that has been debated since '77 when the first discussion came up, and it has been debated in other provinces. By and large, whether it is on the beef herds in the province that have—[interjection]

**An Honourable Member:** Horses, cow, pigs.

**Mr. Driedger:** Cows—virtually anything, you know, where you can have an outbreak of some disease. But I will tell you something, our professional veterinary people, federally and provincially, basically when this happens somewhere along the line they quarantine areas, make sure that the spread is controlled. The same thing happened with the elk that the reference was made to—in Saskatchewan was it?—that apparently came from Kentucky or something like that, they instantly quarantined up the whole area, feel very confident they have controlled it. These are the only precautions that basically I would know of that we could undertake and, you know, that we would be able to do anything with.

**Mr. Struthers:** I think the minister deep down knows how ridiculous the statement is that he just made. You do not have a whole lot of elk these days wandering up from places like Wyoming and Colorado just on their own. You do not have a whole lot of elk just kind of wandering around the country. You do, though, when you come to elk ranching, buy elk in one jurisdiction and move it, transport it to the next, disease and all. So what the minister is saying here is not the whole truth. Now you have got to look at the whole truth, the whole big picture here, and you have got to see—[interjection] Maybe if the Rural Development minister would listen he might learn some of this, too. By all of a sudden deciding that you are going to go into elk ranching, you are opening up all the diseases that are across the country, including mad cow disease, and the Agriculture minister knows this, and you are inviting it right into—[interjection]

**Mr. Chairperson:** Order, please. If the honourable minister has something to say on a point of order, he is more than welcome to stand up on that, but other than that I would appreciate it if he gave the member for Dauphin the opportunity to finish his question.

#### Point of Order

**Hon. Harry Enns (Minister of Agriculture):** On a point of order, it is extremely irresponsible for anybody to make any references to the so-called mad cow disease with respect to elk. There has been no, absolutely no indication, not a single animal that experienced that in Canada. To make those kinds of statements at this time when the cattle industry is already suffering ferociously is highly irresponsible, and I caution the honourable

member to think twice about putting those kinds of irresponsible statements on the record. I do, as Minister of Agriculture, take a great deal of exception with that kind of irresponsible talk.

If he wants to cause more heartache to 15,000 cattle producers in this province, then let the official opposition party continue talking in that loose manner.

**Mr. Chairperson:** Order, please. The honourable minister did not have a point of order. It is clearly a dispute over the facts. The honourable member for Dauphin to conclude with his questioning.

\* \* \*

**Mr. Struthers:** Thank you, Mr. Chairman. As a member of the opposition, I would think that it would be incumbent on me to do my job and ask the questions that could have a very devastating effect on the very agriculture industry that the Minister of Agriculture (Mr. Enns) and the Minister of Natural Resources (Mr. Driedger) are talking about.

Now, it might not fit into the democratic attitude of some of the members across the way, but the opposition should raise very valid concerns including mad cow disease which has been—

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

**Mr. Chairperson:** Order, please. Could I ask the indulgence of the honourable members in the Chamber to ask their questions when it is their turn. If they choose to get into this debate, we have a number of hours left within this department—[interjection] Order, please. We have a number of hours left in this department, and everybody who chooses to put their words on the record are more than welcome to within this committee.

At this time, the honourable member for Dauphin (Mr. Struthers) has the floor. Let us show common courtesy. The honourable member for Dauphin, to conclude.

**Mr. Struthers:** Thank you, Mr. Chair. I will continue to ask the questions that are so important to agricultural producers in this country. I do not think any agricultural producer wants to lose cattle to any disease, including mad cow disease or tuberculosis, or any of the other

diseases that this Tory government is inviting into our province through the elk ranching scheme. It is my job and I will continue to do that.

In connection with this, I am wondering if there are any plans to leave the borders wide open at Saskatchewan and to the States and to the east when we go to bring in elk from other jurisdictions. Will the borders remain open, or will there be any restrictions on the flow of elk back and forth from one jurisdiction to another into Manitoba?

**Mr. Driedger:** Mr. Chairman, let me first of all put on the record that there has been no identification of mad cow disease. The animal that has been referred to, the one case that was out there is called chronic wasting disease, that was caught and established and necessary precautions taken.

I want to tell the member also that the Canadian border has been closed to U.S. imports of elk since 1990, due to the threat of T.B. So the border has been closed. There are no animals coming in from the States related to that, you know.

Further to that, I am having difficulty trying to give the member some assurance in terms of—I am not sure what he wants in terms of an assurance that we are doing everything that is humanly possible in terms of guaranteeing that we are going to be dealing with the potential spread of any kind of a disease, and that is why the testing is so extensive and that is why the Department of Agriculture—and he can raise that question again when he deals with the Minister of Agriculture (Mr. Enns) related to the precautions that are being taken, that are being taken in the whole livestock industry.

\* (1720)

I do not know to what extent the member's background would relate to livestock farming, et cetera, but myself, having been a livestock operator most of my life, whether it was T.B. or whether it was any other kind of disease that basically established within a herd from time to time, you have all the necessary veterinary services and precautions. Basically the federal health of animals department is very, very sensitive to anything of this nature because it is such a tremendously big economic impact on the province and country. That is why the

sensitivity of some of my colleagues comes forward when there are some random statements made, you know, about wild cow disease. Just the talk of it has nearly bankrupted the British beef industry, and it has never really been established whether that was necessary—it said may have caused. So you know by putting this kind of innuendo on the record many people who do not understand the kind of precautions that are out there would then start having spectres of concern that this could be happening out here. That is why my colleagues get, especially the Minister of Agriculture (Mr. Enns), very sensitive about the kinds of statements that are being made. I think we have to use a bit of common sense in this matter. The member certainly can ask any questions that he wants, but I am giving him the assurance that everything that can be done in terms of controlling the spread of disease is being done and will continue to be done.

**Mr. Struthers:** Mr. Chairman, the fact is that mad cow disease has been detected in other jurisdictions. There is no disputing that. The fact is that people from Manitoba who get into elk ranching have the potential to buy elk and bring them into this province with other diseases. Now, if I cannot ask those questions, if the government is afraid to answer those questions and they want to sort of muzzle anyone who wants to ask all the questions, then that just fits into the general attitude, the general formula, that I have seen with this government from the minute I have been here. They have got to deal with all the questions.

The other question that I think they have to deal with is what I think is going to be an increase in poaching because of this move towards elk ranching. What steps can the Minister of Natural Resources, who is responsible for elk who are wildlife in this province, what steps is the Natural Resources minister going to take to control the amount of poaching that will develop as a result of elk ranching? I am thinking in specific to the cases of people who have come to me and said that what ranchers who are ranching elk will do is set up near a provincial forest and lure elk out and capture them. Now, how can the minister ensure and assure Manitobans that kind of practice is not going to take place?

**Mr. Chairperson:** Order, please. I am going to request leave. The honourable Deputy Premier (Mr. Downey) is not in his proper seat. I ask leave of the committee, and

this is mainly for Hansard's concern, is there leave for the honourable Deputy Premier to be recognized in that spot?

**An Honourable Member:** Leave.

**Mr. Chairperson:** Leave has been granted.

**Hon. James Downey (Deputy Premier):** Well, I am not going to answer the question specifically. It is the Minister of Natural Resources' responsibility. I would like, Mr. Chairman, to put a comment on the record because I think this is an extremely important subject which I would hope—and the member made reference to poaching and activities as relates to elk ranching. Let us be clear on what in fact has taken place over the past year. In fact, what we have seen has been a tremendous movement of what has been the wild elk herd into what would be the domesticated farm areas of which, if you have had any experience or seen any activities at all, there is a tremendous intermingling at this particular time. In fact, the elk unfortunately just do not eat the farmers' feed and come into the farmers' yards, they climb on top of it and they mess all over it, and there is a tremendous amount of activity already that has taken place.

The member makes reference to poaching, and I think we are certainly all opposed to it. The sale of poached animal parts is certainly illegal and abhorrent and cannot be supported. I believe that what is being proposed by my colleagues, the ministers of Natural Resources and Agriculture, will in fact help eliminate it, because what you will have are registered products that are coming out of an industry that are totally under control as relates it to sale and marketing and tracking of that activity. Today there is none of that. Every animal we track.

I think the member would be well advised to wait until the legislation is tabled—

**Mr. Driedger:** Tomorrow.

**Mr. Downey:** —and the minister says tomorrow, to pass judgment as to whether or not all their checks and balances are in there, but to come out and leave an impression that it is a potential of spreading disease or increased poaching—yes, this place is for debate and it is a place for questioning and I encourage you to do so, but I think to do anything that would deter or to muddy the waters on what is taking place would not be fair to an

industry that we believe, I believe firmly, as the Minister of Industry, Trade and Tourism, has a real opportunity of developing in a proper way.

We are one of two provinces left in Canada not to have an industry development, Newfoundland and Manitoba, as it relates to game farming. We should not continue to deny our producers the opportunity to proceed in a responsible way, and again I want to make one last comment on the record as he refers to the disease, an elk that was detected in Saskatchewan. That is not mad cow disease, Mr. Chairman, it is not mad cow disease.

The other thing is, as it was done three years ago when there was any chance of that type of disease spreading, it was wiped out and all the contact made with it. The animals that had contact with it were actually cleaned out, so the point again is that we do not believe we should deny an industry opportunities. On the poaching point, I firmly believe it will bring under control and regulate all the products that may or would be sold from that industry in a regulated way, and I would hope that the member for Dauphin (Mr. Struthers) would see it as an opportunity.

Last of all, Mr. Chairman, what we do not need to see happen is what is happening currently to our PMU industry in Manitoba and the threat that it is coming under. I would hope that before members opposite go off on a political tangent trying to make some political marks for their own political benefit, they would consider very seriously the consequences of what they put on the record.

**Mr. Chairperson:** Order, please. I have been listening very intently to the debate. It is a very interesting debate, but we started off on the right track when we were dealing with the elk under the issue where it was under this line or under the minister's department, and that was in the catching of the elk, but we have moved off now into a direction where we are bringing it into the Department of Agriculture.

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

**Mr. Chairperson:** Order, please. I am not quite finished yet. You can get me on a point of order when I am done. What has happened is we are moving toward the Department of Agriculture and away from this line.

As long as the line of questioning has been dealing with the minister's department, we are within the line, but when we move to Agriculture in the next few days we will have an opportunity to ask the Minister of Agriculture (Mr. Enns) those questions, and this is for all members. So I would ask for the indulgence of the committee to wait for asking the issues of elk farming to that, and that also takes into account the disease, the

transportation of, so your line of questioning on the transportation of elk into the province is under Agriculture, not under the Department of Natural Resources.

The hour being 5:30 p.m., the committee is now recessed until 9 a.m. tomorrow (Thursday), as previously agreed.



# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 22, 1996

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