



HLW

Fifth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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BARRETT, Becky	Wellington	N.D.P.
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LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
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<i>Vacant</i>	St. Boniface	

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 9, 1999

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson): 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 Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

Motion agreed to.

Standing Committee on Public Utilities and Natural Resources First Report

Mr. Gerry McAlpine (Acting Chairperson of the Standing Committee on Public Utilities and Natural Resources): Madam Speaker, I beg to present the First Report of the Standing Committee on Public Utilities and Natural Resources.

Some Honourable Members: Dispense.

Madam Speaker: Dispense.

Your Standing Committee on Public Utilities and Natural Resources presents the following as its First Report.

Your committee met on Tuesday, May 25, 1999, and on Tuesday, June 8, 1999, at 10 a.m. in Room 255 of the Legislative Building to consider the Annual Reports of the Workers Compensation Board for the years ended December 31, 1996, 1997 and 1998, the Five-year Operating Plans for 1996, 1997, 1998 and 1999, and the Reports of the Appeal Commission for the years

ended December 31, 1996, 1997 and 1998. Your committee also met on Thursday, April 24, 1997, at 10 a.m. in Room 255 of the Legislative Assembly to consider the December 31, 1996, Annual Report of the Workers Compensation Board, the December 31, 1996, Report of the Appeal Commission, and the 1996 and 1997 Five-year Operating Plans.

At the April 24, 1997, meeting, your committee elected Mr. Tweed as its chairperson and Mr. McAlpine as its vice-chairperson.

At the April 24, 1997, meeting, Mr. Wally Fox-Decent, chairperson of the board and chief executive officer, Mr. Alfred Black, executive director, claims services, Mr. Terry Edgeworth, executive director, employer services and human resources, Mr. Glenn Hildebrand, director, communications, and Mr. Sid Rogers, senior director, claims services, vocational rehabilitation, provided such information as was requested with respect to the annual reports and business of the Workers Compensation Board.

At the May 25, 1999, meeting, Mr. Wally Fox-Decent, chairperson of the board, Ms. Pat Jacobsen, president and chief executive officer, Ms. Deborah Vivian, chief appeal commissioner, and Mr. Rob Campbell, vice-president of financial services and administration and director of sector services, provided such information as was requested with respect to the annual reports and business of the Workers Compensation Board.

At the June 8, 1999, meeting, Mr. Wally Fox-Decent, chairperson of the board, Ms. Pat Jacobsen, president and chief executive officer, Ms. Deborah Vivian, chief appeal commissioner, Mr. Don Paul, vice-president of rehabilitation and compensation services, Mr. Alan Scramstad, director of legal services and corporate secretary, and Mr. Alfred Black, vice-president of financial services and administration, provided such information as was requested with respect to the annual reports and business of the Workers Compensation Board.

Your committee has considered the Annual Reports of the Workers Compensation Board for the years ended December 31, 1996 and 1997, the Five-year Operating Plans for 1996 and 1997, and the Reports of the Appeal Commission for the years ended December 31, 1996 and 1997, and has adopted the same as presented.

Mr. McAlpine: I move, seconded by the honourable member for Gimli (Mr. Helwer), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Eric Stefanson (Minister of Health): Madam Speaker, I am pleased to table the Supplementary Information for Legislative Review for Manitoba Community Support Programs for 1999-2000, along with the same information for Manitoba Sport.

Hon. Mike Radcliffe (Minister charged with the administration of The Civil Service Act): Madam Speaker, I am pleased to table the Actuarial Report on the Civil Service Superannuation Fund.

* (1335)

ORAL QUESTION PERIOD

Gangs Reduction Strategy

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, in 1993 there were 300 members known to the Winnipeg police of gangs in Winnipeg, and in '94, regrettably, that number had climbed to 400, according to the Winnipeg city police in their statistics. In 1995 we made promises, the government made promises and the Premier quoted in his promise: Manitoba's neighbourhoods must be protected from those who threaten our neighbourhoods. Of course it was a sentiment that all of us would agree with.

I would like to ask the Premier (Mr. Filmon), from his promise in 1995, has the number of people known to be in gangs gone down, or has it increased under his watch?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, indeed, the issue of gangs and gangs in our streets is a very important one and one that this government takes very seriously. The recent indications from the Winnipeg Police Service indicate that there are as a result of their very extensive ability now to determine exact amounts of gang members in 1999, 1,531 members. However, what they indicate is that 601 of these are confirmed members and that others are associated with a gang in much lesser numbers.

The other point that needs to be made is that presently today in our provincial jails—this is exclusive of federal jails—385 of the most hard core of these gang members are there. So we are making a real difference in terms of ensuring that gang members are responsible for their actions.

Mr. Doer: Madam Speaker, the minister has just confirmed that there are 1,531 known gang members to the City of Winnipeg Police after the election promise of the Premier in 1995 where he talked and promised to do something about it when the number was only 400.

I would like to ask the Premier: why have his policies failed to curtail the growth in gangs, and why do we have more gang members today known to the City of Winnipeg Police under his watch?

Hon. Gary Filmon (Premier): Madam Speaker, of course, the member opposite is being, I think, less than fair to the police forces of the city and the RCMP. These forces have put together the intelligence that allows them to track the activities and identify all of these people. It may well be that there were many more who were not identified back in 1993 or '94. Not only are they identified, but as the Attorney General has just indicated, some 385 of them are in our provincial institutions as a result of the efforts of the police forces. In many cases, the police will tell you that these are the leaders who they have been able to convict and incarcerate.

We have put together many, many resources that have resulted in this kind of impact, including dedicated gang prosecutors, including the fact that Crown attorneys oppose bail for

violent and gang-related accused, the transference of youth involved in violent gang activity to adult court wherever possible, and this province with 4 percent of the population has over 40 percent of the cases that are raised to adult court in the whole country. There is, of course, the Winnipeg street gang prevention co-ordinator, a very, very effective individual.

So, when the member opposite criticizes what is happening, he is criticizing the work of a lot of dedicated, hardworking and effective people in the police service of this province, because we have put in place many of the tools that they have needed. That is why there are 385 of the worst offenders who are in jail as a result of our efforts.

Mr. Doer: Madam Speaker, what we are afraid of is tough talk and empty rhetoric at election time and no follow-through after. The Premier talks about gang activity like cancer. Well, the best thing to do with cancer is prevention, early intervention, early assessment and workable programs, not just a couple of little press releases and announcements before the election.

I would like to ask the Premier: why is he misrepresenting the growth in gang activity? The police say a slight increase can be partially attributable to the improved data. The Premier is now saying the increase in the number of gang members is attributable to the change in data. Why does he not admit that his policies have not worked? It has only been a slight increase based on data. Regrettably, the majority of the increase is a lack of hope, a lack of consequences, a lack of Crown attorneys and a lack of bridges for opportunity rather than dredges of despair.

* (1340)

Mr. Filmon: The member opposite ought not to misrepresent what I said. I said some of the increase—and he has just confirmed that by his statement—can be attributable to better information, better tracking, better identification by our police forces. But, Madam Speaker, the reality is that 385 of the most violent and hardened of the group are in our penal institutions right today as a result of the efforts of this government and our police forces

throughout the city and the province of Manitoba. Dedicated gang prosecutors; Crown attorneys opposing bail for violent and gang-related accused; transfer of youth involved in violent crime activity to adult court; the street gang prevention co-ordinator in the city of Winnipeg; we have the toughest penalties in the country for home invasions. We funded 40 more police officers in Winnipeg annually since 1995. We expanded the network of our youth justice committees. We have vehicle seizure for johns, the crackdown on prostitution, which is the main source of income of many of these gangs. We have toughened Criminal Code provisions for antistalking.

That has been done as a result of the efforts of this government and the former Attorney General. We have supported community-based public safety initiatives such as Urban Sports Camps, the Choices program, a Citizens on Patrol service. All of these things have been early intervention and prevention of exactly the things that the member opposite talked about. So he ought not to fool himself by his misuse of statistics.

Gangs Reduction Strategy

Mr. Gord Mackintosh (St. Johns): To the Premier. The other night I saw the Premier on TV in a Conservative election ad about gangs, Madam Speaker, and I had not seen that for about four years. But, interestingly, he was not slamming the prison doors shut anymore at Headingley jail, because when they sent the gang members out there last time, they did not know what to do. They were so lax and negligent, they caused the worst prison riot in Manitoba history. Manitoba deserves better.

I ask this question of the Premier: since we have not heard from the Premier on the issue of street gangs for four years, I am just wondering where the Premier got this new-found interest in gangs just before an election.

Hon. Gary Filmon (Premier): Well, Madam Speaker, interest of any kind is better than just the rhetoric that we get from the member opposite on the issue as he postures every day in this House with his weak-kneed approach to

dealing with these issues. As I indicated to his Leader, I will repeat for him, we have instituted dedicated gang prosecutors; we have Crown attorneys who oppose bail for violent and gang-related accused; we transfer youth involved in violent gang activity to adult court wherever possible. We are responsible for over 40 percent of the transfers in Canada with just 4 percent of the population. We have the toughest penalties in the country for home invasions. We have a Winnipeg street gang prevention co-ordinator. We have 40 more police officers in Winnipeg since 1995. We are doing things, not just the empty rhetoric of the member opposite.

Mr. Mackintosh: My question to the king of rhetoric. I want to ask the Premier why, in this pre-election ad that I saw on TV this week, with the Premier for the first time in four years talking about gangs, why did he report that his government was passing new, tough antigang laws. Would he list those bills for Manitobans right now?

Hon. Vic Toews (Minister of Justice and Attorney General): This is something, of course, that the Premier (Mr. Filmon) has taken a very active interest in.

Some Honourable Members: Oh, oh.

Mr. Toews: Madam Speaker, the Leader of the Opposition (Mr. Doer) pokes fun at the Premier for the riding that he represents. He poked fun at me from the country that I was born in, and I wish he would stop doing that kind of thing because there are many of my constituents who do not appreciate the kinds of things he says about the country that I was born in.

In any event, the kinds of laws that we have in fact passed are within our area of jurisdiction, and they have been very effective. Number one, the laws under our Corrections Act, the regulations that regulate gang activity in our prisons, have been very, very effective. Those laws in fact have been very effective in controlling gangs in our prison. Secondly, the Johns laws with respect to the seizure of motor vehicles deals directly with the lifeblood of street gangs who prey on street prostitution. Those laws, according to the police—and perhaps the member knows better, but I trust the word of

the police—are making a very important difference on our streets today in Winnipeg. We want to give the police not just laws but policies and tangible support, which we are doing.

* (1345)

Mr. Mackintosh: Would the Premier (Mr. Filmon), despite the Philadelphia lawyer attempts by the minister to try and wiggle out of the fact that there are no antigang laws introduced by this government, explain to Manitobans, since he said right in their face on the television, that this province had passed tough new antigang laws, what laws, what bills were brought in to specifically deal with the threat of street gangs that this minister, this Premier, has overseen in Manitoba? Where are they?

Mr. Toews: As I have indicated, we have brought in a brand new Corrections Act that those people when they were in power would not. We brought in a brand new Corrections Act that in fact empowers us to deal with gangs in our institutions. That is a new law. The Johns' law is a very important tool in the hands of the police to ensure that conditions leading to crime are in fact stymied. We as a government and my colleague the member for Fort Garry (Mrs. Vodrey) were instrumental in encouraging the federal government to pass the organized crime legislation, legislation that our government implemented in terms of prosecutions in a very high profile case. We have worked with the federal government in ensuring that there are appropriate laws in place in Manitoba, and we are very proud of the role that we played in that respect.

Winnipeg Police Service Funding—New Officers

Mr. Gord Mackintosh (St. Johns): To the same minister, the minister I pleaded with to write gang protocol into that same Corrections Act and which he refused, Madam Speaker, he said: don't worry, be happy. I am looking at a press release from the government dated today that says that the province intends to fund policing in excess of \$15 million for 62 officers. Now would the minister please just really give us the straight goods here? Would he please tell

Manitobans that there is no \$15 million in any new money. There certainly are not any new 62 police officers. Would he tell Manitobans exactly how many police officers will be on the street next month as opposed to last month? Perhaps let us get the real story here.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, as a result of the direct financial contribution of this government in respect of policing in the city of Winnipeg, there are 40 additional police officers that we have funded. Today we announced an extension of that agreement to the year 2004. We are also very, very pleased to announce, in response to the request from police forces in this jurisdiction, the RCMP, Winnipeg city, Brandon city, and other municipal police forces, a joint forces intelligence unit.

The member across the way was criticizing me when I signed that memorandum of understanding with the RCMP indicating our support in principle for such a unit. Madam Speaker, we have indicated to the police that we will support that in terms of the police needed to staff that joint forces intelligence unit which will have a direct bearing on the activities of gang members, not simply street gangs but more sophisticated organized street gangs.

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

Joint Forces Intelligence Unit New Officers

Mr. Gord Mackintosh (St. Johns): To help the minister just expound on what is the truth here, would the minister then at least start with this: would he tell Manitobans how many officers are actually going to be dedicated to the joint forces intelligence unit, a unit for some reason that we are about the last to get of all the provinces? Imagine, of all the provinces in Canada, one of the last to get one of these units.

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, is that not strange that the member of course neglects to point out the fact that in NDP British Columbia, because of the corruption in a particular case involving the joint forces, their joint forces fell

apart. We wanted to avoid that particular situation, and we wanted to do it right by consulting with all the police forces to ensure that we have an effective joint forces intelligence unit. So we are, in fact, together with federal authorities, dedicating various officers. We are dedicating officers to the RCMP, we are dedicating officers to the Winnipeg city police, and one to Brandon city police. The federal RCMP, on the federal policing side, will dedicate four RCMP officers, and customs will be dedicating one officer for a total of 16 officers.

* (1350)

Winnipeg Police Service Funding—New Officers

Mr. Gord Mackintosh (St. Johns): Given the information now from the minister, would he confirm that all the announcement is about today is six new officers, and would the minister confirm that these six new officers will not be on the streets for quite some time?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, this announcement not only involves the extension of the 40 officers for an additional two years, to the year 2004, it puts 22 more officers that we are responsible for funding into various crime-fighting activities. For example, the Winnipeg Police Service will receive funding for 10 regular officer positions. That is our commitment. The RCMP will receive funding for nine regular officer positions plus three additional support staff, and the Brandon city police will receive funding for three regular police officers.

Madam Speaker, yes, there is an amount of negotiation that will have to take place as to exactly where these officers will go, but it is our intention as a government to ensure that the last of these officers is in place before the end of this fiscal year.

CN Transcona Shops Layoffs

Mr. Daryl Reid (Transcona): Since 1989 and on this Premier's (Mr. Filmon) watch, Manitoba has lost nearly 6,000 railway jobs. Today we

have learned that CN Rail will be announcing that it will terminate production of rail equipment wheel sets at the Transcona Shops. This shop supplies all of CN's operations across Canada and has been profitable for some time. Now 110 jobs at the Transcona CN wheel shop are on the line.

Since Manitoba has already lost 6,000 rail jobs and now another 110 jobs on this Premier's watch, will the Premier pick up the phone and call CN president, Mr. Tellier, and remind him of the benefits CN received when the fuel taxes were cut for the railways as a tradeoff to keep jobs in Manitoba, or was this not the intent of the tax cuts that the Premier made for the railways in the province of Manitoba?

Hon. Darren Praznik (Minister of Highways and Transportation): Madam Speaker, it just so happens that yesterday afternoon I had an opportunity to meet with the head of the prairie region for Canadian National Railway, who was in my office to discuss that and a number of particular issues. We also had received a call earlier in the day from one of the shop stewards involved regarding this issue. Canadian National tells us that they are still in the process of making decisions, that there are changes they want to make, moving some work in, some work out. We expressed to them the concern that we of course want to see as many jobs as possible, but let us just put into context for a moment that what is really important to Manitoba ultimately is that we maximize our transportation industry. I would hope that the member is not suggesting that jobs be subsidized in any way in the province but that the railway operates in an efficient manner.

Mr. Reid: Well, then, Madam Speaker, perhaps the Premier (Mr. Filmon) would answer and tell the nearly 200 employees who work at Griffin Canada foundries in Transcona what the long-term future is for their jobs, since nearly 50 percent of Griffin's production is targeted for that CN Transcona Shops operations. What will happen to those 200 jobs at Griffin foundries?

Mr. Praznik: Madam Speaker, in fact, one of the policies of this government has been—in our years in office—to make Manitoba a very competitive place. We have worked very hard to

ensure that we are competitive for industry so that they are located in our province because this is the right place to be. The railroad, of course, we would like to ensure that they maximize their job opportunities in our province, but if the member is suggesting that we should somehow be subsidizing those jobs in some way that artificially keeps them in our province, that I would hope is what he is not suggesting. That would be a return to the days of over a decade ago when his party was in power and the Manitoba economy was in the dumpster and on its way down to being very uncompetitive.

* (1355)

Mr. Reid: I want to ask the Premier, Madam Speaker—perhaps he will answer this question. Now that CN will be building two new wheel shops, one in Toronto and the other in Edmonton, will the Premier explain how Ontario and Alberta are once again winners and Manitoba once again loses rail jobs to another province, or is this Premier a political lightweight amongst his counterparts in Canada?

Hon. Gary Filmon (Premier): Madam Speaker, I am not sure that the member for Transcona ought to be talking lightweight. It might bring some undue attention to him.

The fact of the matter is that this province continues to attract investment in jobs disproportionately to virtually every other province in Canada. Over the last five-year period, according to the Conference Board, we have had the second best growth of any province in Canada. In fact, the headline, I guess, in today's newspaper says: Manitoba to lead the west in economic growth.

That is reflective of what we have done in government to make this an attractive place, as opposed to what New Democrats did, which was to drive investment, business and jobs out of our province for all of the time that they were in power under the Pawley-Doer administration. Six and a half black years in this province.

Overall, in transportation and distribution, this province has more people working in this sector than ever before in its history. Over 30,000 people work in transportation and distri-

bution because of the policies of this government. So, for the member opposite to talk about job creation, I remind him that when they were last in office, Manitoba's youth unemployment rate was 3 percent above Canada's, and today it is 5 percent below Canada's. We have the lowest unemployment rate in the country, and the most people employed in our history. That is what it is all about because of the policies of this government.

Education System Standards Testing Breach

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Premier (Mr. Filmon), and it is in regard to yesterday's questioning with respect to the principal of the Maples Collegiate and the integrity of our standards exams. I start off by quoting the Premier who said yesterday: "unlike the chairman of the NDP campaign who is the person who is proud of exam cheating and promotes it by breaking the rules of the provincial exams and sharing the copy of the exam before it is written with the math teacher." It is apparent that this government knows more than what it has told us in opposition.

My question to the Premier: is the Premier prepared to share with us what information this government has on this whole incident?

Hon. James McCrae (Minister of Education and Training): Madam Speaker, the information we have respecting this matter amounts to some very serious concerns. I share with the honourable member concern about any perception that the wrongdoer, the admitted wrongdoer in this case, should be somehow rewarded by being promoted to assistant superintendent of the school division; meanwhile, the person who reports the wrongdoing is being punished. That is what the perception is as raised by the honourable member.

An Honourable Member: Careful.

Mr. McCrae: The member for Kildonan (Mr. Chomiak) asks me to be careful. He might ask the chairperson of the NDP campaign to be careful when it comes to cheating on security matters, when it comes to the testing program

that we have in this province. Of course we need to be careful, but we ought not to be hearing it from the honourable member for Kildonan, who seems to support cheating on exams, too.

In response to the—

Madam Speaker: Order, please. Would the honourable member please complete his response quickly.

Mr. McCrae: In response to the concerns raised yesterday and in response to our own concern, we have contacted the Seven Oaks School Division once again about this matter to see if we could not firm up the date by which we might get a report from them about this matter. We are advised that we will have a report on or before June 18, and at that point we will review that and see if there ought to be any action taken at that point.

* (1400)

Mr. Lamoureux: My question again is to the Premier. Given his comments yesterday, will he not acknowledge the importance of the role model of our principals and ask, in terms of the Premier, would he back up his beliefs with action, and what sort of actions are you prepared to take in order to rectify this very serious violation of breach of standards exams?

Mr. McCrae: Madam Speaker, this is a very serious matter, and I wish honourable—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. I am experiencing great difficulty hearing the honourable Minister of Education.

Mr. McCrae: This is a very serious matter, and I wish members of the New Democratic Party would treat the matter seriously. The Public Schools Act allows for very, very significant sanctions in the case of wrongdoing, even of the type we are talking about here, Madam Speaker, all the way from a further review of the matter, to reviewing a teacher's certification when a wrongdoing of this admitted nature happens, all the way to the power of the province to remove

the whole board of trustees of a school division. I wish honourable members of the New Democratic Party would view this matter as seriously as the Leader of the party said he would, that if his campaign chair did something wrong, he would resign. This is something that the member for Concordia (Mr. Doer) has said, and I think honourable members ought to take this matter just a little more seriously.

Mr. Lamoureux: Madam Speaker, I would ask for the government to recognize the political nature of this whole incident and the breach itself and would ask the government to see the merit for presenting a truly independent investigation in this particular incident. I believe the teacher who has been demoted—

Madam Speaker: Order, please. The question has been put.

Mr. McCrae: Madam Speaker, the rights of individuals in our province ought to be extremely important to all of us, because if the rights of one are trampled upon, perhaps the rights of all of us are endangered.

The teacher involved in this matter, the one who allegedly, quite rightly, reported on a breach which was later admitted to by Mr. O'Leary, the principal of the school, is now being assisted with legal costs by the Manitoba Teachers' Society. We are attempting to ascertain the present status of that without, by doing so, in any way interfering in the process of grievance.

That being said, I am very concerned also, not only about individuals' rights but about the integrity of our school system, about the integrity of the standards testing system that we have which requires professionals working in the field to behave in a professional manner and not to break the rules, and we want to know what the follow-up to all of that is.

So the honourable member is asking for something more, and I think that, having learned that the report of the division will be available on the 18th, we will review that and then make a decision in regard to the honourable member's question at that point.

Mining Industry Fraudulent Claims

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, fraudulent claim staking in Manitoba is a very serious issue, given there is approximately \$40 million spent annually on exploration. This government's policy of self-regulation of claim staking has proven to be a mistake.

I would like to ask the minister: how many cases of alleged fraudulently staked claims have been raised to the Department of Energy and Mines in the past year?

Hon. David Newman (Minister of Energy and Mines): Madam Speaker, I do not have the specific answer to that question. The only one that has come to my attention is the one instance that was dealt with by the recent decision of the Mining Board.

With respect to this whole issue of inspectors, however, a very confusing approach was put forward by the honourable member for St. James, yesterday dealing with claims inspectors, quarry inspectors and petroleum inspectors. The claims inspectors are simply legal inspection people, and that is why self-responsibility can replace, but quarry inspectors and petroleum inspectors perform a safety, environmental and health responsibility as the honourable member for St. James well knows.

I would like to table a document about fraudulent claims which is both in response to her inquiry today and in response to the honourable member for Flin Flon's (Mr. Jennissen) inquiry yesterday, and I have the date that Harvey Winiasz's complaint came forward and a chronological listing of all relevant events since then.

Ms. Mihychuk: Madam Speaker, is the minister going to inform all those who may be affected by the government's self-regulating policy of the present situation of staking fraud and also inform them that they must be very wary of fraudulent stakers and ensure that any claims that they now hold or may contract out are properly registered and marked since the government of Manitoba will not take on this responsibility?

Mr. Newman: The responsibility, as the honourable member for St. James well knows, having been a civil servant in that department as a geologist before seeking public office, claims inspectors have the responsibility of staking claims properly, and they are licensed to do it properly. They swear a statutory declaration. They declare a statutory declaration confirming they have done things properly.

We have two inspector positions that are responsible for minerals inspection of this kind of legal nature. The responsibility for environmental and safety and health is in another department of government in that connection, and there are ample inspectors to perform the role up to a proper standard. This is not an exclusive self-regulation, but to the greatest degree possible it should be a self-responsibility of claims inspectors and people in the industry to do it properly. For us to get involved ourselves would be going back to the New Democratic government under Schreyer and Pawley and that assorted bunch years ago.

* (1410)

Ms. Mihychuk: Will the minister now confirm that his policy of self-regulation, self-responsibility for the metallic mineral industry actually is a form of backdoor paper staking?

Mr. Newman: I now see what is behind. I see the web which she is trying to get through. What she is referring to is a concept which is a concept in the province of Quebec called map staking. Of course, if there were map staking, there would be no opportunities for people out in the field to engage in fraudulent exercises because it would all be done in ways that would not involve human beings being out in the field doing those kinds of things.

No question, if she is advocating that as a solution and an absolutely perfect solution and wants to adopt that approach, I would be very interested in hearing more about it during Estimates. But the position of this government and my department is, on a pilot basis, that may be worth taking a look at because it works well in other areas, but beyond that, we believe that the industry is perfectly capable of having a very effective honour system way of dealing with mine claims staking.

Flooding Compensation for Farmers

Ms. Rosann Wowchuk (Swan River): The situation in southwestern Manitoba continues to deteriorate, and it is anticipated that the unseeded farmland in western Manitoba could result in a loss of up to \$600 million from the economy of Manitoba, a serious situation not only for farmers but for all of the economy in that part of the province.

In 1997, assistance was provided through a memorandum of understanding as part of the disaster assistance program. This year, as of June 7, the government had not made any application for disaster assistance or for any side agreements for disaster assistance.

I would like to ask the minister responsible whether or not an application has finally been made to Emergency Measures, and any contact that has been had with Art Eggleton's office to ensure that we have proper assistance for the people in southwestern Manitoba, as we did have through this department when the Red River Valley flooded.

Hon. Frank Pitura (Minister of Government Services): We have had communication with Emergency Preparedness Canada right from the beginning of this whole situation occurring in the southwestern and western side of the province. As a result of that, we have moved ahead in the various areas under the Disaster Financial Assistance agreement that we have in place with the federal government. We have also had further discussions with Mr. Duhamel with Western Diversification, as that was part of the memorandum of understanding in 1997. As well, my colleague has had discussions with the honourable federal Minister of Agriculture Vanclief with regard to the possibility of some arrangements at that level through the agricultural area. As well, the Prairie Farm Rehabilitation Administration has been contacted and they have had discussions. So all of that has taken place and, for the honourable member, our MEMO people have been in the southwest and the western side of the province for quite a while now, and we have been responding to the various claims and the questions that people have out there for us.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Madam Speaker: I have a ruling for the House.

I took under advisement on May 26, 1999, a point of order raised by the opposition House leader about the answer given by the honourable Minister of Justice (Mr. Toews) to the honourable member for St. Johns (Mr. Mackintosh). In raising his point of order, the opposition House leader asserted that the minister had breached Citations 417 and 481(e) of Beauchesne. Having reviewed Hansard, I am ruling that the minister did not comply with Citation 417. His answer should be as brief as possible, should deal with the matter raised and should not provoke debate.

In reading the answer of the minister, though, I do not believe that he imputed unworthy motives.

MEMBERS' STATEMENTS

Young Offenders

Mr. Jack Penner (Emerson): Last winter I was privileged to chair a panel of people that toured the province of Manitoba and asked people what kinds of changes they wanted to the justice system and the Young Offenders Act. It was a wonderful experience as we met in seven different communities and seven different forums, and we heard from people first-hand the kinds of situations that they encountered in their community with young people, young offenders. They demonstrated clearly their will and their desire to become part of making and recommending changes to the federal act.

Because of the results of the consultations, our province made nine recommendations to the federal government in recognition of what our people, the people of Manitoba had recommended. Some of our government's recommendations include charging under appropriate circumstances children under the young age of 12. People in Manitoba said: no matter how old or how young you are, you should take responsibility and parents should have responsibility

for the actions of their children, expanding the age categories for youth charged with serious crimes in adult court and broadening the proposed circumstances where a violent or repeat young offender's name can be published. Manitoba would also have automatic-custody sentences for youth convicted of an offence involving weapons and impose adult parole requirements on youth convicted in adult court.

Madam Speaker, there are a number of other recommendations contained in the report that I presented to the minister yesterday which will be given to the federal minister as recommendations that Manitobans would like to see changed in the Young Offenders Act.

Mining Industry

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, the recent case before the Mining Board brought forward a serious problem in Manitoba's process of claims staking. Involved were a number of claims in southeastern Manitoba which were proven to be fraudulently staked. In another situation that we are aware of, another major company was involved in holding claims that were indeed found to be fraudulently staked. This company had invested \$160,000 of work into that claim block.

* (1420)

Madam Speaker, self-regulation means that industry takes its own responsibility. Claims staking has never been one that has worked on co-operation and partnership. It, in fact, is a very competitive field, and many claims stakers are out to get there first and get the best land, of course. The industry, the metallic mineral industry, is worth a billion dollars. Our petroleum industry is much smaller, worth approximately \$80 million, and our quarry industry is worth approximately \$80 million. We do have a number of inspectors, and during the NDP years of the '80s we had two inspectors in the metallic mineral sector, one for southeastern Manitoba and one for northern Manitoba. It is very unfortunate—

Some Honourable Members: Oh, oh.

Ms. Mihychuk: Madam Speaker, could you call—

Madam Speaker: The honourable member for St. James.

Ms. Mihychuk: Thank you, Madam Speaker, with the disruption, I hope that some consideration can be given to finish my statement.

Two full-time inspectors were employed during the '80s. Unfortunately, there was a reduction. One claims inspector based out of The Pas was inspecting all metallic mineral claims as well as all quarry minerals in northern Manitoba, half of the province, an unreasonable amount of work for anyone. He has since retired, and so therefore we have no mineral inspectors. The new Mines Act is so limiting that we understand there will not be any fines or charges against the individuals who were proven to have fraudulently staked the claims, that the act requires intent to be proved and that witnesses would have to be called in. Until Manitoba moose can be called in as witnesses—

Madam Speaker: Order, please. The honourable member's time has expired.

Golden Gate Middle School Concert

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, last evening I had the pleasure of attending the Golden Gate Middle School band and choir presentation: A Concert in the Park.

I must tell you that the audience was dazzled by the outstanding performances of the choir and the band. The soft sounds of music filled the air in the park and brought delight to the fans of jazz and concert music.

The Golden Gate Middle School band program is one that is known throughout the province and country for its bright, creative and talented students. These hard-working students and teachers have travelled to numerous festivals across the country and have achieved a level of success at each performance. During a performance in British Columbia, Dr. George King, an accredited musician and professor at the School of Music at the University of British Columbia, cited the Grade 8 jazz band as one of the best he had heard in North America.

The band program's success is the result of the hard work and dedication of all the students in the band and the choir, and I congratulate them all. I would like to recognize Principal Dave Bertnick for his support of the band program and offer congratulations and thanks to the directors of the program: Ms. Darrell Chrisp, Mr. Blaine Workman and Mr. Zbigniew Cichosz. Their love of music is evident and is passed on to their students as 330 of 500 students of Golden Gate participate in the program.

The band program provides students with an opportunity to be a part of something that is special and teaches them to set goals. I commend them for choosing the band program and thank the staff and parents for supporting these young talented students. Last evening's program included presentations by the Grades 6 and 7 Concert Band, the Golden Gate Singin' Gators, the Groovin' Gators Jazz Band, the Swingin' Gators Jazz Band, and the Grade 8 Concert Band. Each and every one of the performances was excellent.

Please join me in congratulating the students and staff at Golden Gate Middle School for an absolutely fabulous performance and wish them well in the future, Madam Speaker.

CN Rail

Ms. Rosann Wowchuk (Swan River): Madam Speaker, recent comments by CN and CP Rail that they would welcome competition are highly questionable. The same two railway giants have carefully avoided competing with each other for shipping grain or most other commodities. As few as 2 percent of branchlines are actually currently served by both railways.

Since the federal Liberals sold CN and passed the Canada Transportation Act giving new powers to the major railways, both CN and CP have scrapped thousands of kilometres of branchlines. They have also laid off thousands of workers in Manitoba. Manitoba alone has lost more than 6,000 railway workers since Gary Filmon and his Conservatives have taken office in this province. The two railways have not made any efforts to compete in shipping grain through branchlines during this period.

The Canadian Wheat Board, National Farmers Union and others estimate that farmers have been overcharged by \$200 million this year by the railways, thanks to the higher rates they are charging. Attempts to get a full cost review of grain transportation has been repeatedly refused. The announcement by the federal minister that the Grain Transportation Agency will review grain handling costs was welcomed only by the railways themselves who know it will be of little consequence.

While the railways claim they believe in competition, anyone who has tried to assist the setting up of a short line knows that short lines continue to face obstacles. The federal legislation does not give short lines common running rights. Attempts to establish the Miami-Elgin subdivision have been unsuccessful. CN refuses to sell the Bay Line short of The Pas. The Irwood subdivision could be dismantled at any time because CN is not putting together a reasonable package. The Cowan subdivision will need extensive work, as well as a revenue-sharing agreement and joint running rights before it can operate. Even then, short lines will have to negotiate with CN and shipping companies over commodities.

Victor Tessessaze

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, I would like to commend a young artist originally from Lac Brochet, Victor Tessessaze, for beginning the painting of the first aboriginal mural at the University of Manitoba. I also congratulate the University of Manitoba for showcasing aboriginal art.

Victor Tessessaze is a student at the Faculty of Art at the University of Manitoba. All of us in this Chamber wish him well and look forward to his continuing career as an artist. I would like to paraphrase Victor who has stated that aboriginal art in general and his art in particular encourage people to work together and also that such art indicates that there is unity on this continent.

It is wonderful to see young aboriginal artists providing powerful art in the footsteps of other great aboriginal artists; just to name a few, Daphne Odjig, Norval Morrisseau, Jackson

Beardy and Robert Houle. I am sure that we are on the edge of a new golden age in aboriginal art and look forward to future creative expressions by the many young aboriginal artists now entering the field. Thank you.

ORDERS OF THE DAY

Committee Changes

Mr. Edward Helwer (Gimli): Madam Speaker, I move, seconded by the member for Portage la Prairie (Mr. Faurichou), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the member for Assiniboia (Mrs. McIntosh) for the member for River Heights (Mr. Radcliffe), the member for Sturgeon Creek (Mr. McAlpine) for the member for Gladstone (Mr. Rocan).

Motion agreed to.

House Business

Hon. Darren Praznik (Government House Leader): Madam Speaker, in terms of business for today, we are going to call for introduction for second reading Bill 33. I understand the minister has very short remarks. Following that, we will be going into Estimates.

There are some changes in the order of Estimates for which I am going to seek leave of the House. First of all, I believe if you canvass the House, you will find that there is agreement to waive private members' hour. Of course, we will be doing that on Thursday in the morning session.

Madam Speaker: Is there unanimous consent of the House to waive private members' hour for today, with the understanding we will have private members' hour Thursday morning? [agreed]

Mr. Praznik: Madam Speaker, today in the Chamber I believe we will revert to Executive Council. There is likely going to be a change in this for tomorrow that the opposition House leader (Mr. Ashton) and I are discussing, which we will have some announcement on likely later.

In Room 255, I understand that Sport, which was placed in that room yesterday, will continue.

I believe that at five o'clock it will be adjourning or completed. Either way, Madam Speaker, we would seek leave for the Department of Consumer and Corporate Affairs to be moved into Room 255.

* (1430)

Madam Speaker: An announcement first. Today, in the Committee of Supply, the Estimates of Executive Council will be dealt with in the Chamber. Is there unanimous consent of the House to, after the completion of Sport in Room—

Mr. Praznik: Madam Speaker, it is not completion. It is at 5 p.m. in Room 255, whether Sport finishes or wishes to adjourn at that time, that they be followed by Consumer and Corporate Affairs.

Madam Speaker: Is there unanimous consent of the House that Sport will continue in Room 255 until 5 p.m. today, at which time the Department of Consumer Affairs will commence? [agreed]

Mr. Praznik: Then, Madam Speaker, I would move, seconded by the honourable—

Madam Speaker: Order, please. Did the honourable minister not indicate earlier that we would have second reading?

Mr. Praznik: Oh, yes, my apologies, Madam Speaker. If you could please call that bill before I move the motion.

SECOND READINGS

Bill 33—The Special Payment to Certain Dependent Spouses of Deceased Workers Act

Hon. Mike Radcliffe (Minister of Labour): Madam Speaker, I move, seconded by the honourable Minister of Urban Affairs and Housing (Mr. Reimer), that Bill 33, The Special Payment to Certain Dependent Spouses of Deceased Workers Act; Loi sur le paiement spécial destiné à certains conjoints à charge de travailleurs décédés, be now read a second time and be referred to a committee of this House.

Motion presented.

Mr. Radcliffe: I am very pleased to have the opportunity to say a very few words about this particular bill. The purpose of Bill 33 is found in Section 2.1 of the bill. This bill is not to confer a right where none previously existed but to in fact recognize a change in society in the times that we are living in now, and it expresses a desire by our government to do the appropriate thing for compassionate and humanitarian reasons.

This special lump sum payment is in essence an ex gratia payment. When I say that, I am of course referring to the legal term which has a very specific meaning, and I sincerely do not intend any disrespect to the widows and widowers in my usage of this term. In fact, I would like to acknowledge the work and the efforts of the Manitoba Workers Compensation Board Widows Action Group and in particular to recognize their co-chairs Meryl Mutch and Alvina Bartlett. These two women represented their cause well. It was a pleasure for both the Premier (Mr. Filmon) and me to meet with them. I am also pleased that we could reach a solution so quickly after those particular meetings.

This bill represents a balanced solution to a complex issue. It provides a financial payment to widows and widowers whose benefits were terminated under law following their remarriage before the date of the Canadian Charter of Rights and Freedoms came into effect. It also represents a solution that is fiscally responsible and will not result in a Workers Compensation Board premium rate increase for Manitoba employers.

Madam Speaker, I look forward to a speedy passage and proclamation of this particular bill. Thank you very much.

Mr. Daryl Reid (Transcona): I move, seconded by the member for Thompson (Mr. Ashton), that debate be adjourned.

Motion agreed to.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I was wishing to actually speak to the bill this afternoon. My comments will be very brief.

Madam Speaker: Order, please. Is there leave to permit the honourable member—

An Honourable Member: Leave.

Madam Speaker: Thank you. That is why I hesitated, and then the member sat down, so I was not certain. But I assumed that is what he wanted.

Mr. Lamoureux: Madam Speaker, I thank the indulgence of the House. We did want to put just a few words on the record, not necessarily wanting to indicate that I know all of the details of every clause of the bill, but rather understand what it is that the government is hoping to achieve by the quick passage of this particular bill, looking at the sense of frustrations that widows and widowers have had over the years, and we just wanted to stand up in support of the bill going to committee. With those very few words, we applaud the advocacy from the different interested stakeholders in ensuring the government took responsible steps in terms of compensation of a very special group of people. Thank you.

Madam Speaker: As previously agreed, this bill will remain standing in the name of the honourable member for Transcona (Mr. Reid).

Hon. Darren Praznik (Government House Leader): Madam Speaker, I would move, seconded by the honourable Premier (Mr. Filmon), that Madam Speaker do now leave the Chair and that this House do resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

COMMITTEE OF SUPPLY (Concurrent Sections)

LABOUR

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Labour. When the committee last sat, it had been considering item 11.2. (f) (2) on page 115 of the main Estimates book.

Mr. Daryl Reid (Transcona): Mr. Chairman, yesterday when we were talking about Workplace Safety and Health I had raised issues

respecting the Buhler manufacturing, which happens to be, at least in part of their operations, within the community of Transcona. I had raised the issue with respect to Workplace Safety and Health and employee safety involved in that particular plant's operations and had raised the issue of an improvement order that had been issued. I am wondering if the minister and his staff have had a chance to now, a day later, go back and get a copy of that improvement order and if you can provide that for me here today?

Hon. Mike Radcliffe (Minister of Labour): No, I regret that my honourable colleague did not ask for that order last night. The order is not here. We can undertake to provide him with a copy of the order. With regard to the order, I will put a few remarks on the record with regard to that issue. As I stated yesterday, the order was issued 11 months after an inspection was made. The employer at the particular establishment complained about the passage of time and quite properly so. The order was then withdrawn. The owner said that the conditions which gave rise to the correction order, which was basically dealing with ventilation and employee safety, no longer existed and that certain corrections and improvements in the workplace had been effected since the appropriate inspection had been conducted and so therefore the order was inappropriate.

The department has been in and is, in fact, currently in the workplace dealing with the local safety council and waiting for the safety council to indicate that the current improvements in the establishment have been completed, at which time they will go and effect a follow-up to make sure due diligence is done and that in fact nobody is at risk.

* (1450)

Mr. Reid: You say that there have been improvements in that particular worksite. Could you provide me with the information that you have to support that claim?

Mr. Radcliffe: Mr. Chairman, I am advised that the welders in this particular establishment have been changed. They are a different kind of welder from the original kind that was found in place there. I am told that the new welder

apparently does not use a hard flux, and so, therefore, the amount of smoke that is produced by the welding function has been reduced. This was one significant change that the owners introduced.

The other issue which the owner has moved to rectify the situation is by reducing the number of welding machines in the plant in the particular area. There are, as I say, prospective ongoing changes that are being discussed, researched and in the process of being implemented, but these are two issues that have already been effected. There will be other ventilation issues that the owners and the safety committee is considering and will be moving on.

Mr. Reid: One of the advantages of working on the railway for 22 years was that you gained some knowledge and some experience working around a lot of welding operations. I can tell you that the railway had many different types of welders. In my 22 years, I never saw one welder that did not produce some smoke in that regard. So I would have to expect that while you say there may be some reduction of smoke based on the new type that would be in place, there was still smoke created as a result of that welding process.

What air sampling have you done? Do you have that information here available that I might see it?

Mr. Radcliffe: My honourable colleague is correct that there is always smoke produced from any welding operation, and we are talking about a matter of degree. We have possession of air sampling reports. They are not here today, but we would be more than pleased to furnish them to my honourable colleague. The other thing is that there have been no current air sampling reports done at this point in time. We are waiting until the current changes that the safety committee is overlooking and overseeing until those are implemented, and then we will go out and do more air sampling tests.

I must advise for the purpose of the record, Mr. Chairman, that the department is working in partnership with the local safety committee to make sure that this issue is a win-win for all parties involved in this particular situation.

Mr. Reid: When was the last air sampling undertaken?

Mr. Radcliffe: That was done over 11 months ago, as I explained to my honourable colleague yesterday, when the initial inspection was done on the premises.

Mr. Reid: Can you tell me the date that air sampling was done originally, when you say 11 months ago? Can you also tell me the date that is on that improvement order?

Mr. Radcliffe: The date, we believe, and this is subject to inspection and perusal of the air sampling test that we do not have here today, was done in March '98, and the order was issued in January '99. This is of course subject to the production of the documents for perusal by my honourable colleague.

Mr. Reid: Correct me, if I am wrong. You told me yesterday that 11 months ago that order was issued and we were dealing strictly with the matter of the order yesterday. You indicated that it was outdated by 11 months. The context of my questioning yesterday was surrounding the order between 5:30 and 6 p.m., and now you are telling me that the order was issued in '99 for that particular worksite. Why is there a discrepancy? You are telling me 11 months yesterday, and now you are telling me it is less than 4 months.

Mr. Radcliffe: I am sorry if my honourable colleague misunderstood me, Mr. Chairman. The difficulty that has arisen with this issue is that there was an interval of 11 months. I look on my math, this is a little more than 11 months; oh, no, it is not 11. It is approximately 11 months from the time of the inspection to the time of the issuing of the order. That was the oversight. That is the error that has been caused by the department by virtue of the fact that in all the other cases, in the normal run of the operation of the department, after an inspection is made an order customarily issues forthwith in an expeditious fashion; in this case, it did not. It was personal human error that it did not, and there was a lapse or interval of 11 months from the time of the inspection to the time of the order.

If my honourable colleague has any questions or misunderstanding on that, I would be glad to entertain any further questions, but it is the 11-month interval from the time of the inspection to the time of the order.

Mr. Reid: Well, if you have indicated to me a few moments ago that the last year's sampling that was done for Buhler Industries has been March '98, 11 months ago, and there was an issue that was discovered, I take it, in January of this year, because the order was issued. That is when everything would have fallen apart, from the way you have indicated, or at least would have become familiar and knowledgeable to the senior staff in the department. What steps were taken to go out and to secure a new sampling to make sure that indeed that workplace is a safe place for the people that are working there, particularly in hazardous operations. We know the by-products that come out of welding smoke. In some cases they can be carcinogenic. I would like to know why we have not undertaken air sampling between January and now once we discovered that there was a problem with the process.

Mr. Radcliffe: I want to state most emphatically on the record, I do not want the record to show or even have a scintilla of a hint that there is any carcinogenic material being produced that was shown in these reports. The reports indicated that there was an elevated level of iron and manganese from one welder. That was the profile that raised the concern of the government, that raised the concern of the inspector, and which gave rise to the improvement report.

Immediately upon this whole issue coming to light, a Safety and Health inspector went out to the plant, talked to the local safety committee, received instructions from the local safety committee at that time that the Safety and Health officer was not to proceed with another test until such time as the safety committee called the inspector in after the current improvements were completed.

* (1500)

Mr. Reid: I guess the people that I know that worked as welders for a number of years that

have died of cancer, perhaps they did not get it from welding, then. I mean, they only worked in those fields for their whole working careers. Their claims in some cases were approved by the Compensation Board. We know that there are problems with welding smoke and the fumes that are associated with that line of work. So I guess if you say it is not carcinogenic, the next question would be, then, produce the MSDS sheets for those products so that I can see quite clearly what is in those products that are there and what their effect is on human health. That is what I am asking you for here now.

Mr. Radcliffe: And we so undertake to do and, as I say, I wish my honourable colleague had asked for that last night, because we would have then been able to have those today, but we would be more than pleased to produce them. They will be coming forthwith. Thank you.

Mr. Reid: Well, I did ask for information related to departmental travel. Do you have that information here today?

Mr. Radcliffe: I am producing for inspection perusal of my honourable colleague a 1998-99 out-of-province travel budget involving members from the department, Guerra, Griffin, Nikkel, Hildebrand, Nikkel, and Hildebrand covering a number of different destinations in Canada, setting out the particulars of the conferences they attended, the dates they travelled, the projected cost, the actual cost, and the variance and the summary of the same trips. I then am producing as well for my honourable colleagues's inspection and consideration a list of 15 individuals who travelled to a number of different destinations in North America, setting out the names of the conferences that they attended, the dates that they travelled, the cost of the trips, and there is no summary on that one. There is a total set-out of the monies expended.

Mr. Reid: Can you tell me, were the findings of that field officer that inspected Buhler Industries in March of '98—there must be some indication on the report back to the management of Workplace Safety and Health. Was there any indication on whether or not the people who were involved in the welding activities or duties in that plant were not utilizing respirators or

ventilation equipment as a part of that job function?

Mr. Radcliffe: We do not have that information at hand today, but we anticipate that will be on the report, and it will be forthcoming.

Mr. Reid: Can you tell me when you go through your budget development process, were there requests that came from the department of Workplace Safety and Health indicating a need? Was it part of the request process in developing the budget that there was a requirement to have additional equipment for field operations for monitoring, for example, air sampling, dosimeters that you would utilize in the field with respect to noise and other perhaps air sampling equipment? Were the requests received by the department to assist the field officers in that regard?

Mr. Radcliffe: I am told that in any given year, there are requests that come forward from staff for additional equipment. Staff are always eager to work with new equipment, with further developed equipment. I am told that we have, in the last year, the department of Workplace Safety and Health spent approximately \$10,000 on six new dosimeters. We have the capacity, we have the machinery and the technical expertise for measuring radiation, for measuring and testing the components that are found in air—to address the issue that my honourable colleague was just discussing the Buhler incident—and there were some requests for machinery that were turned down. That is governed by the exigencies of what is available in the budget and having in mind, of course, of maintaining a high level of safety, a high level of competence in the department and making sure that all the functions that the department are requested to perform can be completed with the machinery that they have at hand.

Mr. Reid: The minister indicates that there were requests for equipment that were turned down. What type of equipment requests were rejected?

* (1510)

Mr. Radcliffe: We do not have those requests at hand. We would have to go through the list of the inventory of the machinery, which we do not

have here at this particular moment, and go back through the records to see what was requested and what was declined. But if my honourable colleague wishes, we certainly are prepared to do that.

Mr. Reid: I would like to have that indication and perhaps—I do not know if you know this off the top of your head or your staff—with respect to air monitoring, air sampling equipment that would monitor CO and CO₂ products and perhaps other sampling equipment that would be involved or used in air sampling, was there a request for that equipment, and if so, was it rejected?

Mr. Radcliffe: We so undertake.

Mr. Reid: Can you tell me with respect to the field officer that had done the original air sampling in March of '98 at Buhler, is that officer still assigned to Buhler Industries as part of the general duties or work duties?

Mr. Radcliffe: I am told that the individual who did the air content inspection was a hygiene inspection officer, not the regular assigned officer. The regular assigned officer for Buhler Industries is in fact still the assigned person who has that plant on that particular person's area of responsibility.

The hygiene officer who did the hygiene survey is still working for the department but is not the assigned officer in question.

Mr. Reid: Then I take it that the hygiene officer was reassigned. Can you tell me the reason for the reassignment?

Mr. Radcliffe: I am sorry. I will try this again. The hygiene officer who did the survey was not the assigned officer for that plant at that time. So this was a sporadic or an intermittent testing. There was an assigned officer at the time that the hygiene officer did the testing. The assigned officer is still the officer, was the officer at the time of the test by the hygiene officer, and is still today the assigned officer. The hygiene officer was not ever on the job or taken off the job, as I understand it. It was just a rotational inspection that do special projects or do projects as they come up.

Mr. Reid: I understand what you are saying, and I understood it the first time. I am trying to understand here because, if you say it is a hygiene officer, and that individual is familiar with that plant's operations, having already been in there and done air sampling, would it not make sense to have that individual continue to do that sampling, which I hope is ongoing, to determine whether or not the operations have improved, as you indicate or suggest, and that we would have more up-to-date information with respect to the conditions of the air quality of that particular plant's operations. I want to know if that hygiene officer is the person who is conducting those samplings.

Mr. Radcliffe: I am told that the occupational hygienist is a support person to the assigned Safety and Health officer. There is a cadre of four of these hygienists. When the time comes when the safety council, safety committee, calls for a retesting in the workplace, if the individual who did the initial survey is available, not dispatched to another task at that point in time, that person would be called upon. But it depends upon the availability of staff at the appropriate time when the test will be conducted.

Mr. Reid: Has the department, the minister, the deputy minister, any of the senior managers in Workplace Safety been in communication with the managers or perhaps the principal of that company with respect to this issue, when the improvement order perhaps was sent to the company? Have there been communications between the branch and any of those people at Buhler Industries?

Mr. Radcliffe: The manager of inspection and the manager of hygiene are the two individuals from the department who have had the opportunity to communicate with individuals at Buhler Industries. I can assure my honourable colleague that I have not talked to anybody at Buhler Industries on this issue or any other issue concerning their workplace and neither has the deputy.

Mr. Reid: I look forward to receiving that information with respect to the Freedom of Information request, and also a copy of the improvement order there, to see more clearly the information that would be available. I would

have thought that since we were in discussion of this for some 40 minutes last night, it would have been a normal practice to bring this information back to this committee, knowing that we were going to be resuming our discussions here today. Unfortunately, that did not occur.

I have asked questions here dealing with air sampling. Can you tell me, we have, I believe, standards or regulations in this province dealing with workplace hazardous materials, and you have an information system regulation, when was the last time that those standards were updated in the regulation?

Mr. Radcliffe: Mr. Chairman, for my honourable colleague—and I am sure he is very much aware that the standards and regs have not been updated since 1989. However, the hygienists use a document, the acronym for which is ACGIH, which is a best practices document, which is reviewed and updated on an annual basis. This document covers best practices and covers the issue particularly of measurement of contaminants in the air and the particular issue which we were discussing.

Mr. Reid: I understand that that clause is there and it does provide some backup for matters where there are ongoing changes in the standards with the threshold limit values or the short-term exposures, but if we have not updated that regulation since, I think, he said 1989, why would we not have updated it for that point in time?

I look to carbon monoxide. I mean I was just asking about air sampling for carbon monoxide. I mean we have a number of workplaces in this province, whether it be the City of Winnipeg Transit garage just down the street here where buses are parked, and we have high CO levels in that and I have received calls on that. We are going by a standard that says that 50 parts per million is the time-weighted average for that hazardous product, yet under the new information that is available, the time-weighted average is 25 parts per million. In addition to that, the short-term exposure levels under the existing regulations that you have in the act, you are showing 400 parts per million. Under the

new information that is available, there is no short-term exposure. It is unsafe.

* (1520)

So I draw it to your attention, and am inquiring why have we not updated the regulations dealing with hazardous products since 1989, as you have indicated?

Mr. Radcliffe: Could I inquire from my honourable colleague what document he is referring to when he makes reference to new and updated standards that he is quoting?

Mr. Reid: The same information that the minister referenced to me, the ACGH-TLVs (threshold limit values).

Mr. Radcliffe: I do not want to quibble with my honourable colleague over words or terminology or practice, but what I would like to put on the record is that the ACGIH threshold level value document, is the working document that the Safety and Health officers use when they are in the field to determine their best practices and the air contamination level. That is a collateral document or a subsidiary document to the standards and regs which has not been updated, but the newer document is the practical, working document that the inspectors use from day to day.

Mr. Reid: With respect to your sampling for carbon monoxide, you can see that there has been a significant change with respect to the standards, and there has been a significant period of time that has elapsed since these regulations were last reviewed and updated or perhaps came into being at that time. I am sure there are other products. If I recall correctly, styrene perhaps is another one that the department may be aware requires some updating with respect to your regulations. People that are working in work-sites may not always have the information available at their fingertips when it comes to meeting the requirements of the province that are set down in regulation. If you have old standards that allow employees to be exposed to 50 parts per million and the new research has shown that 25 parts per million, time weighted, would be the maximum allowable level for exposure, no short-term limit on that, you would think you

would want to have your officers and the people that are working in workplaces that would look to these regulations as the guide, as the level at which they are supposed to achieve at a minimum.

* (1530)

They do not have always the ability to go out and do that research, and I would think that they may rely to some degree on Workplace Safety and Health to assist in that regard. If the regulations that the officers have indicate that the level is much higher, how do we go along and enforce something if it is not shown in the regulation. If someone were to challenge, if you were to put an improvement order in place and our regulations state—because we are all affected by this—50 parts per million and 400 parts per million on short-term exposure, I am not sure how you are going to back that up in a court should it get to that point. If your regulation is showing one thing, and you are trying to enforce a safer level.

Mr. Jack Penner, Acting Chairperson, in the Chair

Mr. Radcliffe: In response to my honourable colleague's last question, if a prosecution were going to be based strictly on the material that he had presented, then in fact it would not lie. I am sure my honourable colleague is very much aware that Manitoba Regulation 53 states and sets out that, if there is a hazard in the workplace and an order is issued as a result of a hazard in the workplace, and if that order has not been followed and the particular owner is in contempt of that order, then a prosecution will lie and would be well founded.

So the department, as I have said, has been using an up-to-date handbook, has been using up-to-date and annually adjusted levels for air contaminants, for example, and has the capacity and the ability to lay prosecutions. They would be obliged to prove the contamination—there is no doubt about that—but it is a small job to produce the current handbook which would in itself, I would suggest, be evidence enough in connection with the actual reading that was done and the subsequent facts, if they rolled out as we are anticipating and discussing them, to sustain a conviction.

Mr. Reid: So, if I understand you correctly, we would be then—I know it is hypothetical, or perhaps there are realistic cases that I am unaware of—but we would be prosecuting using the old information that is contained in the regulation, or the courts would accept the new information, even though it is not contained within the regulation.

Mr. Radcliffe: Manitoba Reg 53 says that if there is a hazard in the workplace, the department has the capacity, has the jurisdiction to issue an order ameliorating the hazard. All right. So that is step one. The department uses the ACGIH-TLV from year to year to govern that. So, if they find something which transgresses the particular TLV that is set out in the annual handbook, then they have the option to issue an order. If the order is issued and the workplace is in contempt of that order, then a prosecution can lie. The only thing that is done is that, rather than pointing to the 89 standards and regs, one has to go through the extra step of referring to the ACGIH handbook level.

Mr. Reid: So then I take it there would be no intent or no interest on the part of the branch to update the regulations in this regard to make them current. You just will continue to rely on the best practices that would be identified in that particular manual or book.

Mr. Radcliffe: Mr. Chairman, these are issues that are regularly reviewed by the department and would, I would suggest, in our next mandate in the fullness of time be reviewed and considered. I think that discussion could be entertained at that point and updating them.

Mr. Reid: Do you have Schedule E of the regulations here?

Mr. Radcliffe: Which reg?

Mr. Reid: 5288 and 5388.

Mr. Radcliffe: No.

Mr. Reid: Going back to the travel now that you have provided me with this information, which I thank you for, you have indicated on here the cost, and you have dollar amounts that are attached to that. Some of the destinations are

blank, some of the dollar amounts are blank—I am not certain why that is—with respect to the travel that was taken.

I am wondering if perhaps you can explain why that information is not on this sheet. Also, the next question is, some of these trips are to, for example, Toronto, Montreal, Vancouver, and the dollar amounts are \$126, \$128, \$134. Does this not include airfare, or are there some costs that are not attached with this? I have not made that many trips, but I know what the cost of an airfare to Toronto and Vancouver is.

Mr. Radcliffe: It is not \$134.

Mr. Reid: No, it is not \$134. So I am trying to get an understanding of what the costs are.

Mr. Radcliffe: For my honourable colleague and the record, the item set out, the dollar amount set out on these lists actually indicates the amount of money or cost to our department. In many cases, the department did not pay for the actual cost of transportation then. A sponsoring organization of whom our employee was a member or an officer would actually underwrite the cost of the transportation. The actual costs here could be for a hotel room. They could be for meals, or they could be for registrations. But my honourable colleague is quite correct when he says that you cannot fly to Toronto, at least on anything that we would want to sit down in, for \$134.53. The CSA underwrote the cost for Mr. Hildebrand to fly round-trip to Toronto, and then he expended on the department's shoulders the sum of \$134.53. That is the case in every particular situation.

The second item on unbudgeted out of province, on the second stapled page, the second item, Hildebrand—blank—CSA for \$150.77, the destination there was Toronto, and that is just an entry oversight.

Mr. Reid: Sorry for the distraction there. I had some business I had to take care of. I may have missed a part, but you are saying that these are costs in part that are picked up by the bodies or the conferences to which they are attending, and that these are the only true costs that have actually come back to the department's budget line, and that the rest are picked up by the actual

conference itself or the committees at which they are meeting.

* (1540)

Mr. Radcliffe: Exactly.

Mr. Reid: Okay. I understand that. With respect to the ergonomists that we had talked about yesterday—and I think you mentioned that \$300,000 was supported by the Workers Compensation Board—you have people that are filling that role right now from my understanding of what you mentioned yesterday. Are those ergonomists taken into consideration when you are doing your staff count for the branch, for the Workplace Safety and Health Branch? Is that shown on the budget line, or are these additional people for your operations?

Mr. Radcliffe: Mr. Chairman, I believe the item we mentioned yesterday was \$130,000. The ergonomists are not department employees. They are people who belong to the Workers Compensation Board, and they are seconded to the department or work with the department in co-operation with our departmental people, but they are paid for by the Workers Comp Board.

Just so I do not mislead my honourable colleague, there are two departmental ergonomists who are in the book, who are line employees, but then the additional individuals come from the outside.

Mr. Reid: At the beginning of this Labour Estimates process, I asked about vacancies and secondments in the department. It is not unusual to see vacancies that exist as people move in and out of government service or shift in between departments, but when there are positions that are vacant for a period of time, obviously there are staff dollars that are attached to those positions. If you say, for example, if a position is vacant for two or three months, what happens with those staff dollars? Is the department able to reallocate those dollars to perhaps operational use, or is that money only reserved strictly for staffing costs, and is that part of the \$60,000 that the minister mentioned yesterday that was lapsed money for the department?

Mr. Radcliffe: Mr. Chairman, the Department of Labour has what is known as delegated

authority, and I am led to believe that this enables the deputy minister to move money from staff positions to operations or back again as the exigencies of the operating of the department require or demand. It is not a case where money would lapse because money was frozen in a staff position.

Mr. Reid: So, then, if you have operational difficulties within a department and a job is vacant or it becomes vacant for a period of time, it may be advantageous for a department to hold those jobs vacant to be able to utilize those funds for other purposes on the operating side, for example. Perhaps the minister can comment on that.

Mr. Radcliffe: I would suggest that question is highly speculative and, in fact, does not have a logical base to it because if you have operational difficulties, you need the staff component in order to solve the difficulties. So trying to cut staff to get more operational money does not seem to flow. If my honourable colleague has a particular case in point, I would ask him to present it.

Mr. Reid: Using, for example, the point we were commenting on a few moments ago with respect to the request for monitoring equipment, whether it be air sampling equipment, noise testing or other equipment that the department would use for its field officers or hygienists working in the department, those monies in fact then could be utilized for such a situation. Since you mentioned that you had \$60,000 that lapsed within your department, I guess, I would inquire from which part of the department did that \$60,000 come from? Was there any indication given from the minister or the deputy to the various branches within Labour to make them aware that if there were difficulties that they were experiencing, or they needed certain pieces of equipment to allow them to continue to perform their role or function, that those monies could be utilized for such a purpose?

Mr. Radcliffe: I guess, I would like to at this point, in response to my honourable colleague's question, reflect a little bit on perhaps a fundamental difference between my honourable colleague and his associates and my colleagues and my perspective in administration of a

department. My honourable colleague has raised the question and says, well, if you have \$60,000 on one hand and if you have requests for additional technology and additional machinery and additional improvements, despite the fact that you may be performing the function perfectly adequately, if you have the money, you should spend it.

I respond to it by saying that in fact the deputy minister is very frugal, is very efficient and says that just because you have the money, you do not have to spend it. You in fact have an obligation to be frugal to make sure that you perform at a high level of service, but do not spend money for the sake of spending it. That, I think, is perhaps a very significant wedge issue and a philosophical difference between my honourable colleague and his associates and perhaps this administration. The question as to where this money comes from I think is quite appropriate. Employment Standards lapsed \$40,000 and, these figures are approximate, Labour adjustment lapsed \$20,000. The reason for the lapsing in the Employment Standards was that monies were designated for the rewrite of the labour code and due to timing and good accounting practices. By the time the code was issued, we were unable in that particular year to spend the money even though the money was available. So that is why the money lapsed, but it had been earmarked for purposes of the code.

* (1550)

Mr. Reid: So the \$40,000 you indicated from Employment Standards, is that the dollars that had been allocated to the rewriting of the code?

Mr. Radcliffe: Yes.

Mr. Reid: With respect to the equipment and the philosophical differences between our two parties, you must be aware that there should be some serious consideration with respect to the impact of the decision you are having on the workplaces go far beyond the politics of the situation. If we have people that are being injured on the job—and I can only reference back to the minister's own five-year annual report, five-year plan from the Workers Compensation Board that says for the last two years running we have had the highest lost time accident rate in

the country. That tells me we have a problem. I think we need to deal with that on more than just a political level. We need to deal with that on the humanitarian level and how we are affecting the workplaces.

When we have requests coming in from our officers in the field looking for some assistance and equipment to allow them to perform their duties to the best of their ability and to ensure those safe workplaces, I think we have a responsibility to consider those fairly. If you have monies that are available, it is not a question of spending every single dollar you have there. If they need equipment, because I am also being advised—and I do not know what you are being told by your senior staff. I am also told there were problems with respect to trying to get equipment repaired last year because there was no money available. So if you have antiquated equipment or equipment that is outdated or equipment that you cannot get repairs done to, our officers, our hygienists cannot get the job done. When they ask, if they put in a request for new equipment, then perhaps you would want to give consideration to allow for a regeneration of the equipment within the department so we do not have to go along and all of a sudden have to find a big block of capital dollars to go out and make the purchases, that we do it over a period of time and continue to regenerate or renew the equipment that we have within the operations.

Your government is not going to be there forever. Our government, if we assume office in the near future, we are not going to be there forever, but we would hope that there would be a reasonable plan that would be in place to allow for some capital purchases for renewal of the equipment and have the latest technology available to be able to detect more quickly perhaps and more accurately the events of a workplace.

That is why I raise it, not from the point of view of trying to spend every last nickel for the department, but where they have requests that come in. Because you have not given me that list yet, I do not know exactly. I am only hearing things that are with respect to two or three different types of pieces of equipment that would be common pieces of equipment to be

utilized in a number of workplaces throughout the province. One would think that there would want to be some renewal in that process. So I guess you can choose to play your politics. I look at it more from the safety side of it and the impact that it is having on the workplace.

When I have asked for the information related to those pieces of equipment, I was serious about wanting to make sure that they have within financial limitations. I understand there has to be some responsibility in that regard. I have never ducked or denied that, but I also recognize that we have to make sure that we have an obligation, duty and responsibility to the people that do that work on our behalf, that we provide them with the best possible tools within the dollars that are available. If you have money that has lapsed in there and there have been requests, then I have to question why those dollars, if you have that latitude to reallocate, why that was not undertaken, or to at least survey the department to find out if there are other needs that are in place that perhaps could be addressed?

Mr. Radcliffe: Mr. Chairman, I guess I would want to be responsive to a number of issues that my honourable colleague put on the record a few minutes ago with regard to highest-lost injury rate time. In fact, I challenge him on that; that is not the case. The Workers Compensation Board could change their statistics significantly if they were to impose a waiting period of time. We choose not to do that because the Workers Compensation Board has the best interests of the injured worker at heart and so for my honourable colleague to use those statistics which we have already discussed previously, with the greatest of respect, I would suggest is a remark that is politically laden, and that he, himself, is playing politics with this issue.

With regard to the substance of his question, I concur with him, as do management here, that regular renewal of inventory is a prudent managerial function, and that, in fact, does go on year in, year out, in the management of the Workplace Safety and Health and in the area of hygiene, which is the particular area of interest to my honourable colleague. In fact, last year, the department spent in the neighbourhood of \$30,000 for renewal of the type of equipment that we are talking about.

My honourable colleague raises the issue specifically of repairs—I am sorry?

An Honourable Member: He said it was \$10,000.

Mr. Radcliffe: That was for dosimeters. My honourable colleague has questioned my quoting of the figure \$30,000 when I had previously mentioned \$10,000. I mentioned \$10,000 earlier for dosimeters, but overall, I am told, the Workplace Safety and Health in hygiene products spends approximately \$30,000 a year on regular upgrades, regular purchases, regular acquisitions of equipment. I do not think that my honourable colleague is advocating for a moment that the department go out and buy dream machines or machines of the latest technical buzz just because they are there and happen to exist. That has to be the fine line of management that they have to distinguish between what adequately and properly does the job for employees in the workplace in Manitoba.

We are of the opinion that in fact the worker in Manitoba is properly and adequately protected in the environment in which he functions today. When my honourable colleague cites a figure of 6,000 injuries from the Workers Comp records and tries to relate that to a suspected or alleged dearth of equipment, I would suggest that is a quantum leap and does not bear the scrutiny of logical argument or logical advocacy. If my honourable colleague can present a case in point where there is an equipment request that has been turned down and there is not an adequate substitute for it or an adequate piece of machinery, I would invite him to bring that situation forward to the table because of course that is of concern.

* (1600)

With regard to repairs, the management of the department tell me that they do manage their repairs. So, if at the end of March of any given year equipment comes in for repair, the repair budget may well be exhausted or getting very low at that particular point in time. So they will do their best efforts to move that repair bill over into the next year, which I would suggest is only prudent management. I am sure that if my honourable colleague were a manager of a

particular department, he would do the same thing. He indicates he was one for 12 years. I am sure that if one were to look back on his purchasing record and repair records that he would have employed much of the same sort of management skills.

So I do not want to have the records show for a moment that there is any scintilla of doubt that the level of inventory in the department of Workplace Safety and Health in any way is related to the level of accident loss, time loss or that members of the public are in jeopardy in their workplace, because in fact the department is well equipped and the officers are hard working and do their job very well.

Mr. Reid: Well, I never doubt that the people that you have working in the department do the job to the best of their ability. That would be my expectation, and I am sure the public's as well.

When we have an emergency response, we have field officers that would go out and perhaps are on call and that they would respond to a call. If that call happens to be in Steinbach or Morden, for example, where do we dispatch our field officers from, our health and safety officers? Are they dispatched from Winnipeg or would they be assigned from some other location to attend a scene, for example, if you have a chemical spill?

Mr. Radcliffe: I am pleased to advise that Manitoba Safety and Health is unique in Canada in having an on-call desk which is available seven days a week, 24 hours a day. Basically what this is is a dispatch service with two officers in the city of Winnipeg who are available and accessible at all times that they are on shift or on duty, at the end of a pager. There are also officers available in Teulon, Beausejour, Brandon, Thompson, and Flin Flon.

In addition, this on-call service also coordinates and links into Natural Resources, Health, Environment, and the Office of the Fire Commissioner, so that if there is, say, a chemical spill on a highway or a train or something of that nature, there are a multitude of different support services and response teams that can be initiated to attend for remedial action.

Mr. Reid: Are there situations that would require, if you are an officer, for example, who attends a scene and you have an emergency response situation that would require a hygienist, would you have circumstances that would occur like that and that we would have to call out a second officer to deal with matters perhaps more in keeping with the duties and responsibilities assigned to them?

Mr. Radcliffe: Sorry, I will ask my honourable colleague to repeat the question. I do not understand the nature of the question.

Mr. Reid: Are there circumstances, particularly involving hazardous materials, that would require a hygienist? If your Safety and Health officer is on call and is required to attend a scene, pick a place, Morden, pick Steinbach, as communities. If you dispatch, for example, from Winnipeg, you said Teulon, Beausejour, Brandon, Thompson. I guess you could dispatch from Beausejour down to Steinbach.

Mr. Radcliffe: But say Winnipeg.

Mr. Reid: Say Winnipeg. If there is a requirement, would you also dispatch a hygienist to come from that location as well? Are the hygienists assigned only to the city of Winnipeg, or are they also in other areas of the province?

* (1610)

Mr. Radcliffe: There are six hygienists located in the city of Winnipeg and one hygienist located in the city of Brandon. I am told by the department that their experience has been that if a hygienist is required at the scene of an accident or at the scene of a hazardous spill or an incident, the hygienist is then dispatched from the city of Winnipeg or the city of Brandon, depending on the location.

However, the nature of such an event is such that often other services are called upon first, be they Natural Resources or Fire Commissioner, and the hygienist would be called upon through the course of the handling of the incident.

Mr. Reid: So then I take it the hygienists are not on call, that they would be available if necessary, but are they on call at the same time

as we would have for the Safety and Health officers?

Mr. Radcliffe: They are on call as well.

Mr. Reid: It has been brought to my attention that there was a young woman that passed out at work as a result of glue spray adhesives—spray-on glue, it is an adhesive—and that, of course, when the first responders from the City of Winnipeg Fire Department are called in situations like that, most likely 911, they also have an obligation I believe to contact the Workplace Safety and Health Branch, and whoever the on-call person is should attend.

It is my understanding that there have been difficulties, at least one, in this case, where there was difficulty getting in touch with the officer involved in a situation like that. I am wondering here, would we have a hygienist who would be able to respond in a situation like that? If so, each of these officers, when they are on call, are they assigned vehicles, or do they use their own vehicles and are provided mileage? How do we get them to the scene?

Mr. Radcliffe: In response to my honourable colleague's inquiry, the inspection officer, the Safety and Health officer, has a government vehicle. The hygienists drive their own vehicle as the secondary officer. Without knowing more of the specifics of the particular difficulties, you know, time, date, place, et cetera, I could not comment further on the anecdotal evidence that my honourable colleague has introduced, but if he wishes to supply it, we are certainly more than happy to follow up on it if, in fact, there is something we can do to improve the system.

Mr. Chairperson in the Chair

Mr. Reid: This has been brought to my attention. I can give you the time, it was about 9 p.m., so there was some difficulty. The date I do not have with me here. I have that information downstairs. I do not have it here with me right now. I can get that information. The young woman was overcome by the fumes and, of course, there was a situation there where the first responders came and the course they would call out because there were materials that perhaps could be considered hazardous that were

involved. [interjection] Yes, it was. Winnipeg Fire Department was involved. There was some problem getting hold of the officer on call.

I am looking for an understanding here. When we have our hygienists and our Safety and Health officers on call, how many vehicles does the branch have to provide to their officers? I guess we pay some of them mileage for the use of their own vehicles during regular working hours. Do we have vehicles for use in the department, the branch, for on-call duties like that that perhaps are available through Fleet Vehicles that we would show in the budget here, or is it always cases where they would use their own vehicles?

Mr. Radcliffe: There is one vehicle available to the Workplace Safety and Health officer, which is rotated to the individual who will be the on-call person in the city of Winnipeg. That person uses the emergency vehicle, which is the departmental vehicle, in the city of Winnipeg or to the environs. Individuals outside the city of Winnipeg use their own vehicle. The hygienists in all cases use their own vehicle.

Mr. Reid: I thank the minister for that understanding. I am not sure how it functioned within the department. I guess we would compensate our officers, our hygienists, whoever is required to use their own vehicle. We would compensate them no doubt with mileage according to The Civil Service Act, I think. There is an allowance that is set out.

To go back, if I might, for a moment, you have given me the travel costs for last year. Perhaps you have had some travel from the department for this current year and you have some that is planned or anticipated. Do you have a list of information that may be available in that regard that I might have a copy of?

Mr. Radcliffe: I have for my honourable colleague's approval and review and inspection, I should say, the 1999-2000 approved out-of-province travel plan indicating the names of the individuals who will be travelling, the event or justification, in other words, the destination they are going to. These are the names of organizations, the date of travel, the cost of

travel, and the location or destination. The total indicated budgeted amount is \$12,800.

Then there is a second sheet, which is 1999-2000 approved out-of-province travel plan, no cost to department for WSH. Again, it sets out the names of the individuals, the events they are attending, the date they attend, no cost, and it indicates either no cost or the sponsoring organization and the location or destination of the individuals.

Mr. Reid: With respect to the budget line item, there are two lines actually, the managerial and the professional/technical. The minister knows that my math is not the best for examples that I have used in the past. In my rough calculations I have looked at the numbers year over year changes. In the managerial side, there has been a 4.3 percent increase for the same number of staff years, and in the professional/technical side there is a 2.7 percent increase. If my math is accurate, could you give me an understanding of the changes that are there and why one is 4.3 and one would be 2.7?

*(1620)

Mr. Radcliffe: Mr. Chairman, there has been the reduction in workweek unpaid holidays and then the general 2 percent rise which are the normal variation, which I am sure my honourable colleague is aware. He is pointing to, in fact, changes and variations in the salary lines, I believe, over and above those computations. In fact, the one particular issue that my deputy has indicated is that we had a Safety and Health officer who retired at the top end of the salary scale and was replaced with somebody at the lower end, a senior person who retired from a particular category and was replaced with somebody of a lower down the pay scale in the same category.

Mr. Reid: Okay, I thank the minister for the information.

I have received the latest copy—I think it is the latest copy—of WorkSafe!, and once again we see a picture of the minister on the front of it.

Mr. Radcliffe: And a charming picture it is.

Mr. Reid: I will not dispute that part. I am sure we will leave it to others to pass judgment on that.

Is it a standard practice of the workplace safe people who publish this to put a minister's life history on such a publication like this, other than just advising those who are involved who may have an interest in knowing who the new minister is versus such an intense amount of information with respect to background, with respect to your wife's name, you know, your family, your career choices, et cetera, et cetera, et cetera? Is that standard practice of the branch to do such publications?

Mr. Radcliffe: Mr. Chairman, in response to my honourable colleague's inquiry, I am told that, yes, this is common policy, that this has been employed for at least the last 10 years. Different individuals from the department indicate that they can remember and recall Mr. Harapiak, who was a previous incumbent in this position, issuing similar sort of publications containing similar content.

Mr. Reid: Well, I am interested in that. Could you send me a copy of that then?

Mr. Radcliffe: I said there was a recollection of that, and I will conduct inquiries. If that document exists, we would be more than pleased to furnish it to my honourable colleague.

Mr. Reid: Well, I know that the branch is—or at least they tell us they are very good at their record keeping, and they would not want to throw away any publications that would have some historical value to the department for at least a reference. Even if you only have one copy or sample available, perhaps you could photocopy it and send it over to me; that would be appropriate, as well. If that is the case, I would look forward to receiving that.

Mr. Radcliffe: I would be delighted so to do.

Mr. Reid: Can you tell me who does the actual work on the publication? Who is the editor? Who works to gather the information and putting that together for the department? Who gives

final approval for this to be going to press and then for distribution?

Mr. Radcliffe: I believe the name of the publisher is contained within the document, if my colleague would peruse it, and I am also advised that the executive director of Workplace Safety and Health is the senior technical authority who does the final review and issues the final approval before the document is published.

Mr. Reid: Well, I just seemed to recollect, Mr. Chairperson, that I had a call from Mr. Blackburn, I think is the name, working within the branch, who called me last year, looking for some information, some quotes and did an extensive interview. Then, of course, the story was never published, so it is interesting how the events turn within the Workplace Safety and Health branch, and I guess I will leave that matter to be dealt with at a future date, a future time to find out in more detail how this is set up and how it functions. I will leave that for that part, and if the minister can send along the information dealing with his claim that there is a history of this, I would appreciate receiving that information so I might make myself aware of that as well.

Mr. Radcliffe: I do not want to deceive my honourable colleague with regard to the recollection of one of the employees with regard to Mr. Harapiak, there was a recollection that he had seen Mr. Harapiak on a previous document back at the time when that would have been published, and if we do have a copy of that publication, we would be more than pleased to share it with my honourable colleague plus any other back copies that we may have.

Mr. Reid: Mr. Chairperson, that would be fine if you have that information available to forward it to me. With respect to the out-of-province travel costs that you have just provided for this year '99-2000, there are a number of people that will be travelling, and it indicates there will be no cost for some of those conferences and their locations, one is Fredericton, New Brunswick. I take it then, in those cases, the individual conferences will be picking up the costs for the individual to travel to those particular locations and participate in those activities?

Mr. Radcliffe: Yes, that assumption is correct.

Mr. Reid: Okay, that is all I have on that part.

Mr. Chairperson: 11.2.(f)(2) Other Expenditures \$773,400—pass.

11.2.(g) Occupational Health (1) Salaries and Employee Benefits.

* (1630)

Mr. Reid: I have had a chance in the past to raise this matter with previous ministers of Labour, and it involves Occupational Health and safety involving firefighters. Now the minister may or may not have been made aware of ongoing problems that the firefighting forces in the province are having with respect to illness, occupational diseases that they would encounter as a result of the performance of their duties. I mean, I can produce a foot-high pile of files and studies that have been done on occupational diseases involving firefighters and the risk factor, the risks that are associated with the performance of those jobs. To this point in time, it is my understanding that firefighters are continuing to have a great deal of difficulty for those who die as a result of diseases such as cancer, and I am talking rare forms of cancer to a large degree.

Can you tell me, has the Occupational Health branch undertaken any studies? Are you working in conjunction with the Workers Compensation Board to re-evaluate or to look at ways to restore some justice or fairness for the surviving families of the firefighters? Just last Friday I had the occasion to attend a funeral for a firefighter in Stonewall, 48 years of age, died of cancer. There have been four others. There is another one, I am told, that is near death at this point. My understanding is that the surviving families have not had the opportunity to receive Workers Compensation benefits.

Now this would be more appropriate perhaps in that regard to deal with that in that committee, but I am looking at it from the research side with respect to the illnesses and diseases they contract in the performance of their duties and whether or not the branches look at the involvement, for example, that some of the

by-products that arise out of a fire will actually go through the rubber suits that the firefighters wear and the product is then absorbed by the skin, and then of course there is a latency period that is involved, from what I can read in studies. Then the cancers develop some years down the road. If you thought that firefighters were encountering these diseases in keeping with the normal level of mortality rates of the general population, we would think that, okay, it is normal diseases of life and that we would not expect to be looking for any other causes, but in the studies that I have seen, there is an increased number of cases exceeding the average for the general population. I am wondering what work the Occupational Health branch is doing to look at ways that we can effect some change with respect to how firefighters deal with their involvement in these hazardous situations and whether or not there are steps that the ministry can take with respect to involving the Occupational Health Branch if they are not already talking to the Workers Compensation Board to look at the two working together to try and deal with prevention of the diseases in the first place, but, in addition to that, looking at subsequent financial protection for the families on the other side of the equation.

Mr. Radcliffe: I believe that my honourable colleague does raise some issues that are very current and are subject to discussion and may very well, quite properly, form the subject of further discussions when we reconvene the committee to talk about Workers Compensation Board. I would be quite happy, at that point with the Workers Compensation Board people here, to carry on with that discussion. With regard to Occupational Health and safety, there is no independent research conducted by the department at this point in time, principally because neither the firefighters themselves nor the Workers Compensation Board has requested any assistance from the department. The department has not initiated any spontaneous or voluntary research on this issue. I believe that the issue has been significantly researched and that there is a significant body of knowledge. It is knowledge that is pro and con the topic. I look forward to seeing how this evolves, as I am sure it will. If we scientifically can prove that there is causal connection between occupational environment, such as my honourable colleague

has related, and it can be empirically proven, then quite properly the compensatory bodies or other arms of government may take appropriate action, but at this point in time the short answer is no.

Mr. Reid: I know we are debating the extent of your budget for this year; you say you have no process in place to continue with that research or to look at a way of resolving that matter. Is there a way that we can look at perhaps communicating between Occupational Health and Safety? I look to our sister province next door, Saskatchewan. It was last year that they started the process to move towards an occupational disease panel. I have raised this at this committee in past Estimates process. They were moving in that direction. I believe the province of Ontario had or still has an occupational disease panel that would look at those very types of situations and would do the necessary studies, conduct the literature reviews, and then formulate an opinion or make a decision with respect to how we handle cases like those involving firefighters.

I am wondering whether or not it is possible for the Occupational Health Branch to work in harmony or conjunction with the Workers Compensation Board to strike a process that would function much in the same manner as the occupational disease panel was intended in Saskatchewan and make that one of the issues that would be first on the list for consideration.

Mr. Radcliffe: For point of clarification, is my honourable colleague asking, Mr. Chairman, that Occupational Health and the WCB conduct scientific research on the issue or just a literary review of established authorities in the field of people who have already done research and reported on this?

Mr. Reid: The information that is available is a very small part anecdotal and very large part facts of experiences of various jurisdictions in North America, firefighting jurisdictions in North America. So there is a fair amount of literature that is available. What I am asking for here, the Workers Compensation Board—and maybe I should ask this question, when we dealt with the Federal Pioneer employees and their high cancer levels, pancreatic cancer, et cetera,

and there was some resolution of that matter where the surviving widows in this case received compensation survivor benefits.

* (1640)

But it was research work that was undertaken by Dr. Annalee Yassi. I do not know if the Occupational Health Branch was involved in that, whether that was done strictly when the doctor was involved with the Occupational Health Centre and was funded solely by the Workers Compensation Board. I know there are people in this province, at least one that has some experience in dealing with matters, and I am sure there must be others in the province that have experience in dealing with research matters like that. They have that capability.

I am wondering whether or not the Occupational Health Branch, because they have a certain amount of expertise and that is their area of responsibility, could work in harmony or conjunction with the Workers Compensation Board to strike this study and this project that would look at what is happening. What is our experience with our firefighting forces in the province of Manitoba with respect to illness and injury and, in particular, where our firefighters succumb to disease like cancer? I know there are others involving heart and lung as well, and that is in part why we introduced our heart and lung private member's bill.

Mr. Radcliffe: So to retry and recap my honourable colleague's remarks, what he is asking is: is Occupational Health perhaps either alone, free-standing or in conjunction with the Workers Comp Board prepared or capable or have they in mind to strike a project that will do analytical research or anecdotal research of the working experience of firefighters with regard to rare cancers or debilitating disease in Manitoba?

I think my honourable colleague, Mr. Chairman, raises some very interesting issues and these are issues of much public concern at this point in time in our community. The department of Occupational Health is not at the current time undertaking such a discourse or inquiry or research. I believe that the appropriate body of information, the appropriate academics, the appropriate people with the resources who could

come up with some empirical data on this issue are perhaps Dr. Annalee Yassi that my honourable colleague has quoted. We are familiar with some of her work or even the Workers Compensation Board.

As I say, it would be very interesting to continue this discourse from a Workers Comp basis when we next convene, because my honourable colleague does raise the issue of the compensatory level to families that have suffered this particular loss. At the present time, Occupational Health, and I repeat basically my previous answer that we have not been asked by anybody at this point in time, so anything else other than that would be speculative. It is a fascinating topic. It is something that I am sure will roll out in the fullness of time.

Mr. Reid: Then perhaps since you have no allocation in this year's budget and it says in the supplementary Estimates, page 36, that you develop and analyze multidatabases to determine patterns of occupational injury and illness at workplaces, perhaps you can provide for me background information relating to those statistics and the data that you keep in that regard so that I might have a clearer understanding of what is contained in that database.

Mr. Radcliffe: Mr. Chairman, in response to my honourable colleague's request, to amplify the bullet or the first line under Activity Identification, "Ongoing development and analysis of multiple data bases to determine patterns of occupational injury," I am advised that the Occupational Health department does use the Workers Compensation Board database. It uses the Manitoba Cancer Treatment Foundation database, and uses a number of occupational-designated, occupational research databases that are designated by the Department of Labour, for example, phosphates in agriculture or out of lead-based industries that have been designated by the department, and tries to relate these and do the research to follow the appearance of various independent or different cancers which do appear amongst workers. These are the clusters, and that is the general object and focus of the research that is done by Occupational Health that is referred to in that paragraph.

* (1650)

Mr. Reid: Well, then if you gathered that information, is it possible for you to—maybe I should ask how extensive the information is. If it is a file a foot high, we obviously would not have the time to go through that in any detail; but, if you have something that is in condensed form or version that would provide us with some background understanding or information, how we might look at the mortality rates, for example, of the general population, or if you have broken it down by sectors of the economy, for example, or individual areas of employment like firefighting and do a comparison between that and police, for example—I am not sure if you have that detail—but if you do, I would appreciate some information in that regard.

Mr. Radcliffe: The department does not have anything on chronic disease causing death or morbidity, but I do have for the perusal and consideration of my honourable colleague some reports on the Manitoba farm-related fatalities which is a report that would not come through the Workers Compensation Board because of course this area is not covered. It is first of all the farm-related fatalities '83 through '98, traumatic injuries in the workplace, which is a pie chart which shows 46 percent of the fatalities in the province are farm related, 7.9 out of manufacturing, logging has 3.6, mining 14.4 and construction 17.6. So that is getting closer to what my honourable colleague was looking at with his interest of the occupational areas, and that is as far as this information goes that we have.

I have got a report on farm-related injuries related to out-patient, hospitalization and fatalities, so that is the resulting sequence of these incidents and then a comparison of various databases of agricultural injury profile of ages of people that suffer injury. The farm injury hospitalization is also another pie chart that is available here which I would share with my honourable colleague. I also have, for the committee's perusal and consideration, the Manitoba mining industry time loss injury frequency and annual fatalities, and so the similar pie charts, and then a consideration of traumatic fatalities in this area of occupation '74 through '98, '83 through '98 and related other

sort of pictures of different years that are used in the Province of Manitoba.

So this would be not dead-on, but it is touching on the issue that my honourable colleague is asking.

Mr. Reid: I thank the minister for the information. I will look at it in a few moments when it returns to us. I will not dwell too long on this area. I will just leave with the minister that I think that there is a need to look at the development of an occupational disease panel within the province utilizing the experts that are available for us.

I told his predecessors of my interest in this area. I continue to have that interest because I think that if we just take steps to deal with the effect of accidents and not looking at the cause of it, then I think we are missing the prevention point which I would hope would be the interest and the objective of the Occupational Health Branch, the Workplace Safety and Health, the Workers Compensation Board, mine safety, et cetera. That is why I raise this issue from that perspective. I will leave that at that point with the minister and hope that if there is other information with respect to databases that you have that may be available at some other point—you may not have the information here—that perhaps you could send it to me so I might be able to have a comparison between the population's statistical data that you have and be able to see for myself first-hand those comparisons.

Mr. Chairperson: Item 11.2. Labour Programs (g) Occupational Health (1) Salaries and Employee Benefits \$223,200—pass; (2) Other Expenditures \$39,800—pass.

11.2.(h) Mines Inspection.

* (1700)

Mr. Reid: Last year I had raised the matter of I think you eliminated a position with respect to mines prevention officer. I forget the actual title of the job that was eliminated last year. Perhaps you could refresh my memory on that, but can you tell me: did the mining industry take up the task and the work that had been done by that

individual? The mines rescue co-ordinator was the name of the position.

Did the mining industry take up responsibility for those duties and actually implement the work within the various operations through the province?

Mr. Radcliffe: Mr. Chairman, yes, my honourable colleague is correct that the mining industry has taken up the slack in this particular case. There is an individual by the name of Barrie Simoneau, who is the president of the Mines Accident Prevention Association of Manitoba who does perform an educational instruction process or function. This individual is paid for by the mining association, so that the safety information is disseminated in an appropriate fashion. The training is disseminated in an appropriate fashion.

Mr. Reid: It is my understanding that there is a mines rescue contest that is held. Could you tell me the results of that particular contest? How many teams were involved, how many teams passed the contest, which is dealing with mines rescue? Also give me the amount of time that is involved in the test, and the times for any teams that may have passed.

Mr. Radcliffe: Mr. Chairman, apparently there were six teams involved. Everybody in their particular area and category did pass. It was a two-day event. The first day was an examination of the individual teams regarding their knowledge base and knowledge of their equipment, demonstration of their equipment. The second day was an actual simulation of a mine rescue, so that apparently there was a layout in an arena and the individual teams would then simulate the actual rescue that would have occurred in a crisis situation on the site.

The winner was Hudson Bay Mining and Smelting from Flin Flon, and the runner-up was Britannia Mine from Snow Lake.

Mr. Reid: I thank the minister for that information.

You reference that six teams all passed, and that was the first day, I take it, that he was

talking about. Can you tell me, what were the results of the simulated mine rescue?

Mr. Radcliffe: Apparently the actual results, the gradings after the contest, are destroyed. They are not kept. But there is a subsequent review with Mr. Simoneau and the Accident Prevention Association of Manitoba group who will be reviewing the performance of all the teams in Pinawa later on this month. Reflecting on the experience, the members of the department did have an opportunity to observe the contest. The personal interpretation or personal evaluation—or observation, I guess, would be the best word—but the personal observation of members of the department were that, in fact, everybody showed a significant degree of competence and expertise.

* (1710)

Mr. Reid: Well, if the results were destroyed, how can you review performance?

Mr. Radcliffe: Mr. Chairman, Mr. Simoneau, I am told, has his impressions, has his observations, has his records and notes that are available to him, and he will be sharing these with some of his colleagues. The actual grade allocations that were allotted to the individual contestants are the records that have been destroyed.

Mr. Reid: Can you tell me on the simulated rescue, was there a time factor that was involved and did all of the teams meet the time factor?

Mr. Radcliffe: Apparently, Mr. Chairman, there was a time factor involved. One team performed and completed their tasks outside the allocated time limit, and one team withdrew because they felt that their performance was going to take them to that direction, so they actually withdrew from that aspect of the performance. So, therefore, that would leave four teams who did complete the exercise within the allocated time parameters.

Mr. Reid: Those that met the parameters on the time, did they meet all of the criteria set down in the contest for the simulated mine rescue?

Mr. Radcliffe: The short answer to that is yes, but there obviously were a winner and a runner up. So they met them to varying degrees of competence and expertise.

Mr. Reid: Mr. Simoneau I think was the name you mentioned. He is part of the mines association. Has he taken on responsibility for training for mines rescue co-ordination for the different mining operations in the province? If so, can you provide me with some information on perhaps his activities, or is that contained solely within the mining association?

Mr. Radcliffe: My honourable colleague is correct that Mr. Barrie Simoneau is employed by the mining association. Apparently, he is an individual of some significant standing in this field of expertise. He has had 20 years of experience. I am told he has a status or academic background. My honourable colleague, I guess, indicates that he is familiar with this particular individual's personal criteria. He performs an ongoing function of instructing and reviewing and assisting each individual mine instructor throughout the course of the year, as well, on a rotating and intermittent basis with each mine to make sure that the equipment is up to snuff, that the instructors in each individual mine are performing their functions and are fully equipped and knowledgeable in the area of mine rescue.

Mr. Reid: As a part of that contest, was there a written text component to it and, if so, for the six teams that I think you mentioned, did they all participate and what were the results of that written test if there was one?

Mr. Radcliffe: We do not have that knowledge or that information, Mr. Chairman.

Mr. Reid: So then I guess what we do as part of our ongoing operations with respect to mines rescue co-ordination, we do not involve ourselves in that; we leave it up to the mining association to have care control and responsibility for that. Yet when it comes to determining whether or not certain criteria or level of training are sufficient, we leave that to the mining association to determine and that the Department of Labour, Mines Inspection, and I

would expect safety operations do not involve themselves in that aspect.

Mr. Radcliffe: I am not sure if my honourable colleague understands the function and role of the Department of Labour, but what the Mines Inspections Branch does, has done and is currently doing and in fact there has been no difference in their operation is that they audit the training that is being administered by the different mining companies and they ascertain that this training does occur and that it is at a high level and that it is adequate and competent to meet the needs. There is an expression of the body of knowledge that is available today to people in this section of the industry. This has been the function of the department and continues today to be the function of the department. The actual training is administered and conducted by the mining companies, has been, is, and the prospect is for that in the future.

Mr. Reid: Your chief mines inspector was Mr. Kesari, I think was the name. Is Mr. Kesari still the chief mines inspector as part of the Mines Inspection Branch or has he been seconded out of the department?

Mr. Radcliffe: Mr. Chairman, the individual referenced as Mr. Kesari is in fact an individual by the name of Kesari Reddy. Kesari is his first name. He was seconded out of the department for a short length of time. He is back in the department now and he, in fact, is the point person who relates with Simoneau on the instruction issue. The individual who is the mine inspector is a fellow by the name of Ted Hewitt who is located in Flin Flon, Manitoba, who performs the function of mines inspector. Oh, sorry, he is the director of Mines Inspections, Hewitt.

Mr. Reid: Are there any other secondments or vacancies within Mines Inspections?

Mr. Peter Dyck, Acting Chairperson, in the Chair

* (1720)

Mr. Radcliffe: There is a Mines Inspector 5 position in Thompson, Manitoba, that is vacant, has been vacant since April of 1999. The

individual transferred out of that location and moved to another area. That particular job function was a person who inspected the hoists in mines, and the function has been covered off by other employees, other inspectors, in that area and locale.

Mr. Reid: Will you be filling that position, or are you going to continue to have the people fill that capacity, the remaining staff? What is the intention of the department?

Mr. Radcliffe: The intentions are that this position will be filled. It will be bulletined soon, yes, and over the course of the summer. The expectation is that it will be filled by the end of September of 1999.

Mr. Reid: Forgive me if I say this, but some government departments have a history of leaving positions vacant and then subsequent years deleting them. It has been vacant since April, and you are anticipating you will not fill it till late September. At least that is your guess right now. You do not seem to be 100 percent certain on that. Are you giving me some assurance here that position will actually be bulletined over the summer and that it will indeed be filled so that it does not remain vacant and then you just eliminate it from your Mines Inspection come the consideration for the next budget year, which begins November, December? [interjection] Yes, but in earnest I mean.

Mr. Radcliffe: I cannot speculate on the practices of other departments. Being a new minister in Labour and only a recent appointment to the cabinet and coming from Consumer and Corporate Affairs, I was not familiar with this practice in Consumer and Corporate Affairs. Although I am not a deputy having hands-on management, I certainly have had an opportunity to work closely with my deputies in every posting that I have had, and it has been a very fruitful and happy relationship. But I can only give my honourable colleague the expectations and the forward look that are the best intentions of the department at this point in time, and I cannot guarantee that this is going to happen. This is the expression of will and expression of intent that the department has with the operation of this issue.

The Acting Chairperson (Mr. Dyck): 11.2. Labour Programs (h) Mines Inspection (1) Salaries and Employee Benefits \$552,200—pass; (2) Other Expenditures \$209,000—pass.

11.2.(j) Employment Standards (1) Salaries and Employee Benefits.

Mr. Reid: I do not know if I asked this at the beginning of the Estimates process last Thursday, but if it will help, as I cannot find it in my files, or if maybe that information has not been forwarded to me yet, if you have a list of vacancies, secondments for the department broken down by your subsections and for the length of time that those vacancies have occurred or secondments have occurred, then perhaps it would save me having to ask it in every section of the Department of Labour, and I might have a better overall view of what is happening. It will save us some time in asking those questions as well.

Mr. Radcliffe: I gave this information to my honourable colleague yesterday, and it was a spreadsheet. I think there were five vacancies in the overall in the department. It was a short paper; I think we can reproduce it. I do not know whether we have it here right now, but certainly if my honourable colleague has misplaced it, I am—no, that is not it. It was a short patch, you know, little boxes and going horizontally across the paper. I can see it in front of me. Right here I can see it in my mind's eye.

Here we go. Here it is. Can we perhaps have one of the Clerks reproduce this so that we all have a copy?

While we are waiting for that, I have, for my honourable colleague, some documentation that was requested earlier, which we can perhaps produce at this point in time. The first is Objective-Based Codes: A New Approach for Canada issued from the National Research Council Canada, which was something that was the subject of discussion at a previous time. The other is the agreement in its entirety, some 47 pages plus some preliminary information, on the agreement on internal trade, which was a matter of some debate and interest, I think, yesterday or

the day before which I would be delighted to share with my honourable colleague.

Mr. Reid: I thank the minister for that information. I have looked through my files here. I have got all of the handouts that he has provided to me, and I cannot find it anywhere in the information. If you can forward us a copy, I would appreciate that information.

We are in the Employment Standards area here, and I wanted to ask questions with respect to a couple of issues that have been brought to my attention involving overtime work. There is one particular case where an individual is working at Club Regent, which is Manitoba Lotteries, and I know they have a contract between MGEU and the government, the Manitoba Lotteries Corporation. The individual is required to work 4:30 in the afternoon to five o'clock in the morning, which is about a twelve-and-a-half-hour shift without any overtime. I am not an expert in these matters, so I am asking with respect to The Employment Standards Act of the province whether or not these matters, these type of situations are governed by the contract or the code takes precedence in issues like this with respect to the overtime.

Mr. Radcliffe: The code, in fact, governs the situation in this particular case to say that management can designate the configuration of the hours and then that can be found, as well, in the collective agreement. In this particular case, we do not know whether it is a designation of hours by management to comprise the full 40 hours that that individual would work for the week or whether in fact it is in the collective agreement. Management has to go to the Labour Board—they cannot just do this unilaterally—and make their case for such a designation of hours, for example, for a twelve-and-a-half-hour shift which my honourable colleague has cited.

Mr. Reid: Well, we get calls coming to our office, and our staff assists people who call in. The memo that has been provided for me indicates that the individual works twelve and a half hours without any overtime, and the note says the reason she was given is that she does not work more than 40 hours in any given week. So you can lump your hours together and you can work 24 hours, if you want, and there would

still be no overtime in those as long as it is signed off in a collective agreement or there has been some approval given by the Labour Board for that. So I guess what I need to do is go back and find out whether or not that approval has been given, and I take it that the department would not have that information as a matter of course then.

Mr. Radcliffe: If it is a Labour Board ruling or order, we have a record of that; we are a repository of their order. So if my honourable colleague could give us the particulars after the close of hearing, we could certainly undertake to research whether it has been a Labour Board issue and give him that information.

* (1730)

Mr. Reid: Well, the individual works at Club Regent, which I think pretty well spells out where that is, and it is a young woman who works there. That is all of the details that I have here, and I do not know if that helps any or not. Maybe if you can gather whatever information you have and then forward it to me at some point, I would appreciate hearing about that.

What I am hearing from calls that I get—and I do not know what the Employment Standards is hearing—and we seem to get cases for people who are trying to press the envelope and kind of skirt around the edges of The Employment Standards Act with respect to how people are treated. Every year I get calls coming in throughout the year concerning certain businesses which I will not name on the record in fairness to the parties on both sides. But one of the issues that I am hearing is that individuals are being asked to sign waiver forms—in nonunion operations we are talking here—that they will not claim any overtime as a condition for their being hired on at a particular establishment. I do not think that this is legal to do that, and perhaps you can advise me in that regard so that when we get these calls coming in and for the cases that we have that we can perhaps forward on that information.

Mr. Chairperson in the Chair

One of the difficulties that I have encountered is that because people are hired into

these jobs, there is no seniority or union protection involved and someone to represent their interest so that these raise these matters or press the issue. There is a strong likelihood that they will be turfed out, and they will be unemployed or at least looking for another job. So there is some sensitivity in dealing with these matters.

Then perhaps if it is possible then for us to gather up that information and forward it on to Employment Standards, is there a possibility of sending in perhaps auditors into these particular establishments to look at the employment records, judging by the number of hours and the pay that would have been issued to the individuals, and then taking the appropriate steps if there is found to be any discrepancies in the level of pay versus the amount of hours worked dealing with overtime matters?

Mr. Radcliffe: My honourable colleague has asked a series of questions here. Firstly, in response to the issue of the waiver—although I hesitate to give binding legal advice and I am not employed for this, so I would qualify with all those qualifiers—the position of the Employment Standards advisors is that such a document in practice is not legal, would have no binding effect, so that if there were a document introduced of such a nature at the Labour Board, in fact, the person introducing it, trying to rely on that sort of a situation as a defence or bar to payment of overtime, would in fact be significantly admonished. So that is No. 1.

Number two, the department does do audits. They are focused on the areas of the workplace where it is suspected that there are areas of noncompliance. For example, the home care area, construction industry, areas of that nature, the audits are sporadic and intermittent, just as you have indicated in your question of going in and assessing the levels of pay, the payment records, the hours, et cetera.

One of the conclusions that the department has come to is that in the majority of cases, as high as 90 percent of the cases where there have been infractions have been based on ignorance of the law, so that there has been compliance resulting from education and information being disseminated. This has been a standard that has

been shared with other provinces. They have had a similar experience as well. In addition to the roving spot audits that are done by the department, there are a number of industries, number of areas of activity, which have invited the Employment Standards people to work with them to raise the level of awareness and to educate their employers in the area as to what the responsibilities and rights are so that that is a mutual activity in order that there be compliance with the employment standards.

Mr. Reid: One of the unfortunate parts of going through this process is we try to represent the issues as we hear them coming to us. I do appreciate the efforts of the Department of Labour in regard to the issues that I have raised from time to time. Most of them worked out reasonably well, but there is one particular case that I raised, was it last year or the year before, with respect to Employment Standards and the individual not being paid for any overtime, being required and willing to work the overtime but not being compensated. After we raised it, Employment Standards went in, did their job, were thorough in it, kind of laid down the law. The feedback I got was, yes, the employer came out the next day and had a general discussion with employees in that particular unit, and said that from now on they are going to be following the law. A week later, all those employees were terminated.

* (1740)

So while we won the battle, we lost the war. So when I raise these issues, it is with some understanding for the predicament that individuals find themselves in, which leads me to my next question. If the individuals are in a predicament like that and the employer requires them to sign that waiver, and if they want to continue to work at that point, is there any statute of limitations preventing an individual so that if a year, two years, three years down the road, whatever period of time, from them commencing any actions at the Labour Board, drawing this matter to the attention of the Employment Standards and the Labour Board people for restitution in cases where no overtime was paid?

Mr. Radcliffe: There is a limitation on claims in this area. The legislation for Employment

Standards is six months, that the department can go back and calculate overtime for a period of six months from the filing of the application or termination of employment. Then a person's remedy after that would lie with small debts, Small Claims Court or with Queen's Bench, and there would be the general statute of limitations and this would fall under the aegis of contract law, I believe, which I think, and I would have to check my legislation on that, but I think it is six years.

Mr. Reid: Thank you for that advice. Perhaps it would be better then if we could get the individuals that are involved to at least call the Employment Standards and seek some guidance and let the experts be the guides in cases like this. I just think it is inappropriate for those employers that are causing their new employees to sign waiver forms. To me that is not in ignorance of the law, that tells me that they know exactly what the law is and they are trying to duck the legal requirements.

So, in continuing with questions here, the minister mentioned that there was \$40,000 lapsed in the Employment Standards. Can you tell me where those monies were lapsed within the department? Was it with respect to staffing in the last year or was it some other cause?

Mr. Radcliffe: Mr. Chairman, I believe I indicated earlier that the money, the \$40,000, lapsed in Employment Standards because of the timing on the production of the labour code. In fact they are related to the production of CD-ROMs, a website, a number of fact sheets, and a comprehensive guide to the construction industry which was going to be prepared and go to printing which did not. Because of timing, these items were not possible to be prepared last year, but it will be coming into this year's budget, and so these monies will be expended this year instead.

Mr. Reid: Can you tell me the number of underage work permits that have been issued for the past year, and if you have issued any such permits for this year, and also if you have information relating to reasons for the application, in other words, what the requests were based on with respect to type of work or employment that was asked for those permits?

Mr. Radcliffe: The underage permits apply to individuals under the age of 16 years. In the last year there were 6,700—oh, I beg your pardon, 600 to 700, I heard 6,700. It is 600 to 700. [interjection] Yes, we have a large population base here. This year to date is 300. The categories are restaurant and small retail.

Mr. Reid: I was going to say that is quite a jump because I recollect from last year being around 500, so 6,700 would have been a significant increase. Even with that, 600 to 700 still represents a 20 percent, 25 percent increase over last year. It seems to be creeping up every year. Do you have or can you compile information relating to historical comparisons if you do not have it here? Also give us an indication, because you have referenced in just general terms whether it is service sector, restaurant, et cetera. the purposes for some of these. I have heard, and I need to ask this question with respect to other areas, that perhaps may be also having persons under the age of 16 working.

In fact there was one call centre, I believe, or at least I have been told—I think it is working out of Brandon—for which there was a 13-year-old. Now do not hold me to that, but that is what I have been told. I need to know whether or not industries like that have applied for the underage work permits and if so the grounds that was granted on. So I am looking for some background information on the range of ages that are involved, the types of work that are involved.

If it is a family business and the school child under the age of 16 is going to work in the family business or the family store over the summer, I can understand that. There is some flexibility and the family that wants to work together stay together. But, if there are other reasons, I need to know what those are as well, so I can have a better understanding of what is happening with the underage employment.

Mr. Radcliffe: Certainly the staff have made note of the request and the ambit and the extent of the request and the appropriate research will be done and that will be forthcoming.

Mr. Reid: No doubt you are giving me just a general ballpark number here with respect to last year between 600 and 700 underage work

permits. But, if you can firm that number up and give me a more—it does not have to be 100 percent precise, but a more accurate picture of what has occurred, I would appreciate that

Next question is dealing with employment standards in the agricultural sector. I know that there are exemptions in ag for people that are employed in agriculture; they are exempt from conditions of employment standards, workers compensation, minimum wage, vacations with pay, et cetera. I draw this to your attention. I received a letter on this from an individual in the Interlake, and I do not know if this is prevalent throughout the industry, but involving hog barns. We are seeing an increase in hog barns in the province of Manitoba, and I think realistically we would expect that it would not just be a single-family operation. There would obviously be situations where they would hire people to work, and in this case people have been hired. But there are problems with respect to Occupational Health and safety from what has been indicated in the letter. Management in cases like that is able to withhold pay from individuals, calling it attitude adjustments or tune-ups, if there are problems with respect to discipline or work processes. In fact, the penalties that are indicated to me are fines of a hundred dollars when an individual may only make \$250 a week. So you can see that, if you have an attitude adjustment of a hundred-dollar fine, there are problems.

Now this is information that has come to me by way of a letter. I have no way of assessing whether this information is accurate, and I do not have the capability of going into a facility to—

Mr. Radcliffe: Is this a youth or is this a full-time—

* (1750)

Mr. Reid: No, from my understanding, these are not youth; these are adults, perhaps young adults working in this environment. That is why I need to have an understanding. What can we do to help people in situations like that, who fall expressly outside of the jurisdiction of the Employment Standards Branch? How do we go about resolving issues like that to give them an avenue to deal with matters that are in dispute? I would expect that there would be a procedure or

process in place that would allow for an individual to appeal any disciplinary action that is taken. Normally, in the course of business, you do not penalize someone's pay. You may penalize them in a sense of suspensions, but you do not just dock their pay and keep them working. That would not be the normal course, and you would usually have to document cases requiring discipline over a period of time before you would impose any penalties. So I need to know what we can do to help people working in the agricultural sector that come to us so that I do not have to continue to tell them that there is nothing that we are able to do.

Mr. Peter Dyck, Acting Chairperson, in the Chair

Mr. Radcliffe: Even though the agricultural sector is beyond the normal surveillance of the Employment Standards, the actual relationship and promise to pay is a topic that can be adjudicated at Employment Standards. So I would enjoin my honourable colleague to direct that individual to the Employment Standards Branch. They can adjudicate that issue. The example that you use of attitude adjustments or any other penalties that are imposed would be considered by the board. They would be considered whether they are authorized or unauthorized deductions; and a conclusion could be reached. So, if you have another situation like that, send them in to the department.

Mr. Reid: It goes beyond just the attitude adjustment fines that are imposed. It goes into being committed to a 44-hour week. I mean, working long hours on a farm or agricultural operation is nothing new to the agricultural community or people who are employed in it. Yes, long hours, but if you are working as an employee, it is a little different from working for your own benefit, investment in your own asset. In cases like this, individuals are committed to 44 hours but end up working 60 hours. Of course, there are no overtime provisions that are in cases like that. It is not that they mind working the overtime; they just want to be recognized and compensated in cases like that. So that is another issue beyond just the attitude adjustment fines. It is also with respect to overtime issues in more agribusiness than it is agriculture in the specific sense of the word.

I hope you had the legal jurisdiction to rectify this. What I will do, I will contact the person and have them communicate, hopefully, with Employment Standards, and perhaps something can be done to help this gentleman. I would not want to see this continue and I do not know—I should ask the question: is the department or the ministry looking at any changes to the exclusions that are in place for agriculture from payment of wages, workers compensation, employment standards, vacations with pay, et cetera?

Mr. Radcliffe: There is no consideration being given at this time, but this is always something that is always under scrutiny. I can only anticipate in the future that if there is a change, then we would effect that. But there is nothing on the table at this point.

Mr. Reid: I would have hoped I would have heard something in the affirmative. It would have been good information to pass on to the person who was involved who has also written to the Interlake Spectator on this as well, trying to make other members of the public aware. I know it has been perhaps a philosophical difference between the minister's party and my party in that regard with respect to how we view agriculture and where the appropriate exclusions to that act are placed. Perhaps there are situations where it is warranted to have a continuation of that. Then perhaps there are areas where that exclusion should be reviewed with a view to looking at the best course of action to protect both parties.

Mr. Radcliffe: I think my honourable colleague raises an interesting point of discussion, that as the face of agriculture changes and the family farm becomes agribusiness, that perhaps this is an issue that deserves the scrutiny of the department, because certainly to interfere, to be invasive of the family farm or individuals who are employing their adult children or youth in the family, is not a place where government would want to be. But I think my honourable colleague is moving on beyond that sort of an aggregation of individuals, and you are discussing large agricultural corporations who are into production of food stuff at this point.

So the department always must be flexible and consider the changing realities I guess on our Manitoba employment scene.

Mr. Reid: I am looking for some guidance again. An individual has asked about this case, and I am not sure how it applies to carriers of newspapers.

An Honourable Member: Paperboys.

Mr. Reid: Well, we cannot define them as that anymore because we have to be nongender specific in our language.

An Honourable Member: Paper persons?

Mr. Reid: We have to be careful of how we refer to individuals who do that work, because there are both genders now.

The largest newspaper in the city of Winnipeg here has been advertising for carriers. The advertisements reference specific areas of the city where they are looking for adult carriers. They are talking about working seven days a week, 3 a.m. to 6 a.m., and then 4 a.m. to 7 a.m. on weekends. So there is 21 hours, if my math is right, 21 hours a week. Can you tell me how The Employment Standards Act would apply to situations like this with respect to seven days a week without time off?

Mr. Radcliffe: My honourable colleague raises an interesting issue. If the advertisement to which he is making reference is emanating from the Winnipeg Free Press, the Winnipeg Free Press, I have gathered, is an organized shop and subject to a collective agreement, so that this activity would be governed by the terms of the collective agreement in question.

If it is another publisher, then I am told that the custom is that sometimes there are independent contractors. I do not want to get into a lengthy treatise on independent contractors, but I am sure my honourable colleague is familiar with it. There has to be the independence. There has to be the discretion to do the task, all those sorts of things. This has been an issue that has been litigated extensively in the courts. Depending on the fact situation, there could be a situation where it is an independent contractor and therefore not an employee, and therefore

beyond the control of employment standards or the department.

You cannot make an independent contractor an independent contractor just by naming him as such. You have to look at the function they fulfill, the degree of control. So I guess my answer would have to be determined by the set of facts. If in fact it is a person who is truly an employee, then employment standards would apply. If it is somebody who is bound by a collective agreement, then the terms of the collective agreement would apply, and if there is a breach in that, there is grievance and all the labour remedies that would flow from that. I am not sure I have answered the question, but that is sort of the general framework.

Mr. Reid: I think you have answered it, and I think if the collective agreement allows for the individuals under contract to work seven days a week and the hours are fixed in there. I know the Labour Board has already ruled on the fact that these individuals or these people that do this work are determined to be employees, and I know the newspaper had tried to reference them as independent contractors which did not work with the Labour Board, so that matter has been resolved. But with respect to the Employment Standards as applied to people who have to work seven days a week, what provisions of The Employment Standards Act apply? I guess, maybe what I need to do is go back and have a clear look or talk with the union that represents those carriers whether or not that is built into the contract. If there are problems there, then what we will get them to do is refer that to the Employment Standards. I am finished with that section.

The Acting Chairperson (Mr. Dyck): 11.2.(j) Employment Standards (1) Salaries and Employee Benefits \$1, 948,800—pass; (2) Other Expenditures \$637,600—pass.

11.2.(k) Worker Advisor Office (1) Salaries and Employee Benefits \$611,000—pass. (2) Other Expenditures.

Mr. Reid: With respect to the Worker Advisor Office, can you tell me what the caseload is for the Worker Advisor Office at present?

Mr. Radcliffe: The caseload is 50 cases per officer.

Mr. Reid: The overall caseloads, what is the waiting time that you have for the people that would require assistance of the Worker Advisor Office where people may call seeking the support of the worker advisor? What would be the waiting time for the individuals in that regard?

Mr. Radcliffe: There is no waiting at this point in time, and I inquired of the department. They advise me that even over the course of the past year, they have been able to keep up with the demand for their services. So there has been, even over the past year, no waiting time.

Mr. Reid: I know our time is growing short, Mr. Chairperson. So the overall cases, we have 10 worker advisors working, I take it, in addition to the manager or director of the branch. So we would have 500—

The Acting Chairperson (Mr. Dyck): Order, please. The hour being 6 p.m., committee rise.

* (1440)

SPORT

Mr. 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 Sport. When the committee last sat, it had been considering item 28.1.(a)(1) on page 140 of the Estimates book.

Ms. Marianne Cerilli (Radisson): I guess to start off I just want to see if the minister has got some information for me. Maybe he can go through that on the record and provide me with the copies that he has managed to get so far.

Hon. Eric Stefanson (Minister responsible for Sport): I have not had as much time to devote to this as I would have liked in the however many hours we have had since yesterday, but the preliminary information I have is this. Out of the four agreements that the member asked for, I will be tabling two of them today. The

information I have been provided as of today is, first of all, on the issue of the Bid City Agreement that the member asked about, dated December 5, 1992. I am told it is a private contract among the Canadian Olympic Association, the 1999 Pan-American Games Bid Committee, and the City of Winnipeg and, as such, is not available for distribution to the public. I have not had an opportunity to pursue that any further at this stage. So that is the preliminary feedback I have received.

The second one is the issue of the co-operation agreement dated July 31, 1994. That agreement I am prepared to table today. I will be tabling one of the agreements. I gather it is an agreement that has been entered into with each of the 42 national Olympic committees of North and South America. I will table a copy of one such agreement here today.

The third request was the Host City Agreement, dated February 20, 1995. Again, I am told, it is a private contract among Canadian Olympic Associations, City of Winnipeg, and the host society and contains a confidentiality clause. As such, it is not available for distribution to the public. The fourth agreement is the funding agreement. I will be tabling a copy of that agreement.

When the member looks at the funding agreement, the member will note under Section 8.2 of the funding partners agreement, it provides that Canada, Manitoba, and Winnipeg shall not be responsible for any Games deficits, which was a question that the member asked yesterday.

I have one copy of each, but I would not mind running, if we can get an additional copy of it run right away.

I think the member also asked me yesterday about the business plan, the overall budget. The information I have is that the business plan remains balanced at the same amount \$140,583,317. I am told that there have been some transfers between divisions, but the overall budget for the Games remains at the same overall level.

I am also tabling the April/May Partners report, which I am anticipating was the progress report that the member was asking about. It is the most current one I have. It is indicative of the type of information that is provided approximately monthly. This one I do have an extra copy.

Mr. Chairperson: Okay, we will have copies run off.

Mr. Stefanson: I am also told that there has been no update to that economic study that was done back in 1997 that I believe the member has seen or has had a copy of. The Crown corporations, we will be following up as we indicated yesterday. I think those were the issues that the member wanted me to get back to as soon as possible, as best I have it.

Mr. Chairperson: I am sorry, Mr. Minister.

Mr. Stefanson: Well, that is it, Mr. Chairman. I think those are all of the outstanding issues I said I would try to get back to the member today.

Mr. Chairperson: Very good, thank you.

Ms. Cerilli: I appreciate getting that information when it is copied, and I will start asking some questions while we are waiting for those copies to be made. I am just trying to figure out where to start, because we are waiting for that stuff, if I should start off with the finances or maybe somewhere else and then come back to some of that.

I think I am going to then start off a little bit differently. I am going to start off talking about some issues related to the ticket sales. I can speak on this issue from some personal experience as well, because I ordered over \$300 of tickets from the deal that was offered in the phone book, where you had to make your order before October sometime, and then we are supposed to have certain fees waived. I recently received the tickets by registered letter and picked them up at the post office, and was concerned that the tickets that I picked up were not the ones that we had ordered.

* (1450)

There was a confusion. There were a number of statements that we got from the Pan Am Games confirming that we had ordered tickets and confirming that we would be receiving them. There was one notice that we received that said that, if the items that were listed on the confirmation notice were not what we had intended, we should call in and make some changes, and we did that. Unfortunately, the changes were not made, and the tickets we received were the wrong ones.

The situation is that we ordered for two of the semifinals for the soccer games and received all of 14 tickets for one game. So we now are faced with a situation of having to deal with that. In our case, we bought the tickets as Christmas gifts for nieces and nephews, and I guess we are now going to be taking, I think, it is probably going to be about 12 kids to one soccer game, rather than spreading it over two games. I am giving that kind of detail because it is an example of the kind of problems that people are going to face.

When we called and inquired about how the same mistake could be made twice, it seems like there is a problem between the Pan Am Games Society and Select-A-Seat. I guess to start off with, I want to inquire about how widespread this kind of ticket mix-up has been, and then we will get into talking about how this is going to affect the ticket sales as this becomes known, I mean, if that is one of the things that is happening in terms of the ticket numbers being what they are.

So, first of all, to address this issue of the kind of mix-up that has occurred with the Pan Am Games tickets, if there is any explanation for why this has occurred and for how widespread this has been. Has it only been for certain venues, and we happen to be going to those games, or is it more widespread across all the sports, and what the mix-up has been?

Mr. Stefanson: I will obviously inquire more of the Pan Am Games Society directly. Speaking to both Jeff and Ted here this afternoon, who are both very involved, neither one of them has indicated this matter being brought to their attention.

I understand, as the member knows, there has been some waiting for some of the scheduling issues, waiting in terms of some of the teams that are participating, and so on, and that there was a flurry of tickets starting to be provided. But having said all of that, I fully expect that her experience is not the norm, to say the least, that it would be an unusual occurrence. So it causes me concern.

I will certainly follow up with Pan Am Games on that issue as to how much of that has occurred and what caused it and doing everything to ensure that any of those kinds of situations just do not happen.

Ms. Cerilli: So the minister is telling me that he was not aware of these kinds of mix-ups occurring? I know that I am just looking for some of the reports that have been in some of the media about different problems with tickets. I thought that this was documented to some extent, that I am not the only one. I have heard other people talking about this. I guess I am kind of surprised that the minister is saying that they are not aware that there have been these kind of problems. I cannot imagine that I am the only one that this has occurred with. Well, maybe that is the case. Maybe it was just one situation.

There are a number of concerns that we had with this. The initial notice that you got once you sent in your money and your request form had no information about confirmation. So the earliest opportunity for them to sort of identify any problems, if there was even a data entry problem with dates, I guess that could be somewhat understandable, but it seems like the tracking has been an issue, because we kept waiting for a notice that would confirm that we were going to get the tickets that we had requested. That did not come until very late and very recently. Then in the end it turned out that we did not get what we requested, but it seemed like not because it was not available but because there was some kind of error made. I guess I just want to clarify then what the minister is saying, that he is not aware of any ticket problems like this to date.

Mr. Stefanson: I guess what I am saying is this has not been a problem that has been brought to

either my attention or that Jeff Hnatiuk is aware of, to Sport Manitoba or through Ted Wilton and the services he provides. So it might well have been some media comment or coverage, perhaps from an individual experiencing the same thing as the member for Radisson. As I say it is not something that has been brought to our attention as being a problem but recognizing that it has happened to the member and perhaps others, I am certainly going to look into it.

Ms. Cerilli: It may be difficult for me to get an answer to my other part of the question, if the minister is not aware of this and if his staff are not. My other part of the question had to do with the impact that this would have on ticket sales. I know that there was actually a Scott Taylor column that dealt with this. It was not long after we received our tickets that the Scott Taylor column appeared. I thought that I had that with me. I have had staff sort of bundle up some materials for me, but it does not look like I have that article. I guess I am just looking for the minister to deal with that issue in terms of the impact that these kind of conflicts or confusion and mixups are going to have on ticket sales, and if that already has not been an issue.

* (1500)

Mr. Stefanson: I can only reiterate that it is not an issue that has been brought to our attention as an area of concern. I believe there have been some articles. The member is correct, there have been articles written about the issue of ticket sales. I know I recall at least one on the issue of how many ticket sales there were today, the gap that still exists to hit their total ticket sales target and their financial target. So I certainly know there have been articles on that. I cannot recall having read one on the kind of situation that happened to the member herself. As I have indicated, the fact that it did happen, we will look into it. I believe the system was done as the member describes where forms were filled out and sent in and then ultimately those mail forms and phone requests were re-entered by Select-A-Seat into their system. Whether that led to some errors or omissions, it would be a possibility, but as I say, I will certainly inquire about this issue from the Games.

Ms. Cerilli: There have been a number of articles written even as recently as this past week

to last year when they first started the early ticket purchasing program. I wonder if the minister has an explanation from the Pan Am Games Society of why it is that the ticket sales have been lower than anticipated. I am assuming in the budgeting—I am going to get into this in a little bit more detail—the tickets are being relied on. If there has been sort of a process in the budgeting where there was an expectation of a certain amount of ticket sales at each pregame period leading up to the games, if those targets have all been not met by the ticket sales that have actually occurred—there are two questions there. Has the minister got an explanation from Pan Am Games of why we are not up to where we are as according to the reports in the paper, and then specifically the other question is the targets that are being set for each of these different programs leading up to the games for the ticket sales, which of those have not been met and what those specific targets have been?

Mr. Stefanson: I think one of the challenges has been the fact that in many of the venues the Pan Am Games have been waiting for a couple of things: for the finalization of the teams that are going to participate, as the member knows, and then of course slotting the teams into the Games schedule. One issue that has been raised by individuals is that they were waiting to see what teams were participating on what days, in which venues, before they would be buying their tickets, which again certainly makes a lot of sense. If you are going to a soccer game, you might have a preference to go and see a particular country as opposed to just buying a generic ticket for a game in advance and not knowing who is going to be participating. So now that the schedules are being finalized, that will significantly enhance their ability to sell many of those tickets because initially the tickets that were selling at the fastest pace were tickets for the finals and semifinal events.

While we are on this, I think, to give the member an overall sense, as of June 1, about 210,000 tickets have been sold which represents about 40 percent of the target. I am told that based on various market research that the Games officials have been doing, they are confident that ticket sales will meet or even exceed their target. The research that they have been doing, not surprisingly, indicates that Manitobans are

keenly interested and supportive of the Games, but surveys indicate that those intending to purchase tickets will do so close to Games time. I think we do have the benefit to look back at various significant gaming events that we have had in Manitoba and that really has been a fairly consistent pattern, I believe. It is like the world junior hockey sold a significant percentage of their tickets in the last handful of days leading up to the event, but some of the events are heavily purchased and sold out, in areas like baseball and aquatics and soccer and volleyball, basketball, athletics.

Obviously, with tickets now becoming available on Select-A-Seat and that did not happen at all their locations until May 8, average sales have tripled, so again that is creating more opportunities for individuals to purchase tickets. But even to put things in perspective, the sales to date represent the equivalent of selling out seven Grey Cups and the largest volume of sales for an event in the city's history. So, again, I think that for all of us puts it in perspective. The member did ask whether or not there were targets at each individual stage along the way. I take it she is meaning that when they launched their telephone insert, did they have a target? Did they achieve it when they moved on to some of their next targeted advertising in print and so on? Did they have some targets and what that would do. I will have to follow up that issue with the Pan Am Games Society.

Ms. Cerilli: Before getting into some of the issues around the delays in slotting and knowing the teams, I want to just deal with the actual budget for the ticket sales. I know I complained last year in the Estimates that the revenue description in the budget is not very descriptive, that it does not go into a lot of detail like the kind of detail we have under expenditures. Marketing revenue is all lumped together. I am wanting just to clarify the amount that we are expecting from ticket sales now. I am assuming it has not changed, that we are still expecting the same amount as when they revised this budget that I received in May of '98.

* (1510)

The figure that the minister used initially is the same. It is the \$140.5-million budget. The

article that I read in the paper says they need to raise \$13 million net through the ticket sales. That represents between 550,000 to 600,000 of the million seats available. This is where I am wanting some clarification. Is the \$13-million figure net for ticket sales, that is not based on selling out the games? What is the figure in terms of the number of seats available that is the target for the games? How does that compare with the amount that would be raised on ticket sales if the games were completely sold out?

Mr. Stefanson: Well, the member was correct with the comments of the numbers that she was putting on the record that the overall sales target is \$13 million as at the beginning of June, and I am sure this number is a little bit higher today, which is June 9. As of June 1, there were about 210,000 tickets, worth about \$5.5 million, so that is where the 40 percent comes from in terms of what has been sold to date.

The Games was not budgeting for a complete sellout of every venue, but as to what their revenues would be if they were to sell out absolutely every venue, I will return with that number for the member.

Ms. Cerilli: So I am wondering then, if the budgeting around the ticket sales in terms of not anticipating a sellout in terms of counting on that money for your balanced budget, if that is one of the areas that the Pan Am Games Society and the governments are going to be banking on in terms of having a balanced budget, if the statements continue to be that they are not planning to have a deficit, you are still, I guess, hoping that you are going to be meeting the \$13-million target.

What I am asking is: are you now thinking that if you need to exceed that \$13-million target, and that has sort of been a cushion in order to meet the balanced budget?

Mr. Stefanson: Mr. Chairman, if I understood the question correctly, to have a balanced budget would mean hitting the sales target of \$13 million as per the budget. If more tickets are sold than what is targeted, obviously that will lead to the generation of a surplus from the Games, which would be a part of a legacy for sport in the province of Manitoba. I think that answered the question.

Ms. Cerilli: Not really. What I am wondering is if this figure of \$13 million has actually provided a cushion. I mean if the rest of the article that I am using is correct, it has been correct so far with saying that the target for the Games is \$13 million, but that represents only, at the uppermost, 60 percent of the million seats available, so that means there is potentially another 40 percent revenue available from the amount calculated from tickets.

What I am wondering is if the Games is now counting on now actually selling more than the target, because they are going to have to use those ticket sales to make up from cost overruns in other areas, that you are relying even more heavily on ticket sales. We are going to get into this in the budget a little bit more, but I understand that some of the areas in the Games are actually going over budget, and even since you have gotten more government revenue. What I am wondering is if we are actually relying more on ticket sales now and you are actually going to have to use that 40 percent cushion that is available in the ticket sales by selling more than just the 550,000 to 600,000 seats, that you are actually going to have to sell more than that in order to have a balanced budget.

*(1520)

Mr. Stefanson: The short answer to that, Mr. Chairman, is no. The information I have, in discussions I have had with the Games officials, is that they do not have an expenditure problem and will come in on budget on expenditures.

Ms. Cerilli: Okay. Like I said, we are going to get into more of those expenditure lines and items as we go through the different areas of the budget. I just want to continue on the tickets issue for a little while longer. Is there anything else planned in terms of more promotions related to the ticket sales? Are there any more of these sorts of windows, or any more campaigns, that are planned in order to try and boost the sales to the level that is not only necessary but potentially what is there before the Games?

Mr. Stefanson: Mr. Chairman, I will get a more detailed response, but I know they are continuing to do various initiatives to generate more

ticket sales. I am told they are going to use a targeted marketing approach, direct sales through various sport organizations and so on. I think, as the member may be aware, Mr. Hubert Mesman, former Deputy Minister of Tourism for the Province of Manitoba, is over at the Pan Am Games directly involved in this very area of various initiatives to sell more tickets, so I will certainly give the member a more comprehensive response from the Games.

Ms. Cerilli: One of the other issues that was raised earlier in our discussion was related to delays in having teams commit and having slotting done and how that affected people jumping up and buying their tickets. I am wondering if the minister has any insight into, if this delays first of all in having teams commit, is that unusual for these games? Is there something new going on that has meant teams have been, from different countries, hesitant to make a commitment? What is the usual time commitment that is allowed under these major international competitions to have countries commit teams? Is there any explanation of reason for the delay?

Mr. Stefanson: I am told it is not uncommon. The member is right, there are really the two issues. There are the commitments of the countries themselves for various sporting venues. Soccer was a good case in point, just within the last couple of months the final commitments from the countries that will be participating.

Then the second issue is, of course, what athletes represent the countries? That is a different issue because not unlike in Manitoba or Canada, they all have various qualification events and so on, so who will represent them on the team is a process that is I think fairly consistent to many of the countries, but it has been this issue of getting some of the country commitments in basketball as well, I believe, baseball, soccer, and so on. I am told that it is not unique to our Games in terms of the time lines of those commitments, but again, I will inquire further of the Games themselves on that issue.

Ms. Cerilli: Is there not a regulation, there are all these agreements that are signed between

PASO and the society for the Pan Am Games, is there not sort of a requirement on countries that they have a certain amount of time to make commitments, given the task of organizing events of this magnitude? Has that time been exceeded in the case of the Pan Am Games from Winnipeg?

Mr. Stefanson: Again, Mr. Chairman, I am really just being repetitive. I am told it is not uncommon for these particular games, but I will follow up further with the Pan Am Games Society and provide any further information I can on that issue.

Ms. Cerilli: The question I ask: is there not language in the agreements that are signed? These are agreements that are used in international sport competitions like this or the Olympic Games in all countries. Is there not language that deals with the amount of time that countries have to make commitments?

* (1530)

Mr. Stefanson: I think it is best that I will follow this issue up with the Pan Am Games. Obviously, countries themselves commit to participate in the Games, but I think there is a fair degree of flexibility in terms of how close to the Games they can finalize their overall levels of participation and the events they are participating in and so on.

Ms. Cerilli: Do the countries that want to participate in Games, such as the Pan Am Games, also have to sign an agreement between their national sport organizations or some branch of their government that signs an agreement with the Pan Am Games Society or some other Canadian organization?

Mr. Stefanson: Mr. Chairman, the member is right, that all of these countries are members of PASO and there is an overall sport governing body, but I will have to follow up with the Games Society as to whether or not there are any minimum commitments from all of these countries in terms of their level of participation in terms of either numbers of athletes and/or numbers of events that they participate in.

Ms. Cerilli: The issue that we were getting at, though, was not just the number but the timing

of the commitments that they make, and the fact that they have to, by an agreement, commit to giving this information. I can understand maybe some countries will send athletes to one sport and not another sport; while they are making those decisions, though, the time is ticking away and that has been influencing the Games. That is the salient issue here. Do these agreements specify time frames for making commitments on different sports once a country has decided that, yes, they want to participate in any sports?

So I guess I will have to wait for further confirmation or answers on those issues, but I also wanted to ask questions about the other issue that the minister has said has caused some delays in selling tickets, and that is delays in slotting teams and events in the Games. I guess I can see to some extent this may be related to the previous issue of not having all the countries commit all their teams in the most timely fashion, but have there been any other reasons for delays in slotting?

Mr. David Faurschou, Acting Chairperson, in the Chair

Mr. Stefanson: As I said, I will return. I should be able to provide that information fairly quickly to the member on the issue of the time lines that she reminded me of is part of the information I am getting. I am told there are not any in terms of the issues of the timing of the countries. I guess the only other issue that was related in part to that was the fact that some countries were looking for some additional financial support and/or compensation to send a certain team. That was the case again in soccer. I believe it is a case in basketball. So that, I believe, led in part to the delay in finalizing some of the countries that were participating in some venues.

In terms of the individual athletes, it is the usual problem or issue of all of their qualifications within each of the countries. I am told even still here in Canada we have some qualifying events still to be concluded for the athletes that are going to participate, but I should be able to return there fairly quickly with more information for the member, Mr. Chairman.

Ms. Cerilli: Getting back, though, to the issue on the ticket sales that we were discussing

earlier, I used the figure of \$13 million that was based on a Free Press article from June 6 of '99, but there was a Sun article on May 18 of '99, that quotes Kim Browning—what is he? He is the senior vice-president, and he is responsible for the ticket sales—that references him saying that between \$14 million and \$15 million in sales is the total of budgeted. So I just want to confirm which of these is accurate.

Mr. Stefanson: I believe the accurate number is \$13 million. It is certainly the number that I have, Mr. Chairman.

Ms. Cerilli: Okay, well, it seems like the copy I have here is difficult to read so that is why I am sort of taking a bit of time here. The numbers, again, that have been floating around are \$9 million in terms of any projected deficit. Is that entirely based on ticket sales? Is that based on the amount that has been made up of ticket sales, or is that \$9 million based on other issues related to the budget? Or maybe that number is wrong and is there a different number now in terms of the bottom line for the Games?

* (1540)

Mr. Stefanson: I can only reiterate what I said earlier, Mr. Chairman. I met recently with some of the officials from the Pan Am Games and the best way to describe it is that they indicate to me that they do not have an expenditure problem. I believe they can come in on target on their expenditures. The sensitivity is on revenue and really the only significant sensitivity on revenue is the ticket sales. As of right now, if sales are approximately \$5.5 million and the target is \$13 million, we can see the shortfall there as of June 1 was about \$7.5 million. I am told that that really is the only area of any significant sensitivity in terms of coming in with a balanced budget.

Ms. Cerilli: The minister says that the sensitivity is on revenues, and yet there are reports in the media on a regular basis about expenditures. The most recent one was from Tuesday, June 8, of this week where there is now an attempt to have the Guess Who play at the closing ceremonies. I have to tell the minister that you are not going to find a bigger Guess Who fan than me, but I guess a lot of people are

looking at the price tag of \$200,000. I do not know if the situation that is being presented here is that if we want the Guess Who, then more people have to buy tickets and make sure that the seats are going to be full, or if the Guess Who or some comparable act and expense was counted into the budget for the closing ceremonies to begin with.

The point that I am making is, if there is no issue around expenditures, then why are we now being told that this is not something maybe that the Pan Am Games can afford? Is the \$200,000 more than what was anticipated for the closing ceremonies for a kind of finale act? I am wanting to get into some of those more budget questions in a little while. So maybe I will just stick to the issue now in terms of dealing with the issue of expenditures and how the Games are dealing with line items like this. If you are deciding that now you want to try and get Burton Cummings and the Guess Who and you are only now finding out this is too big of a price, how has that been dealt with in the budget for the closing ceremonies?

Mr. Stefanson: I think the important point is, and again I just reiterate that the Games Society have indicated they intend to and believe they can live within their overall expenditures of \$140.5 million. Within each of the venues, they have a festivals budget, obviously along with a number of other categories. Those are decisions that they are in the process of finalizing, setting the priorities. If they want the Guess Who to perform at closing ceremonies, what the cost is going to be and whether or not it could be done within their budget, whether they have to find the resources elsewhere and within their expenditures, if that is the highest priority, those are decisions they are going through right now.

Ms. Cerilli: I guess what I am trying to understand, though, is dealing with this whole issue of the Games only targeting at most about 60 percent of the seats being filled in terms of the revenue that they are counting on from the ticket sales and what this means for the budget. Are you then just trying to have that additional 40 percent of ticket sales be surplus, or is that somehow going to have to be included into the budget for things like having the Guess Who at

the closing ceremonies or other issues that we will get into?

Mr. Stefanson: I think the real issue here is they believe, they being the Pan Am Games, that they have set a realistic target of \$13 million for ticket sales. On the one hand, we are sitting here talking about a degree of concern about their ability to hit the \$13 million. Now we are talking about the other side, the luxury that collectively we might have if they exceed the \$13 million.

If ticket sales really start to take off and they see that they are going to exceed that budgeted amount, the Games Society will have, I believe, one of two choices. If they think there are some other expenditures that they should make that would add value to the Games, they would have to look at that. Otherwise, they would be in the position of generating a surplus, and a surplus would basically go to a sport legacy here in the province of Manitoba.

At this particular point in time, I guess the objective is to hit the \$13 million to be sure the Games break even. I hope the Games are in the situation of having that opportunity to look at exceeding that mark and making the decision whether or not they want to make some last-minute adjustments on the expenditure side that they think would add value or leaving the money for future sport in Manitoba.

* (1550)

Ms. Cerilli: But if the minister does the same mathematics that I do, based on the 40 percent of the seats available for ticket sales that are not in the \$13-million target, that is conservatively around a \$5-million amount that could be a surplus if we did sell out, estimating around what the actual sell-out amount is going to be. What I am wondering then is if the ticket sales do really take off in the last little while, is that what you are looking at that could be a surplus? Because what you are saying is all the other line items are not going over budget.

Mr. Stefanson: That is exactly what I am saying. If the Games get in that position, then they will have the opportunity to make further decisions whether or not additional dollars should be expended to add additional value to

the Games, if that is deemed necessary and appropriate, or to leave the surplus in place.

Ms. Cerilli: So the minister is confirming, then, that he thinks that all the other line items are going to be coming in on budget. There is no going over expenditure of any of the budget from the information that he has based on this revised budget of \$140,538,317.

Mr. Stefanson: I can only reiterate that the information I have, based on recent meetings, is that the Pan Am Games Society believes that they can live within their overall expenditure budget of \$140,583,000 and do not intend to exceed that unless they have additional revenue. It is deemed as you have already discussed, that there are some other expenditures that would add further value to the Games.

Ms. Cerilli: Listening then more carefully to the minister's answer, he has clarified for me that some of the budget lines may be going over budget in the expenditure side because what he said is they are going to be able to live within their overall budget of over \$140 million. What I am wanting to get from the minister, then, is some information about which budget lines are moving in which way and how money is being transferred within the budget on the expenditure side.

Mr. Stefanson: The member is correct. When I am referring to hitting the budget, it is on an overall expenditure basis. I am sure that there has been movement between individual budget lines and there might be further movement between individual budget lines as the Games continue to meet their needs and their priorities. One example of a transfer, to give the member a sense, I am told, would be the whole issue of purchasing consolidation. The example that is used here is the issue of tenting. It says that numerous divisions like festivals and protocol, games services and games operations require tenting. What they did is have all requirements consolidated within the games operations division, and all individual tenting budgets were transferred to the games operations where they were made one consolidated purchase. The staff are there who had the expertise to look after the placement and set-up, so what they would have done was reduced the budgets of festivals,

protocol, games services, games operations and increased the budget—I should not have said reduce games operations, reduce festivals, protocols, games services, and increase the budget of games operations by transferring to that one area, so there has been some of that taking place to date, and I am sure there might be more of it that takes place.

Ms. Cerilli: We will get into some of that detail then. In terms of the ceremonies line, which in the budget I have is \$2,567,307, has the ceremonies line changed at all, and can you indicate the amount? If it has increased or decreased?

Mr. Stefanson: Mr. Chairman, I think what would be most appropriate if the member finds it acceptable is I will contact the Games to see if I can provide a revised business plan, which I do not see any reason that I cannot, and to have the adjustments outlined and the explanation of the adjustments, because I think that is probably where the member is going to head anyway. I do not have all of those details here, so I can undertake to get the most current business plan. It will be different from the business plan the member is working off. I know that from some of the examples, the one example I have already given on tenting, another example.

I will try to get the revised budget, and I do not see any reason I cannot do that and show the adjustments and give explanations why. Then I think that can expedite because, if the member starts going line by line on all of the expenditures, I do not have all those details here. So they definitely have changed. I know that line has changed. I think literally every expenditure line has changed to some extent.

Ms. Cerilli: I thought that was one of the things I actually asked for the other day. I do not know if that is one of the things, because I assumed I was dealing with the most recent one. I just want to clarify if that is not something that the— a sheet that the minister has already given to me. It does not look like it actually.

Mr. Stefanson: Mr. Chairman, there was some confusion on that issue, and as I said, I did not get a chance to follow up with staff and advance a meeting this afternoon. Staff interpreted the question as whether or not the business plan had

been revised, gave me an example of, yes, that it has been revised from the one that the member was probably working off of, in the sense of individual lines, not the overall expenditures, but the overall expenditures did remain the same at the \$140.5 million. As I have indicated, I will undertake to get the revised business plan and an explanation of the changes from the plan that the member is working off.

Ms. Cerilli: I would think that this is just going to be another one sheet similar to the one that I have. There are some other attachments to this one in terms of the venues, but I notice that has actually no dollar allotments to it. I would appreciate getting that tomorrow so that we could actually use it in our discussions when we resume tomorrow afternoon. I do not believe we are going to be sitting in the morning, so I will give you a little extra amount of time.

* (1600)

I am going to spend a little bit of time anyway on some of these matters, and I will work as much then again around the fact that I do not have the most recent budget in front of me. The issue I wanted to raise in terms of the ceremonies is it has been described to me that there has been a rather large expense to now be included in the Pan Am Games that was not initially budgeted for. That is the presence of some of the Royal Family, specifically Princess Anne, to be part of the Games.

So the first question I want to ask is: was there originally a plan to have someone like that become part of the opening ceremonies, and was it budgeted for?

Mr. Stefanson: First of all, on the comparison, I will get that as soon as possible. I am sure we could have it potentially as early as tomorrow. I know the House leaders are discussing. I am not available for Estimates tomorrow, so they are discussing what departments will be up tomorrow. Having said that, we will certainly target tomorrow, but if we do not meet again till the start of next week, I am sure we can make that information available.

The Royal visit, again, I am told, and I know that the budget included various allocations for

visits of officials, in terms of the Royal visit itself, it is not as though the entire cost is falling on the Pan Am Games Society. What I should do for the member is get her a breakdown of the elements of what is being paid for and by whom and what the impact is to the Pan Am Games directly.

Ms. Cerilli: Was it the Pan Am Games Society that invited Princess Anne?

Mr. Stefanson: Well, I know they are very pleased to have her involvement in participation. I will have to confirm for the member the nature of the official request.

Ms. Cerilli: Maybe the minister can confirm then that there were some issues or difficulties in this area, that the Princess was invited not necessarily following proper protocol, and she was invited actually before there were the funds in place. Can you confirm what the total amount for her visit is? I have been told that it is approximately a million dollars. I appreciate the minister saying that now maybe that is not all going to be borne by the Pan Am Games Society.

I am also interested in finding out other events that she is going to do and where the rest of the costs are going to be paid from, but I am wondering if he is aware that the federal government, in following proper protocol, should be the ones involved in inviting the Princess to visit our country, and that this is not necessarily what occurred, and it actually has caused some difficulties related to the Pan Am Games. Is he aware of that?

Mr. Stefanson: I think, Mr. Chairman, rather than speculate, which I do not like to do, I will get the member all the details on the nature of the original request to Princess Anne. I believe I should be able to give her a reasonable summary of how her expenditures are being covered and by what level of government and what organization. I will certainly undertake to provide her with as much information as I can on what her activities will be, I gather, when in Manitoba. It was the question, what activities she will be participating in, and I will certainly undertake to provide that.

Ms. Cerilli: If the events related to the invitation of Princess Anne are as I have described, I am wondering if the minister would not have wanted to have been aware of this, and if he is not being made aware of these kinds of issues, or if there is someone here at the Legislature, even the Premier's office or otherwise, that would have been informed of something like this.

Mr. Stefanson: I can only be repetitive. Certainly the feedback I have had is the Games are very pleased that Princess Anne will be participating, that they are having royalty participate in the Pan Am Games here in Manitoba. Rather than speculate, as I have already said, I will undertake to return with the information I have already said I would, Mr. Chairman.

Ms. Cerilli: I have had brought up for me the article I was referring to earlier, written by Scott Taylor, on April 23 of this year, '99, and I am just wanting to see if it is the one that I was thinking of. No. I do not believe that this is the article that I was thinking of.

Mr. Chairperson in the Chair

One of the other questions I want to ask is: have there been any polls conducted? I know that some of the material I have been reading talks about percentages, one of them here talks about a certain percentage of Winnipeggers or Manitobans know about the Games. So that raises the question of any polling done by the Pan Am Games Society or by the provincial government. Here it is. There is a quote here: 98 percent of Winnipeggers are aware of the Games and the tickets are priced in a range of a family budget. That is a quote by Bob McMahon who is the chief operating officer of the Games and it is in the Winnipeg Sun.

* (1610)

We all know that people can be misquoted in the newspaper, but I am wondering if that is an accurate quote. If there is polling that is being done related to the Games, who is doing that polling?

Mr. Stefanson: Mr. Chairman, I am told the Pan Am Games Society has been doing polling

on the issues that the member raised from that one article. The provincial government is not doing polling on the Pan Am Games. I am not aware that the city or the federal government is, but they would have to speak for themselves. But the Pan Am Games, I know, has done some polling on issues like levels of awareness, intentions of buying tickets and those kinds of issues to, again, try to, I believe, assist them with their marketing efforts and their ticket sales.

Ms. Cerilli: So the minister is saying it is the Pan Am Games Society, I am assuming then through their marketing division, that is doing the polls. Which polling company are they using? Are they using Western Opinion Research or which polling company? I guess the obvious question is: will we be given access to the poll results and the questions?

Mr. Stefanson: Again, I will get back to the member on each of those issues with the nature of the polling; how often or how much of it is being done; what firm and/or firms are doing it; and, the last question, determine whether or not it can be made available, and if so, obviously I will make it available.

Ms. Cerilli: The minister can also add to that list—I am not sure if he mentioned the company that has been hired—the cost of any contract to the Pan Am Games Society, if it is some kind of mixed poll, if there are other events that are involved. I am thinking of the possibilities of the sort of thinking behind that kind of polling if it is related to marketing as the quote that I read suggests or if there is another intent, some sort of description of what the intent is of the polling.

Mr. Stefanson: I will undertake to do that, Mr. Chairman. My understanding is it is specifically related to marketing, but I will confirm what the intent is, what the objectives are of the polling and, as I said earlier, the firm and/or firms who are doing it. Unless there is some reason that I cannot release the costs, I will provide the costs. Obviously for all of the questions that the member has asked, I will either provide it or I will give her a reason why it cannot be provided and then we can discuss that at that point, but I will certainly undertake to try and provide as much as I can.

Ms. Cerilli: One of the other issues that has come up, and it is related to a lot of the topics that we have been discussing in terms of ticket sales and polling and advertising, and that has to do with the marketing of the Games and the plan that has been in place. It seems that there has been not a lot of out-of-province marketing. I know from reading even some of the documents that the minister has just given me that that has been part of the plan all along it seems.

I was reading just in one of the reports that the articles that we are now seeing in *The Globe and Mail*, it seems like they were always intended to just start running in *The Globe and Mail* at this time, sort of the end of May, beginning of June. Is that the case? Does it seem to the minister as well, as it does to so many other people, that the marketing outside of Winnipeg and outside of Manitoba has either been late or has not really been a large component of the advertising plan of the advertising for the Games?

Mr. Stefanson: I think the member was referring to page 3 of that most recent Partners report that did indicate, or does indicate, *The Globe and Mail* ads begin the end of May; Air Canada in-plane video, boarding ran posters, counter banners beginning in June.

Again, I am told that that is all part of the plan, that the vast majority of participants to the Games are going to come from either Manitoba or a reasonable radius around Manitoba. That is not to say that there is not a need to be targeting some of the international markets, and they are doing that, but certainly the majority of focus will be in that radius, along with, obviously, not only the athletes, the coaches, the media. From the further destinations, the majority of the participants, along with the athletes and coaches, end up being family and friends, so the opportunity to maximize attendance and response is within a reasonable radius of Winnipeg and Manitoba.

Ms. Cerilli: Well, I wonder if the minister has asked the same question, as people are wondering: why is this marketing outside of Manitoba so late, and why does it seem like it is so limited? Part of the whole idea of the Games is to bring to Manitoba tourism that otherwise

would not come here. It is hard to see that that is going to happen when people now only have just over a month to do tickets, booking. Airline tickets, as we know, if you want to get reduced rates, have to be booked at least two weeks in advance. So it seems that if we are really wanting to attract people from outside of Manitoba, this is all happening a little bit late. I am wondering if the minister has some explanation for that.

*(1620)

Mr. Stefanson: Well, I think, in fairness to the Games, what they have done is gone at the most appropriate and most likely markets and targeted those more aggressively. I cannot recall the slogan now for the come home or come back to Manitoba or Winnipeg where they have been targeting individuals to contact family and relatives and friends to come back to Manitoba during the Games.

The reality of the Games, I think, is that our largest markets, as I have already said, are going to be Manitobans. They are going to be people within reasonable proximity that can drive to Winnipeg and Manitoba, and they are going to be people who tie this in as a major event in Manitoba and a chance to come back to Manitoba, come home or come to visit relatives or friends in the province of Manitoba. Those, I believe, are the right markets. Those are the markets they are going after the most aggressively.

Having said that, that is not to say you should not be doing some generic advertising in terms of just making everybody aware the Games are taking place here in Manitoba, because that also is a market. But, again, I believe their research has shown that that is going to be a much, much smaller market for them, and therefore they have been targeting the areas of greatest likelihood of success and strength. I think that is the appropriate thing to do.

Ms. Cerilli: I wonder if I can get a breakdown then of the budget for advertising or marketing. This could be part of the budget information that the minister is going to bring, because there are different lines here. There is marketing, and then there is image, media and communications. For

all of that, how much is divided between local and sort of out of the province, particularly even south of the border, the states that are closest to Manitoba? Especially knowing that, I believe the U.S. team is going to be spending some time prior to the Games in Fargo. So it would seem that there would be a natural market, if you would, there.

So I am wondering if the minister could describe if there are strategies like that that the Games are incorporating into their marketing plan.

Mr. Stefanson: Well, the member is correct in terms of the U.S. team. I believe the arrangements are that they are flying into Fargo and working out of there, and then obviously being brought into Manitoba. I am told, in the Fargo News recently, they had a group or a delegation up here, gave a major four- or five-page feature through their local papers on the Pan Am Games and all the activities taking place in Manitoba.

The member is right, that is the point I was making, is that North Dakota, Minnesota, South Dakota, those are strong markets for us in terms of our regular tours, and they should be strong markets for the Pan American Games in terms of the opportunity for those people to see the U.S. teams participate in all these different events. I will get her further details on what specific things the Games have done in that market along with following up on her request for a breakdown of the advertising and marketing expenditures.

Ms. Cerilli: I am interested to know of the budget amounts that are here, how much is actually going into ads rather than staffing. How much is actually going into sort of on-the-ground advertising and marketing?

I just want to pursue this a bit more. If the minister would not agree, considering what the dollar exchange is, the U.S., that there is even more of an incentive perhaps for more Americans to come up to Winnipeg this summer and if that is being considered in the marketing strategy.

Mr. Stefanson: The short answer would be yes, Mr. Chairman, both for the Pan Am Games

themselves and for Tourism Manitoba. I will undertake to get further details for the member.

Ms. Cerilli: I think that probably some of this information is addressed in the economic impact assessment that was done, but I am wondering if the minister has then any information about the number of tourists that are expected to be attracted to Manitoba, to be part of the Games, if that has been something that has been part of any market research or part of your tourism planning.

Mr. Stefanson: Again, I will provide that information for the member. Obviously, the Games will have a sense of what they have sold in what locations to date and to hit their further targets, what they are expecting from the Manitoba marketing from other markets. So, again, I will follow up on that issue and undertake to provide the member as much information as I can on that.

Ms. Cerilli: Another thing that was very interesting for the minister to look at and maybe he has done this already is to compare what was said and projected in the bid for the Pan Am Games in terms of tourism and what is planned for now and what in the end will actually occur, if the minister has considered that at all and what kind of analysis he has on that in terms of comparing what was projected in the bid and what is now actually happening.

Mr. Stefanson: I have indicated I will get the current status of what is expected in terms of out-of-province visitors. We do have the Manitoba impact assessment that was done back a few years ago. We will have an opportunity to compare where we are at today to what that assessment was projecting.

Ms. Cerilli: Does the minister know if the Pan Am Games has been also promoting the volunteer component? Are we having many volunteers that are from out of the province?

* (1630)

Mr. Stefanson: As the member can see on page 12, and I recognize this is the April-May report that I provided, it gives a bit of a snapshot of the status of volunteers at that point in time. It does

not address the very specific question the member asked, but I state the obvious. The current volunteer registrations are 17,500. I am sure most, if not all, are Manitobans. At the bottom of that page it shows that over 11,000 volunteers have now completed their general training. So most of them will go through some kind of a training process. I would hazard to guess or suggest that the number of volunteers from outside of Manitoba will be quite small for a number of reasons, logistics, the training that is required, and so on.

Ms. Cerilli: The reason I asked that question is because the theme that the minister had talked about before in their advertising was sort of this whole, come home to Manitoba for the Pan Am Games. I appreciate what the minister has said.

One of the other issues that has been raised with me is the promotion of the Games and local athletes or Canadian athletes. I think I have seen a little bit on this more recently, but for a while there I kept wondering: where is the promotion and coverage for our local athletes? I think I may have talked about this in previous year's Estimates, where often it is a grievance that local sport organizations, local teams have with our media, they do not give enough attention to the effort and the achievements of our local amateur athletes. I know that the staff here that are from Sport Manitoba would probably agree with this, because I am sure that this is something that gets discussed over on Main Street quite a bit, the people that I talked to. One of the things, I am wondering, is what the plan is and has been in terms of local media learning about who the athletes are that are going to be competing from Manitoba and from across the country and how we can get these names more readily known by Manitobans and Canadians and could generate some excitement around the possibilities that they have during the Games and developing that whole sort of pride of rooting for our local, homegrown athletes. I think that is often a big ticket seller as well. Everyone likes to cheer for the local athletes when they go to these kind of events, whether you are watching it in your own home on television or live.

So I am wondering if the minister could explain what the program is in the marketing department for this whole area.

Mr. Stefanson: I think, well, the member touched on it, you are starting to see more of that now. I think one of the problems has been that in many cases, like we discussed earlier, many of the athletes are not being decided upon till just in the last short while. So to a certain extent, it is waiting to see who the athletes are that are representing Canada or Manitobans that are participating. I think we will start to see an awful lot more of that now as those athletes are being finalized.

I saw in one of the newspapers the other day an ad about coming to see Kelly Stefanyshyn, the swimmer, highlighted, and so on. There were some Manitoba athletes that were expected to be on some teams that did not make the teams. I think even just recently the volleyball team was just selected in the last short period of time. Part of it has been the timing of the selection process of some of the athletes. There has been a degree of profile given to the athletes that everybody was confident would be participating, like Tanya Dubnicoff, and so on.

But I agree with the point. I fully expect that through a combination of the Pan Am Games and the interest of the local media that we will see a lot more athlete profile. I know some of the media have been talking about profiling athletes, CJOB, Free Press, and so on. I fully expect that we will see that over the next several weeks.

Ms. Cerilli: So has there been a delay in some of the selection? I know that some of the facility trial meets have been delayed, in some cases a year later. I know that some of the facilities initially when we had these discussions a couple of years ago, the test events were supposed to be last summer, and their test events are really only occurring now because the facilities have not been completed. So has this been something that has been an issue in terms of selecting athletes as well? Has there been a delay of any kind in selecting athletes for the Canadian contingent?

Mr. Stefanson: No, there were not delays as a result of venues being available for all of these competitions. The member can also see on page 11, again of the Partners report, at that point in time some of the upcoming test events that have just, of course, recently been held: the judo championships, water polo, and so on, roller

sports, beach volleyball. So that, in part, makes my point about some of the athletes. Obviously, some have been decided for longer periods of time. I am told that it has just been the nature of scheduling. It has not been influenced by venues not being available.

Ms. Cerilli: Is that something else that is sort of determined by agreements related to the Pan Am Games, that countries have to have their trial events, the trials to qualify by certain dates, and has that all been complied with? It seems to me that that would be something fairly important to get established clearly so it is fair for all countries involved.

* (1640)

Mr. Stefanson: Mr. Chairman, we will inquire of the Pan Am Games Society, but again, I do not think there is anything unusual here relative to these test events, relative to our Games. I think it is just the nature of hosting major events and the timing of the various test events. I do not think there is anything more to it than that.

Ms. Cerilli: What I think I want to spend some time doing next is actually talking a little bit about some of the facilities, because that is another major reason often for hosting these kinds of Games is to leave a legacy of facilities. It has been a concern expressed about these particular Games relative to other ones in the past that actually a pretty small fraction of the dollars invested into the Games are going into facilities. So that is what I want to do is just to go through and confirm that because, as time has gone on, I have become aware actually of some upgrades in facilities sort of close to home, the area I represent, out of East Kildonan and Transcona. I was pleased to see that the Kildonan East track was being resurfaced, and that is going to be used for the Pan Am Games. So there are good news stories like that and good things happening in different parts of the province.

I think it is important to get a real accurate understanding of what the facilities are that are going to be left, including upgrades, also thinking of the multiple use that some of these facilities would have. I know that the track that is being resurfaced at Kildonan East High

School is not going to be used for track and field, but I am assuming that it is going to be upgraded in mind for the kind of use that it will have for the community and the high school once the games are past. So those are some of the kinds of issues that I want to spend some time dealing with.

So I just want to go through the list that I have and clarify where the budget, too, is coming from in terms of some of these facilities, because that has been another issue is some of the facilities may be drawing on funds that are not necessarily all from the Pan Am Games, and maybe that is something else that we need to clarify. I am just looking for another list that I thought I had of some other upgrades that are being done. Here it is. I am trying to work from two different lists here. One is in alphabetical order and the other one is not, so I am trying to figure out a logical way to sort of go through this so I do not miss anything.

First of all, let me just ask the general question: is it true that some of the facility upgrades are being covered by dollars that are outside of the Pan Am Games budget?

Mr. Stefanson: I think what I would say on that is there have been improvements to various facilities that will meet the long-term needs of sport in Manitoba that will benefit the Pan Am Games. Some examples would be the new baseball stadium which was funded in part by the federal and provincial governments. I think that was through the infrastructure program. The East Side Eagles field hockey surface was done through again I believe the infrastructure program. The retention pond in Transcona for water skiing was done in part through our UCPA agreement and I believe some other sources. Those are a few examples that come to mind of facility improvements that are being done for the long-term needs of sport and community activities. By doing them now, they will obviously benefit the Pan Am Games. Federal and provincial governments are supporting them, but that is outside of the Pan Am budget.

Ms. Cerilli: Based on that answer, I think it is worth taking some time—and I guess we are not going to get too far with it today—and going through the budget. I do have a May '97 budget

in front of me from the facilities division, and it says its expenditures to date and then it has—it looks like it is really not the best list to be working from. Maybe one of the other things I can ask from the minister is an updated version of this facility's expenditure chart, and I will just go by some of the sports. Maybe I will start with some of the ones that maybe are in similar situations but have not been mentioned by the minister.

The equestrian venue at Birds Hill Park, has that been upgraded using Pan Am Games funds plus funds from another source?

* (1650)

Mr. Stefanson: Mr. Chairman, I do not believe there was any other contribution for equestrian improvements, but I could stand to be corrected. But what we will do when we prepare that revised list or obtain that revised list, is highlight any of the Pan Am expenditures that had additional provincial support from some other area.

Ms. Cerilli: Okay. How about the venue at the Assiniboine Park. The pavilion there had some upgrades, as well, and that facility is going to be used for archery. Were some of the changes at the pavilion at Assiniboine Park related to the Pan Am Games?

Mr. Stefanson: A short answer is no, Mr. Chairman. There was a separate project there for the restoration of the pavilion, and I think three distinguished artists contributed their art to be put on display at the pavilion. It really is all part of the enhancement of that facility as an attraction for Manitobans and for tourists, if you look at the changes at Assiniboine Park, with the Leo Mol Garden and now the pavilion that has Clarence Tilenius, Ivan Eyre and I forget the third artist's name right now.

But I certainly encourage all members to go and visit the pavilion. It is just another great destination for visitors and tourists. So it was done completely on a stand-alone unrelated basis. Again, by having that facility improved and open to the public and with those kinds of amenities, I am sure it will add value to the people who go to the park for the archery event.

Ms. Cerilli: Then just to clarify. The minister is going to provide me with an up-to-date list of all the facilities and venues and the dollar amounts that have been involved in their upgrading, and he is also going to be able to indicate which of those also have additional money through infrastructure programs or WDA or any other program that might have been involved. Is that correct? Does he also know the total dollar amount of monies through infrastructure or any other source that went into facilities that are going to be used for the Pan Am Games?

Mr. Stefanson: What I had indicated I would provide is to get the updated list of the capital expenditures of the Pan Am Games and then highlight any of those expenditures that included additional provincial contributions outside of the Pan Am Games. So that is what I indicated I would provide.

We have just discussed some improvements to facilities that are not being done through Pan Am Games funding that in some way will benefit the Pan Am Games. I can provide some obvious examples of things that have been done. I have highlighted a couple. I am sure we could think of more, but the member asked me one like the pavilion where an improvement was done and it is not related to the Pan Am Games. So we can certainly provide a summary of some of the obvious sport facility improvements that have been done that will not only benefit the community but benefit the Pan Am Games.

Ms. Cerilli: Just quickly then, I am wondering though if the minister has a figure of the total dollar value of all those sports facilities that will be used for the Pan Am Games, what the total dollar value is of other funds that have been expended on the upgrading or development of those facilities.

Mr. Stefanson: No, I do not, Mr. Chairman, because, as I indicated, a number of those improvements were being done not specifically because of the Pan Am Games. The Pan Am Games were an additional benefit to the improvements of the facilities. One of the best recent examples is the baseball facility. We were doing that to meet the long-term needs, create a great facility downtown here in

Winnipeg. So, no, we have not gone and started tallying those as they relate to the Pan Am Games because really they do not relate directly to the Pan Am Games.

Ms. Cerilli: I am just wanting to wrap up for the day, but I am noticing that the list that I have, I think, is quite out of date. The example I just raised was the upgrade of the track at Kildonan East high school, and I notice that it is not on the list that I have of venues, but, if I remember correctly from the signage, that is going to be the venue for field hockey. There is a community club there as well as the high school, and there is quite a lot of field space. I am wanting to know if specific examples like that, if that is Pan Am Games money or if that is other dollars outside of the Pan Am Games budget from infrastructure money or something else.

Mr. Stefanson: Well, I referred to the same project. I called it the East Side Eagles project because they were the sponsor. It is the same site, and that was done through infrastructure money.

Mr. Chairperson: As originally agreed, Sport will cease at approximately five o'clock and Consumer and Corporate Affairs will commence. We will take a couple of minutes just to arrange that. Thank you, Mr. Minister.

Mr. Stefanson: Thank you, Mr. Chairman.

CONSUMER AND CORPORATE AFFAIRS

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

Hon. Shirley Render (Minister of Consumer and Corporate Affairs): I do, Mr. Chair.

I am very pleased to introduce the Estimates of the Department of Consumer and Corporate Affairs for 1999-2000. I was delighted to be named minister of this department in February of this year, and I welcome the opportunity today to

say a few words about some of the major activities in the department.

One of my first major initiatives as minister was to issue a discussion paper on the protection of personal information in the private sector. We wanted to hear the views of Manitobans on federal legislation that has been proposed in this field, and we also wanted to hear Manitobans' concerns about the protection of personal information in the private sector.

The director of the Consumers' Bureau held six public consultation meetings to enable Manitobans to present their views and concerns. Two of the meetings were held in Winnipeg and one meeting in each of Brandon, Thompson, Winkler and Dauphin. The first meeting took place on April 22 and the last on May 10. In addition to the public hearings, we will also be receiving written submissions until September 30. We have heard from a number of businesses, consumer groups, professional organizations and individuals, and we hope that before the September 30 deadline other Manitobans will come forward and give us their views on the protection of information in the private sector.

Mr. Chair, on April 1, 1999, the Manitoba Securities Commission became the fourth special operating agency in my department, joining the Property Registry, Companies Office and Vital Statistics agency. The greater flexibility of special operating agency status will better enable the commission to carry out its role in protection of Manitoba investors and also in ensuring that the securities market is fair, efficient and transparent. The commission's systems refurbishment is now completed. The project replaced the former system and integrated the commission's technology with the national prospectus filing system. The new system is also Y2K compliant.

Mr. Chair, the Residential Tenancies Branch is always a very busy place, and over the last several years the workload of the branch has been increasing. The budget this year includes three additional term staff to assist us in maintaining service levels, and in February the Residential Tenancies Branch engaged KPMG Canada to re-engineer its business processes. We want to identify ways to improve service,

increase efficiency and make better use of technology in the branch. The re-engineering study has looked at the way the branch does business now by analyzing current processes and procedures. Our consultant met with various clients of the branch to gauge the level of satisfaction with existing services and to identify areas where clients want improved service. Best practices of similar organizations in Canada and the United States are being examined, and this re-engineering study will recommend a future model for the branch's processes to enable the branch to provide improved service.

Mr. Chair, Manitoba landlords and tenants are increasingly taking advantage of the information offered on the branch website and the talking yellow pages. Hits to our website are now averaging 5,000 a month and last year almost 3,000 callers accessed our talking yellow pages.

I would like to speak very briefly right now about life leases and life-lease projects. As probably most of you know, life leases are a unique form of rental housing because tenants pay a large portion of the cost of construction, but because there is a considerable demand for life-lease projects in Manitoba, we passed The Life Leases and Consequential Amendments Act last year. That act will protect tenants through required disclosure of information, requirements related to the use and holding of funds contributed by tenants and adjustments to The Residential Tenancies Act, so that it applies more effectively to life leases. This legislation is the first of its kind in Canada.

Since the act was passed, the department has been developing the regulations. A working group representing landlords, tenants, lawyers, service clubs, developers, lenders and trustees provided very useful suggestions as we developed the act. This same group continued to provide valuable input into the development of the regulations, and we are right now working towards completing the regulations and proclaiming the new act.

We are also preparing information to inform those involved in life-lease housing markets about the new legislation and regulations.

Our new co-operatives act, also passed during the last session, will be proclaimed July 1, 1999. This new act is progressive, reflecting the needs of co-operatives. It will enable them to compete on a level footing with other business structures. The new act also facilitates the development of new generation co-ops, which was a recommendation of the province's rural task force.

Mr. Chair, all six Land Titles offices in the province have now implemented the electronic land titles system. Land titles information in the electronic system is available for search by our clients now from 6 a.m. in the morning to 10 p.m. at night, seven days a week, from the convenience of our clients' own offices through Manitoba On-Line.

* (1700)

Both the Property Registry and the Companies Office, special operating agencies, are part of our government's Better Systems initiative which will change the way government provides service to its citizens. Under the Better Systems initiative, the re-engineering of the Personal Property Registry will be completed this year allowing on-line registration and proclamation of our new Personal Property Security Act.

Enhanced service options in Land Titles and the Companies Office are also being developed.

Finally, Mr. Chair, I would like to speak just a little bit about the Elmwood Cemetery. As most of you know, over the last several years concerns have been expressed about the condition and maintenance of this privately owned cemetery, and a number of concerned citizens, including Bill Norrie, Charles Birt and Robert Filuk incorporated a not-for-profit corporation called Friends of Elmwood Cemetery to own and operate the cemetery.

Title to the cemetery was transferred to Friends of Elmwood Cemetery on October 8, 1998. The nonprofit corporation will be undertaking a fundraising campaign to raise sufficient capital to produce the income required for the annual operation and maintenance of the cemetery. A three-year business plan has been

submitted to both the province and the City of Winnipeg requesting interim funding.

The 1999-2000 Manitoba budget includes grant funding for the Friends of Elmwood Cemetery to cover 50 percent of the anticipated operating deficit of Elmwood Cemetery as outlined in the corporation's business plan for 1999 to a maximum of \$128,100. The City of Winnipeg is providing matching grant funding. I am very encouraged with these developments and look forward to continuing to work with the Friends and the City of Winnipeg in this very important community effort.

Mr. Chair, that concludes my opening remarks.

Mr. Chairperson: We thank the Minister of Consumer and Corporate Affairs for those comments. Does the official opposition critic, the honourable member for Elmwood, have an opening statement?

Mr. Jim Maloway (Elmwood): Thank you, Mr. Chairman. Yes, I do. I would like to congratulate the minister on her appointment, and I hope of course that she stays around a little longer than some of the other ministers we have had in the department over the last 11 years. I would like to at this point commend her predecessor; Minister Radcliffe, when he was the minister, actually developed a little different rapport with the opposition than some of the previous ministers had in that information was given to us very readily. We found him very, very open and very easy to deal with, and I would hope the minister follows his pattern as opposed to some of the previous ministers who held this office.

There is a whole range of topics that I wanted to talk about and some of them just involve getting updates from the minister as to where they sit right now. Last year, Minister Radcliffe and I worked out a list of topics, and we basically left things open in Estimates where we could move back and forth. It worked well for both of us, as opposed to simply dealing with one line at a time and closing it off and going to another one.

One of the areas that I want to deal with this year will be the whole issue of the Y2K and how

it impacts on the department. I know the deputy is here and probably will be able to provide us some information about this, in this one hour that we are here, because I know they have briefings and so on in this area and they know what is going on. I expect that there are to be some problems. You cannot expect that an operation the size of the government would not have some computer problems regarding Y2K, even with the installation of a brand new system throughout the government.

I wanted to also find out where the province sits right now with regard to franchising legislation. For the minister's information, good old free-enterprise Alberta had the only franchise legislation in the country up until about four or five years ago. They changed it under Ralph Klein, so now it is not as strong as it used to be. It came out of something that happened that was peculiar to Alberta. But I have always thought we should look at doing something here in this province because franchising is a developing area. I mean, I do not know what percentage of businesses now are franchised, but it is increasing every year and in another 10 years it is going to be a lot more substantial than it is right now.

I see many, many problems with people who are not well equipped; teachers, for example, who retire or people from the police force or any profession nowadays, when the person retires, oftentimes they have a very large severance package, they are still relatively young, and they go looking for business opportunities in the franchise area. I see too many cases where people lose everything. They lose 10, 20 years of work because of some bad information when buying a franchise. So, yes, it is a successful way of operating a business today and it is a proven method, but no one likes to look at the failure rate. But the failure rate is still there, not as high as regular businesses, but it is still substantial.

From memory now, what Alberta did, and by the way, Alberta legislation was so good that franchise companies would bypass Alberta. So you could always tell which companies were really solid because they were the ones that operated in Alberta. The other ones would basically run their franchises right up to the

Saskatchewan border; they would hop over to B.C. and start over there, and they would leave Alberta to the very end, if they touched it at all. That is because they required full disclosure and they required that the fees be put in trust; for example, if you were to put up a \$20,000 fee or a \$50,000 fee for a franchise. What has happened is franchise companies have promised that if you sign up with us, we will run a \$1-million advertising campaign in Manitoba, and so on, and what happens is people sign up based on all these verbal promises. They turn over their money to the franchise company and the franchise company, through no fault of their own really, other than just overexuberance, they find themselves in financial trouble, and the million-dollar advertising campaign never materializes. So the result is, the ones that are set up die on the vine because there are not the supports. It is basically robbing Peter to pay Paul. They use money from new franchises to solve problems in their original franchises, right?

So what Alberta did was set up a very good system that required that if you made promises, then you had to live up to them and you would hold the fees in trust until the promises were kept. So we are not saying that companies cannot make promises. All we are saying is, if you are going to promise a million-dollar advertising campaign in Manitoba, then you have to do that or else you do not get the fees that you are promised. So that was one of the major elements here, and there were other disclosure provisions and so on. It seems to me that obviously this government is looking for votes right now, and this might be a very smart move on their part. I mean, I am advocating it because to me it just seems like a sensible thing to be doing, to protect our people, our future entrepreneurs who are going to be possibly losing a lot of money.

*(1710)

I can tell you want to ask me why there are not a lot of complaints about this, and the reason is because, when franchises are sold, there are usually 50- and 100-page agreements that basically are—well, they prevent you from talking about the problems, right? So there are all these gag orders written into the agreement. When you give your money, you lose your money. It is

your problem. You walk away, and you are not allowed to talk about it. So that is why you do not hear a lot. I get calls about this and have for many years. That is the problem. Before you are going to go to the press with a story like this, there is always something in the contract saying you are not allowed to do that, you know. I know you have this high-powered committee that researches areas for you, and I know I have asked many times what is happening with that, so perhaps that could be referred to them for some sort of an update as to what is being done. Just because Alberta might weaken their legislation is to me no argument for not having any at all.

Another area we want to talk about will be the whole area of the lemon law. I have got some examples where the current lemon law does not seem to work, and it is possible, I suppose, to chalk some of this up to misunderstandings and so on. All I know is that there are certain states in the United States where the lemon law is a lot tougher than others, in fact, in Florida, which I believe has some of the toughest, and I have sat through some of their hearings there in Florida. I think Florida has used-car lemon laws as well. Nothing is more frustrating than people buy new cars and find out that they just do not work the way they are supposed to. Up until lemon laws came about, people were just left to sue, and it becomes quite an onerous process, so these lemon laws have been very, very helpful in the United States and Canada.

The minister—I am not certain which minister it was, but four or five years ago you signed a national program so there is a national lemon law program. I would like to get an update on that: how it is working and whether some effort could be made to make representations to toughen the national law based on, say, the toughest provisions in the States and/or perhaps looking at going it alone with a really tough Manitoba lemon law.

Once again, I know that it is working to a certain extent. Some people are getting satisfaction, but there still are enough cases that are slipping through the cracks here that are not

being dealt with, and clearly there is room for us to take another look at that.

I wanted to get an update, too, of the area of the loan brokers. That was a problem here a couple of years ago, and I am not certain exactly whether the activity has been completely eliminated or whether it still exists. I know that the department did take down one or two operations two or three years ago. Also the whole area of different renovation scams and just scams in general—I think this Mr. Wuckert, his case has finally found its way through the courts, but I remember we were talking about him a way back almost 10 years ago. So it seems like some of these people just never go away. The cases take so long to solve, and the same people end up coming back at something else. So this whole area of pyramid schemes and so on—I know there are a myriad things out there, that you never get rid of them for very long. Police tell me it is just the same guys, the same 40, 50 people in each province; it does not matter what the scheme is, it is the same people. They are selling gold coins one year and the next year it is something else, but it is all based on this multilevel marketing. Now they are selling phone cards. I believe there is a company doing that.

So I would like a fairly detailed explanation as to what is going on as far as the department is concerned in that area and not a narrow kind of an interpretation, just in general what is happening, telephone scams, loan brokers, housing renovation scams, the whole ball of wax. Fitness clubs, I do not know what is happening with them, but that is a favourite. Every six months one of them is going under, and we suggested some possible improvements there. I think Minister Radcliffe was open to try and solve that problem, and I do not know whether he did anything about it but certainly was interested anyway.

Warnings to consumers. I have not noticed a lot of warnings to consumers. I do not know, maybe you are doing it, but I have always thought that it would be—you know the Securities Commission will issue a warning when there are people out selling things they should not and so on. I do not know why the Consumer department

or the Consumer minister would not be issuing more warnings.

Last year, Minister Radcliffe and I talked about all the different areas that should be looked at for Y2K. For example, was he meeting with the banks, was he meeting with the treasury co-operatives and other financial institutions that are registered in Manitoba to determine whether or not these organizations were Y2K compliant? Was he meeting with business councils, the Chamber of Commerce, because this was certainly a serious problem, and nobody knows yet what the cost to the economy is going to be. But certainly it would be helpful if the governments took some initiative in this area and met with—now he got back to me, and he, I believe, told me he had met with at least some of the organizations that I had suggested to see whether they were getting compliant.

I know that I met with the federal Y2K commissioner last year who came into town, and after about an hour meeting with him, he was quite discouraged, that he really thought that things were going to be worse in the economy. He said, until maybe a year before that, that people had not even recognized that embedded chips were even a bigger problem than the computers, and you know that embedded chips are into everything these days. So he saw that as a huge, huge problem, something that had not even been seen, had not been foreseen a year before.

You know, we have huge exposure and liability in municipalities alone: water pumps, water plants, sewage plants, street lights and so, right across North America. So the lawyers are really getting ready for a big cash-in here next year. They are looking forward to this, because this will be the big law retirement of the century.

The insurance industry has been just in a state of panic. For the last while they have been sending out notices every month to all of their insurance customers telling them that they are not responsible for things that do not work. I am talking now not necessarily homeowners, but I am talking about the whole commercial area, right? Because that is where the problems are going to be.

In the area of mining, if you have mining equipment, you have embedded chips in mining equipment. All of a sudden the mine shuts down or people get stuck in the elevators or get stuck down the mine; you are going to have a lot of down time in production. You are going to have people possibly injured because of this. So that is the exposure with the Y2K. Up till now, it has been seen as that your toaster might not work or your VCR might not work or the plane might fall out of the sky or maybe your heart equipment is not going to work properly, hospital equipment. But you have to look beyond that to the whole area of the economy and how widespread the trouble is going to be with the municipalities, with different industries and so on.

* (1720)

I know that Hydro has done some testing lately, and they have found their systems work. But, honestly, nobody actually knows whether this is going to work or not. You can set it up and you can test it, and that is what we want to get into, is what is the government testing? How has it been going? Does it test? But even if you test the system, until you get all the parts working together, you do not know whether they are going to work 100 percent.

For example, if you have a production plant in Canada—let us say a car plant—and 99 of your 100 parts are made in countries or plants in North America that have no Y2K problems, right? You have one part that is made in some country in South America or Europe or Asia that perhaps is not Y2K compliant, the plant is not Y2K compliant. Because of the new production, just-in-time production that you see in plants, then what you may have is mass layoffs because you are waiting for one part from Korea, perhaps, that is not going to get here, and your whole plant is going to be shut down. So this is a huge area.

There are lawsuits already for the last year, lawsuits already in progress. In fact, a plant—I think it was a canning plant—went out of control and threw out its whole production of salmon or whatever it was producing because the computer thought it was 1900 and the product was a hundred years old, and therefore it is just

automatic that you destroy the products. So they lost an entire bunch of production over that.

There is a grocery store chain in the midwestern United States that would not take credit cards and stuff that were dated the year 2000, and so the whole line shut down. So this store is in real trouble, because what customer is going to come to a store that will not take the card. The line-ups were atrocious, and this has happened already. In fact, a lot of the Y2K problems are going to be evident before, so they should be showing up right now. You are going to have payroll problems. I know all of you have been paid, I think, at least I think I have been. The problems with the payroll department should have actually started showing up April 1 this year when they went on the new system. So there are certain things that should show up before the beginning of the year. I am not that pessimistic about it that I am stockpiling food, but I do not plan to be flying New Year's Eve. I think Manitoba government, though, compared to other governments across the country, has shown a little earlier interest and seemed to have shown a bit more effort, I am told, than some other departments.

You know, in the United States, they were getting into a panic last year because only a fraction of their government departments were even looking at the issue. The Securities Commission has mandated that all the companies on the stock exchange must file Y2K reports with their financial filings each year. That is important, because if you have money in these companies through your RRSPs or through your pension plans or whatever—I mean, think about it—if the company's stocks go into the toilet because they are not Y2K compatible, then you are going to be a big loser out of it. So that is affecting how people—what sorts of companies they invest in, and it is necessary to kind of pressure them to improve their—now some people have said this is big hype from the computer industry. You know, the computer industry is going to sell billions of dollars—nobody in the computer industry was talking about this until a couple of years ago when they have known about it for years and years. Now all of a sudden they announce, well, you have to replace all your computers, so it is good for the

computer companies' sales. Well, that is certainly true. It goes without saying.

But anyway, perhaps when I get through some more of what I wanted to talk about here, I could ask you some questions today because we may not be back on for another few days—[interjection]

No, we are just on today because we are filling in because Housing was supposed to go longer today, or Sport, and the critic I believe had to go for another engagement. So we are pinch-hitting today just for an hour. [interjection] No, we are just on for an hour today, and we may not be back here for another couple of weeks, or maybe we will be back here tomorrow. But my understanding has been we are just going for an hour today. So, if it is possible to ask her these questions on the Y2K question, we can use up the rest of the time doing that.

Now the whole area of demutualization, you know, there are a lot of stories on that these days. I know the minister's position is, well, it is a federal matter and let them worry about it, but the reality is that I think there should be some studies done here in Manitoba just to show how it is going to affect the Manitoba economy. I know the stockbrokers are happy. They are all happy because they are going to make some money here, and some people are going to have a few dollars extra to spend. But I am concerned about the overall effect on the economy as far as the investment that the insurance companies already have in Manitoba. If you are demutualizing a company that does not have any investment here in the first place, then I guess it is a benefit because some Manitobans are going to get some benefit out of it, right? But if the company is already here and if the company has a hundred million dollars invested in Manitoba, and it gets demutualized and the result is that the investment gets moved to Toronto—[interjection] Right, then that would be a concern.

So this is what I am really interested in knowing, is that some kind of study, you know, one-page, two-page, a hundred-page study that says that based on the federal information that we have now through the financial institutions department, that we can say with some certainty

that there is a hundred-million-dollars worth of investments because we already know what percentage of policyholders are Manitobans. The insurance companies have said that. They have said, well, 25 percent of our policyholders are from Manitoba. Well, then, why can they not go the extra step and tell you how much investment is in Manitoba? Then, once they flush out the retained earnings to the policyholders, what is going to be left. Because that is what they are doing here. I mean, what you are talking about here is essentially a greed situation. You have company executives and presidents from these insurance companies who golf at the same golf courses as the bank presidents, and they earn a fraction of the benefits money-wise and stock options and so on. They are jealous. I know we should not be shedding too many tears for them, but they want to be in the same league. They are in the same golf carts and golf clubs and now they want to earn the same money.

So, think of the MTS, if you will, because, you know, it is a very similar situation. If you are the president of a mutual company, if you can demutualize the company, what will happen is that you can, through having stock options and so on, turn around and end up with, you know, a million-dollar-a-year salary and make a million dollars in stock options, be right up there with Matthew Barrett and all the other high rollers. That is what it is about. Never kid yourself, that is what it is really about. The big push to do this is to—they will tell you it is because of globalization and global competition and they have to play with the big boys and they have to acquire new things, new assets and so on and they are not big enough and so on. But remember, some of these companies became mutual companies in the '60s. Why? They became mutual companies in the '60s to protect themselves against the very thing that they want to do right now. They wanted to protect themselves from being taken over. They were worried that international companies would come in, buy up the shares, and they would be out on the street, okay? And that is exactly what is going to happen to them. I mean they are hoping to make money on the flip, right? That is what they are hoping to do. So that is what it is all about.

* (1730)

The other mutual companies have been around for maybe a hundred years, and they were set up at a time when there was not a lot of money available, you know, in the 1800s, and they got together as a community organization and formed a mutual insurance company like Wawanesa or Portage la Prairie or any of these other companies. That is how they were set up in the first place. They built up through prudent management over the years a lot of retained earnings. They have lots of money, but nobody can get their hands on them right now. As soon as you demutualize them and put them on the stock market, then it is open season. Anybody can take them, right? So that is what we have to recognize here. So it really is a crapshoot.

I mean, think, the business community makes it sound as though the money is not doing anything, that the money is somehow going to come out of the sky and people are going to benefit, and they are going to be given this money because they are participating policyholders. But where is the money coming from? Right now it is being invested in Manitoba or Saskatchewan or Toronto; it is being invested by the insurance companies. It is right here. It has not gone anywhere. All we are doing is taking it out of their retained earnings account and flushing it through and giving it to the consumer. Right? Then you are going to put the shares on the stock market, and they are going to be eaten up by international investors who presumably—when all those profits that have been built up over a hundred years, they are all gone, now the profits are going to go out of the country.

So this is what we want to find out. We want to find out what is going to happen down the line two or three years. Are we going to be worse off financially because of this? Is it sort of a short-term gain for long-term pain? You know, do we want that?

So I am not going to prejudge it. I mean some of the comments that I have just given to you right now, you would be quite surprised where they come from. Some of these comments come from very high business people in this country who will say exactly what I have just said in a few minutes. Excuse me a moment.

What do you mean, two minutes?

An Honourable Member: That is what you have left.

Mr. Maloway: Oh, I did not realize that. I thought I could go right through to six o'clock. That is fine. I will certainly take another couple of minutes and go through a couple of more things, and then we could perhaps ask some questions to the minister that the deputy can answer. Let me just see what I have. Well, Elmwood Cemetery, we are going to talk a bit about that, but the minister is certainly moving on that area herself.

Mrs. Render: Mr. Chair, if I could just interrupt for a moment. The honourable member and I were discussing ahead of time that in his introductory statements he would give us a sense as to where he wanted to go in the Estimates which would help us plan and so that we were not tying up staff. If it were possible—I do not know how stringent the rules are—if the honourable member would like to take a few more minutes just so that we have a sense as to sort of the spectrum of questions he wants to ask, I have no problem with that.

Mr. Chairperson: Is there leave of the committee to allow a few more minutes for the honourable member for Elmwood to put some more comments on the record? [agreed]

Mr. Maloway: I did not write up a complete list, but I just wrote down the things that came to mind. This will certainly be most of them, but there may be a couple more.

Mr. Peter Dyck, Acting Chairperson, in the Chair

The Elmwood Cemetery, we have discussed before. The BPA, The Business Practices Act, I would like to review that a bit and see how that is working. It has been around now for—and once again, Minister Connery deserved full credit for pushing this. I remember introducing this legislation back, oh, gosh, 10 years ago, and the minister basically copied, we said, xeroxed the bill and brought it in. It was kind of a revolutionary thing for a Conservative to do, but it was in the minority government situation, and Ed was a little redder than most people thought. Most people saw him as kind of a right-wing

business guy, but in reality Ed was kind of progressive in some areas, and this BPA was his big contribution.

I would like to know, when it finally was brought in, it was watered down, I believe, by Minister McIntosh, so we did not get as strong a one as we wanted. I would like to get an overview of how many cases it has dealt with, certainly. How is the advertising part of it? It was supposed to deal with advertising. I know there are federal rules on advertising too, but how many false advertising claims have you been dealing with? I know that it is a positive thing. The people that I have talked to have always said that it has really helped their case quite a bit. I understand that they have lost their special constable status last year, and that may or may not be hampering their ability to investigate things. I would like to know why that was lost and how it could be recovered, or how it could be dealt with in a different way.

I wanted to know what was happening with the house-flipping scandal that I was involved with back in '95, I guess. We followed that up through, and then last year some charges were laid. I understand they went in camera on some of the trial proceedings. Why they would do that, I do not know, but maybe you have some more up-to-date information on that.

Insurance trust funds, Minister Ernst was dealing with an insurance agency that somebody had run off with the funds and was trying to resolve that, and I think made a suggestion—I forget what the suggestion was now, but anyway, if you can give us an update on that, whether there has been any more activity in that area.

You have mentioned the Securities Commission being an SOA. Now that is just happening as we speak, I guess, starting April of this year, so we will not know as much about their problems, I guess, for another year right now.

Perhaps if I could end my introductory comments now, and then maybe we could ask the minister some questions that the deputy could answer regarding the whole question of the Y2K readiness. Then we could use the rest of the time on that.

The Acting Chairperson (Mr. Dyck): Under Manitoba practice, debate of the minister's salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table, and then we would ask the minister to introduce her staff that is present.

Mrs. Render: Sitting right to my left is the Deputy Minister of Consumer and Corporate Affairs, Alex Morton, and sitting to her left is Director of Administration and Finance, Fred Bryans.

The Acting Chairperson (Mr. Dyck): I thank the minister for that. Now the next question I would ask is: is there some latitude as far as questioning is concerned? Is it agreeable that we allow that or is it line by line?

Mr. Maloway: The practice that Minister Radcliffe and I established for the last couple of years was exactly that, that we allow wide latitude, and we got a much better result than we did in the good old days with Minister Ernst where we had to go line by line. It was totally acrimonious, the entire thing, and we got very little done and lots of acrimony. We do not want to do that.

The Acting Chairperson (Mr. Dyck): I thank the member for those comments. Does the minister have a comment, or is she agreeable?

Mrs. Render: I think, as the member and I discussed ahead of time, as long as we have a sense where we are going so that we do not have all of the staff sitting here. We run a tight, efficient department, and I do not want to take them away unnecessarily. So I have no problem sort of roaming around as long as you give us a sense ahead of time where you are going to be roaming.

An Honourable Member: Yes.

Mrs. Render: Okay.

* (1740)

The Acting Chairperson (Mr. Dyck): I believe it is agreeable that we can roam. I will

now open it up for questions from the honourable member for Elmwood.

Mr. Maloway: I understand that the deputy minister meets quarterly with the Y2K people. I would like to know what they decided at the last Y2K meeting at the end of May as far as the department and Y2K readiness is concerned.

Mrs. Render: Consumer and Corporate Affairs is Y2K ready. The department has five major systems, and three of these five major systems, Land Titles, Personal Property Registry and Companies Office, have all been made Y2K ready under the Better Systems initiative. The other two, Vital Statistics and the Securities Commission, were made Y2K compliant in separate projects completed earlier.

Of the remaining 53 businesses and desktop applications in Consumer and Corporate Affairs, 28 were already Y2K ready, and the other 25 were modified to be Y2K compliant by the Consumer and Corporate Affairs IT area or through the government-wide desktop program.

Mr. Chairperson in the Chair

So as I said in a very short sentence, Consumer and Corporate Affairs is Y2K ready. This does include the computer hardware and software as well as noncomputer office equipment.

Mr. Chairperson: As previously agreed in the Assembly, these particular Estimates would cease at quarter to six. That being the time, committee rise.

* (1440)

EXECUTIVE COUNCIL

The Acting Chairperson (Mr. Helwer): Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Executive Council.

Does the honourable First Minister have an opening statement?

Hon. Gary Filmon (Premier): I do, Mr. Chairman. I also have copies of my opening statement and the attachments which are commu-

niques from the Western Premiers' Conference for members.

As is customary, I have a short introductory statement. The Main Estimates for Executive Council for 1999-2000 fiscal year total \$3,460,000, which includes a \$6,600 allowance for the amortization of capital assets. The overall percentage increase for the department is 5.5 percent, slightly higher than the 4.4 percent change for the government as a whole, which reflects a significant dropoff in the allowance for public debt costs. Most of the year-over-year change is accounted for by normal salary increases. The staff year total for the department at 44 remains unchanged as it has for several years. One major increase in the department's expenditures, to which I would like to draw members' attention, is an additional \$25,000 allowance for the International Development Program of the Manitoba Council for International Cooperation, bringing Manitoba's annual commitment to a milestone total of \$500,000.

I want to acknowledge the fact that members on both sides of the House in all parties have been very supportive of this initiative. Recently, the Manitoba Council for International Cooperation celebrated its 25th anniversary. I am pleased that several members took the opportunity to attend. I believe all of us are proud of Manitoba's leadership in supporting a wide range of worthwhile development projects around the world.

Another significant change in the Estimates this year is an increase of \$30,000 for other expenditures under the Intergovernmental Relations Secretariat appropriation. This amount will help cover front-end costs for two major conferences which will be held in Manitoba in 2000, the millennium year. Next spring and summer it will be our turn to host both the Western Premiers' Conference and the annual Premiers' Conference, a double responsibility we have not had since 1990, although we did hold a Western Premiers' Conference in 1994 in Gimli.

We have found in the past that some expenditures have to be made ahead of these events. Once the conferences have been held and our responsibilities as hosts and chair have

been fulfilled, the other expenditures figure will return to a lower level. It is appropriate that Manitoba will be hosting both the Western Premiers' Conference and the annual Premiers' Conference in the millennium year since our province played a key role in getting both the Western Premiers' Conferences and the annual Premiers' Conferences off the ground.

As some of you will know, annual Premiers' Conferences began in 1960. The first meeting was held in Quebec with the Honourable Jean Lesage as chair. The Right Honourable Duff Roblin worked closely with the Premier of Quebec in getting those conferences off the ground, and for several cycles Manitoba has followed right after Quebec in hosting what have proved to be very valuable forums for helping make our federal system work better.

Some members, such as the member for Brandon East (Mr. L. Evans), will know that the first ever Western Premiers' Conference was held right here in Winnipeg in this building, I believe, in the spring of 1973 under the chairmanship of the Right Honourable Edward Schreyer. Over the years both the Western Premiers' Conferences and the annual Premiers' Conferences have played a very positive role in shaping the national agenda and specific national policies. As members are aware, this year's Western Premiers' Conference was held in Drumheller, Alberta, in mid-May. I believe members will have seen the communiqués from Drumheller, but, if not, I have provided copies for your attention.

Agreement was reached on several key issues, including the need for restoration of federal CHST support for post-secondary education, as well as continuing restoration of federal support for health care. There is a strong consensus among the western provinces and right across the country that, while the commitments made to health in the last federal budget were a step in the right direction, a great deal more federal support is required since only 40 percent of the federal cuts have been committed to be restored over the next three years.

We also agreed in Drumheller on the need for a federal commitment on a national

transportation investment strategy with a national highways policy as the No. 1 focus. We have made the point time and again that Canada is the only G-7 nation in which the federal government plays hardly any role at all in highway financing. In the West, of course, it plays virtually no role at all. From a Manitoba perspective, the federal government takes almost \$150 million a year in fuel taxes off our highways and contributes none of it back to construction of new highways. It is encouraging that some federal ministers are now starting to talk positively about such a program, and only a few days ago the federal Minister of Finance even hinted at the possible renewal of the national infrastructure program as well. It appears that the provinces' messages are finally getting through.

Discussions are just getting underway on the agenda for this year's annual Premiers' conference which, as I said, is being held in August in Quebec City, immediately after the Pan American Games. However, it is reasonable to expect that many of the issues western premiers discussed will also be covered when all premiers and territorial leaders get together. I should add that we were joined in Drumheller and will be again in Quebec City by the new government leader of Nunavut. Members are aware that our province has a special relationship with Nunavut, both government to government and business to business, and we are working hard with our colleagues in the new territory to sustain and strengthen those links.

This coming weekend, along with other western premiers and territorial leaders, I will be attending the 1999 summer meeting of the Western Governors' Association in Wyoming. This will be the first time all western premiers have attended the WGA meeting together. We will be talking about a number of opportunities for co-operation with our U.S. counterparts, but our principal focus will be finding ways of improving communication on trade disputes in an effort to resolve at least some of them informally before they become major problems. We have all been concerned about protectionism in the United States, especially in the agriculture sector. Ultimately, of course, the Canadian and U.S. federal governments have responsibility for international relations and international trade

issues, but we believe there is room for subnational governments to play a positive role in dialogue and information sharing on some of the key issues. I have always believed that reasoned discussion is more productive than confrontation, and I believe there is considerable support for that view on both sides of the border.

The western premiers will also be discussing a number of other issues with the western governors, including co-operation in north-south transportation such as our midcontinent corridor initiative and improved air service, along with co-operation in environmental protection. The Governor of North Dakota represented the western governors at the Drumheller meeting and indicated that he believes that it is important to build closer relations between the western premiers and the WGA. I am proud that Manitoba helped lead the way toward that kind of improved co-operation. My own view continues to be that there are a great many promising opportunities for western provinces to work together with western states. I know, for example, that the western Canadian Justice ministers are now meeting regularly with the western states attorneys general and that one specific by-product of those meetings was a special conference on cross-border co-operation in crime prevention which was hosted by my colleague the Minister of Justice, the member for Rossmere (Mr. Toews), here in Winnipeg last winter. I am told that the conference was a major success and has been followed up on both sides of the border.

I will be pleased to discuss these and other issues with members when we review the Estimates in greater detail. Thank you very much, Mr. Chairman.

The Acting Chairperson (Mr. Helwer): I thank the Premier for those comments. Does the official opposition critic, the honourable member for Concordia (Mr. Doer), have an opening statement?

Mr. Gary Doer (Leader of the Opposition): Thank you very much to the Premier for his statement and just a couple of comments. We would note that the statement mentions basically status quo on most of the expenditures in the Executive Council with a similar staffing

complement to last year. I would say increased spending for the International Development Program of the MCIC. We, of course, support the International Development Program. We have had the opportunity to meet with them on this the 25th anniversary of that program. We think that the initiative of the Schreyer administration 25 years ago and carried on by successive governments has been positive. I know the Premier has commented in the past about his own direct contact with communities in Brazil and outside of Rio de Janeiro during his visit there, and we are certainly satisfied that a small investment in this project has resulted in tremendous economic, social and educational opportunities for people that are in the sponsored countries. The direct community-to-community approach, rather than government-to-government approach, we think, works well, and we certainly support the increased spending in this area this year.

* (1450)

We also note that the staffing levels are comparable to last year. I guess our concern with the Premier is not the numbers of staff, but some of the political appointments he has made, and I will deal with that later on in Estimates. But he and I have had a disagreement before on his former principal secretary, chief of staff. In fact, it is an unusual motion that I moved a couple of years ago to delete that salary item. Perhaps we certainly did not know all the events to come later on, but perhaps our judgment, who now the Premier has called or has stated lied to him, really begs the question: why did we know this and why did the Premier not know it at the time when we were dealing with that in the Estimates?

We certainly respect the fact that the Premier is involved in a number of items of federal-provincial responsibility. He mentioned health care, post-secondary education; we will certainly be dealing with those issues. There is the gas tax; we certainly support efforts of the government on the gas tax. The Pan Am Games, certainly we will want a status report as the lead member of the government on that situation.

The Premier mentioned the western premiers' meeting, and we note the communique that we received a couple of weeks ago. I would

point out that, with Nunavut, it might be useful to also use the member for Point Douglas (Mr. Hickers), who has a number of key friends and relatives and contacts in the Nunavut region, to encourage contact, commerce and particularly using the Port of Churchill and the community of Churchill as the gateway to that community two ways, rather than the St. Lawrence Seaway. Sometimes, right within our own midst, we have—if you had a choice of taking somebody that knows everybody up to a community on behalf of Manitoba versus somebody in the department that might not know anybody, it is always better, I think, to go to the personal contact. I would say that also for trade. We have a lot of people from different regions of the world, and sometimes some of our own people in our own community can increase trade and economic opportunities in countries and can open doors that we may not get open, by their own culture, language and community government contacts.

The western governors' meeting, I think, is important. I think it is important to know the people directly. I know the Premier has a good relationship with Governor Schafer and others. I am not sure whether he has met Jesse "The Body" Ventura yet. I do not know whether he will be in Wyoming. Do not get in a wrestling match, I would suggest, but the western governors, I think, is a good idea. Getting to know people directly makes a lot of sense. Having them here makes a lot of sense, and certainly attending those meetings makes sense as well. I think agriculture and transportation are important issues of access; crime and borders are other important issues that must be on the agenda.

I heard a rumour and I have not had it verified that in North Dakota it is \$125 per acre in disaster assistance for flooded unseeded areas. The Premier may want to check that out over the weekend with the governor of North Dakota. When we look at the information from southwest Manitoba, which talks about 50 percent survival at \$50 an acre for unseeded acres, 75 and 100 correspondingly, with only 95 percent success with the \$100 an acre, perhaps there could be some very useful information from the North Dakota governor and how the state government accesses the federal government. I know that

this is still a concern for the member for Tuxedo, the Premier of the province.

We are concerned about the areas of southwestern Manitoba and central Manitoba. I quoted municipal officials from the central area around the Yellowhead Highway; 10 out of 12 municipalities that I talked to on Friday talked about the huge flooding. I understand yesterday we got another inch of rain in a lot of communities. I know that the government has members that represent those communities and is fully aware of the situation in southwestern and central Manitoba that are particularly affected, although the flooding is spotted and therefore it can be over a wide range of areas. We have always pledged ourselves to work in a co-operative way with the government on this issue. We continue to throw out ideas and push proposals that we hear from producers and municipal officials and from businesses in the area based on their read of what is going on or what is not going on and the uncertainty that that represents.

We certainly will be making statements or be looking at issues of federal-provincial relations with First Nations people. Again, with the economic and demographic challenges in Manitoba with First Nations people, we think it is crucial for Manitoba's future to have opportunity rather than lack of opportunity for First Nations people in Manitoba. We think it is crucial to have a co-operative, long-term strategy with the federal government, First Nations people, and the provincial government. Nothing gets solved by blaming another jurisdiction. Things get solved when jurisdictions sit down together and develop a plan of action to deal with the demographic changes, the social and economic changes that we will have to face.

So we look forward to some of the Estimates. We know that they always feature some disagreements. I am sure there will be the odd one here today and some agreements. We will pursue the Estimates accordingly.

The Acting Chairperson (Mr. Helwer): We thank the Leader of the official opposition for those remarks. I would remind members of the committee that debate on the Premier's Salary,

item 2.1.(a), is deferred until all other items of the Estimates of this department are passed.

At this time we would invite the Premier's staff to take their places in the Chamber.

Mr. Filmon: First of all, while they are coming down, if I may just ask if it is the expectation of members opposite that we deal with all of the items together and we vote together at the end rather than go line by line. We have done that in the past. It allows a certain degree of flexibility to members opposite. I am happy to do that since it does tend to be wide ranging. If anything is forgotten, members can go back and pick it up. I am happy to go through whatever process members opposite prefer and bring all the votes to the end of the consideration.

The Acting Chairperson (Mr. Helwer): Is that the will of the committee? [agreed] Thank you.

Would the Premier's staff please enter the Chamber.

Mr. Filmon: While they are coming in, for members opposite, I would introduce the clerk of the Executive Council, Mr. Don Leitch; the Administration and Finance officer is Karen Hill; and the deputy minister of Inter-governmental Affairs, Mr. Jim Eldridge; and my principal secretary, Mr. Hugh McFadyen.

The Acting Chairperson (Mr. Helwer): The item before the committee is item 2.1. General Administration (b) Management and Administration (1) Salaries and Employee Benefits \$2,043,300 on page 23 of the Estimates book.

Mr. Doer: I welcome the members of the Premier's staff. I think the only time I had a disagreement with any members of the staff, I have never raised the issue of Mr. Spector having a copy of our pictures in previous years, but you know, I am not a senator either.

No disrespect to the individual here today, but my difficulty with the Premier's choices of staff have not been in, how should I describe it, the civil service side of his appointments but more in the political side. I want to say that from the outset. Mr. McFadyen is the new political appointee here. I recall meeting him first when he was working campaigning for

Linda McIntosh at the time, the member for Assiniboia. I think that was our first contact, and I think he threw me the football 40 times just so I could pull a Robert Stanfield because there was a Free Press photographer there at the time. But I know that he is working for the Premier, and I know he has, from what I have heard, a good reputation.

I would like to ask the Premier a couple of questions. Is Mr. McFadyen on permanently or is he on a full-time basis? Is he on leave from Thompson Dorfman Sweatman, which, I think, is his law firm, and for how long?

* (1500)

Mr. Filmon: My principal secretary, Mr. McFadyen, is on full time plus I think he puts in considerably more hours than the normal expectation. He is here permanently. He is not on leave from any law firm or organization.

Mr. Doer: Can the Premier indicate the salary of Mr. Sokolyk when he departed and the salary for Mr. McFadyen, and was Mr. Sokolyk part of a different pension plan than the public service pension plan, the Superannuation Fund pension plan? Is Mr. McFadyen receiving the Superannuation Fund, or is he receiving, what I would describe, as the more generous one that some members of the Executive Council and other senior executives receive?

Mr. Filmon: The current salary adjusted as of April 1 for the GSI for Mr. McFadyen is \$100,069. He receives a payment in lieu of pension which is equal to not in excess of the payment that would normally be paid to the Civil Service Superannuation Fund.

Mr. Doer: I asked also Mr. Sokolyk's salary, and was he part of the pension plan outside of the civil service?

Mr. Filmon: He would have been at the same salary, minus 2 percent for the GSI, which took place on April 1, and he had the same pension arrangements as Mr. McFadyen does, which is the same payment that would go in on his behalf to the Civil Service Superannuation Fund, but was instead paid to an RRSP, a self-directed RRSP.

Mr. Doer: So the former incumbent and the present incumbent receive a pension plan payment of 7 percent deducted from their pay and 7 percent that would go into the Superannuation Fund, or is it 14 percent put into the fund or something between 12 percent and 14 percent?

Mr. Filmon: I am informed that it is not the 14 percent; it is approximately 7 percent that is flowed on their behalf into their self-directed RRSP.

Mr. Doer: So that I can understand it, is the previous incumbent and the present incumbent deducted the equivalent of 6 or 7 percent, within that range, to go into the fund from their cheque, or is the 7 percent added—I mean, both the employee's portion and the employer's portion? After the Roblin changes of '63, the employer's portion does not go into a separate fund for the civil service. It is an unfunded liability. This one, is it a deduction or the pension requirements or—I am just trying to understand how this thing changes from the media reports of about 7 years ago with Mr. Benson's pension.

Mr. Filmon: We put into their self-directed RRSP an amount equivalent to what the government would have put in to their pension plan. They put, in addition, funds from their own salary to their own self-directed RRSP. That means that, at the end of their time here, the provincial government has no further obligation to them, as opposed to the pension plan in which they would have an ongoing liability from the Civil Service Superannuation Fund. There is no further liability.

Mr. Doer: So it is similar in terms of the employer portion that an MLA would have, no more than an MLA would have, and the individual portion is a matter of choice up to the obvious legal or tax provisions that are provided.

Mr. Filmon: That is correct, Mr. Chairman.

Mr. Doer: So, in essence, this pension plan for this incumbent and the previous incumbent—and I am talking incumbents, not people—is different from and lower than the employer portion that was provided for and publicized for Mr. Jules Benson.

Mr. Filmon: That is correct. The arrangements for Mr. Benson and Mr. Leitch were the same, and they were both different from this particular initiative.

Mr. Doer: Since the last time we had Estimates, I asked the question about who has received and is afforded the higher amount in pension. If the existing incumbent is in a fairly senior position, and this comparable pension to MLAs, premiers and public employees under The Superannuation Act is there, is that the new formula for all other employees? We are not going to get into these pension arrangements that are different than, higher than, say, the formula used for the Premier or any other member of the Legislature, including cabinet.

Mr. Filmon: That is correct. The only person who is grandfathered into that other arrangement is Mr. Leitch, and no other employees have been placed on those terms and conditions.

Mr. Doer: I know how much Mr. Leitch likes discussing this issue, so I will move on—just as long as I have the information. The public relations staff or the media communications staff of the Premier—sorry, Freudian slip. Can the Premier indicate: does he still have one position beyond what Premier Pawley had in his Executive Council line, and who are they and what are their salaries, please?

* (1510)

Mr. Filmon: I just want to say to the member opposite that the Executive Council communications staff work for all the ministers, unlike in Mr. Pawley's in which he had three plus one for every minister. So we have substantially fewer—[interjection] Well, the ministers that he cared about. I am just kidding; I know he had a deal with you.

The staff people that we have, and they fall within the total that I spoke of, which I think was 44, are Patricia Best at \$42,933, Roger Matas at \$51,254, James O'Connor at \$47,415, Bonnie Staples-Lyon at \$73,988. We have one person on maternity leave, Michelle Bailey-Picard. We have, in order to cover for that, utilized one of the staff positions from my Policy Management group to cover. So we have not added to the 44;

we just simply changed a designation temporarily.

Mr. Doer: So is Mr. Godin still in that office? He apparently was the person who was fingered for the mistake that was made when the press release did not go out on the—actually I cannot ask that question about that because I would be—I cannot pursue that. But Mr. Godin was mentioned as a communicator. I do not want to be in a conflict of interest.

Mr. Filmon: Mr. Godin is a staffperson from the Department of Health who primarily deals with Health issues but occasionally also deals with issues to do with communications in general. So he is not on this list.

Mr. Doer: Can the Premier then indicate who is filling in for Ms. Bailey at this point?

Mr. Filmon: Her responsibilities are being shared amongst the names that I have given you.

Mr. Doer: So, Mr. Godin, when he performs functions of communications, for example, when he was mentioned in terms of an I, T and T grant as opposed to Health, he would then be the sixth communicator, notwithstanding the fact that his appropriation comes from another department.

Mr. Filmon: He would be the fifth active communicator because Michelle Bailey-Picard has been on maternity leave now for, I am guessing, but I think it is about seven months or so. Since November, so it would be more than seven months.

Mr. Doer: Have there been any other changes for people in the Executive Council office? Are there any other people hired in senior officer positions in the Executive Council office, or comparable to senior officer remuneration since last time we heard?

Mr. Filmon: We have had Ms. Shelly Gillert leave and Mr. Philip Houde take her place at a P7 level, which I believe is below senior officer. That is the only major change that I can think of.

Mr. Doer: Mr. Houde, is he the individual who was working for the Reform Party in Ottawa and

came to Manitoba? He is not the one. Who is the—[interjection] So the individual who has come to work for Premier Filmon, in all the media reports, is the person not working for the Premier, as reported in the National Post?

Mr. Filmon: Do not believe everything you read in the newspapers. No, he does not work for me and has not worked for me. I think the individual you are referring to is the caucus chief of staff.

Mr. Doer: I have some other questions I want to ask dealing with a number of items that the Premier mentioned in his statement. One is the Pan Am Games. Can the Premier indicate: what was the original bid on revenues and expenditures and the contribution from the provincial government in the original bid book? The status report we received about 18 months ago had changed numbers. As I understand it, there is a third set of numbers in terms of both revenue projections and expenditure.

What I am particularly concerned about is: what has been the changed contribution from the provincial government, both in terms of direct grants and grants in kind by departments that are being provided for the Games?

Mr. Filmon: As the member opposite knows, that is under the responsibility of the Minister of Sport (Mr. Stefanson), but we did discuss it last time, and I gave him all the information about the changes that took place as of the summer of 1997. The arrangements have not changed since that time. I have not seen either new revenue or new expenditure projections. Our contribution, from memory, is around \$40 million.

Mr. Doer: Does the contribution of \$40 million include contributions by departments? For example, does it include the work, say, at Birds Hill Park from the department of Parks, the Natural Resources department? If it does not, how much in kind work is going on? We hear Manitoba Hydro is going to put up banners. I know that is a Crown corporation contribution, but there are all kinds of departments that I hear that are involved. Can the Premier indicate what that is?

Mr. Filmon: The Crown corporations may have signed on as corporate sponsors. I believe, from my recollection, that Lotteries and Hydro and maybe even MPI have and would derive their publicity benefits that they would see from doing that, as any other corporation in the province who has signed up for it.

I might say, in that vein, that in addition to major corporate sponsors, one of the areas in which the Games has achieved much higher than expected revenues is from their partner packages, which were specifically designed for smaller local businesses. They have many, many corporate partner packages that allowed local businesses to participate as well as sponsors, aside from the major sponsorships.

* (1520)

Because of our going the extra mile for the Games in the adjustments that we made in 1997, we have been very careful to try and avoid getting nickel-and-dimed for other things to throw into the mix. We have been specific about that, as I think the federal government has. Anything that is being done in addition, or is being done that appears to be for the Games, would have to have been done as part of the multiyear capital plans of the departments themselves. I am informed that the road improvements at Birds Hill, although they will be a benefit to this year's Pan American Games, were part of the multiyear capital spending plans of the department and were not something extra that was thrown in for the Games.

Mr. Doer: Well, just take the Birds Hill, has any change in the equestrian site, any of those capital investments, been made by the Department of Natural Resources out of the Parks budget over and beyond the \$40-million commitment, just so we know what the actual commitment is of the Manitoba taxpayers on this?

Mr. Filmon: I am given to understand that the improvements are being taken out of the Pan Am Games budget for that particular facility for equestrian competition. That is something that the Minister of Natural Resources (Mr. Cummings) could be more specific about.

Mr. Doer: In terms of the Premier is responsible for intergovernmental affairs, federal-provincial affairs, the City of Winnipeg

has done an audit on the Pan Am Games, a status audit. The federal government has also prepared an initial audit.

Has the Premier received a copy of the federal audit on the status report of the Games and the contributions and the liabilities?

Mr. Filmon: I have not received any report. It is possible, because the Minister responsible for Sport (Mr. Stefanson) monitors all the activities that are going on with the Games preparation, is responsible for our appointees to the board. He might have either federal reports or up-to-date information which I am sure that he would have to satisfy himself that the Games are going according to plan and budget, which was my understanding.

Mr. Doer: I noted that there were statements made by the City of Winnipeg and then further statements made by the federal minister that the city would be responsible for all overruns or cash shortages if ticket sales were not as budgeted because the city was officially the bid maker, as opposed to the other two levels of government. Obviously, all of us want the Games to come in under the revised budget, the revised budget from the original bid in terms of public contributions to the Games. We want it to be a success. We want tickets to be sold. We want to enjoy the events ourselves, and we want to certainly ensure that Manitoba and Winnipeg are good hosts for these Games.

But is there a contingency plan for a potential or a possible shortfall on the revenues based on ticket sales? We already have an adjustment of the budget based on TV revenues. Is there a contingency plan, or is there going to be the federal minister saying that the city is responsible and the city saying the province is responsible and the province saying the feds are responsible? Is there an agreement in place now, and should there not be?

Mr. Filmon: From any meetings that I have been involved with, the Pan Am Games Society takes the responsibility, and they have said flat out that they will not be approaching governments to take care of their responsibilities. They are confident in their figures; they are confident in their ability to manage the entire process of

the Games. They have made adjustments in their budget from time to time, some upward, as I indicated, with some of these local partners. They have a name for the local partners program, which has exceeded their expectations substantially. They have recently, as you have probably seen from media reports, put on a very significant push for ticket sales even although they recognize that Winnipeg and Manitoba are known as a walk-up crowd. They have taken on a big effort to ensure that they get a higher percentage of sales. A comparison was made that a month prior to the World Junior Hockey Championships only 30 percent of the tickets were sold. At the end of the championships they set all time records for ticket sales. They believe that they are on track, and they are putting forth an even greater effort to try and ensure that they meet their expectations.

Mr. Doer: So the bottom line is, we are not going to go over \$40 million as a provincial government contribution, which is up from the original bid. As I understand it, the total budget, I am just going by memory now, is about \$140 million. There are civic, federal, and provincial responsibility that add up to close to \$100 million. We are not going over \$40 million and the Premier is confident in that number.

Mr. Filmon: Well, I am confident in our number because, at the time that we made the adjustments in the summer of 1997, the Minister of Sport and I, along with the federal minister Mr. Axworthy and the Prime Minister, all of whom met with the senior executives of the Pan American Games Society, made it absolutely crystal clear that we would not be responsible for any more money. They told us with plenty of witnesses around that they had absolutely no intention to fall back on anybody but themselves if they were unable to manage the budget and the entire Games. They continue to say that in any discussions that I have been a part of in recent times.

* (1530)

Mr. Doer: So I would like to ask the Premier: who is legally liable for debt? Is the Pan Am Games Society themselves, the individuals on the Pan Am Games Society are liable for the

debt? Who is liable for the debt? We want to see the Games come within the budget, the revised budget. You do not run a deficit anymore; you run a shortfall. The shortfall then is made up of contributions usually by the public sector and then the budget is revised. At this \$40-million mark, who is liable for the debt if there is one, legally liable?

Mr. Filmon: I want to emphasize, Mr. Chairman, that I have no reason to believe that there is a debt or that there will be a debt. Nothing that I have seen would indicate that, but that discussion has taken place. The Pan Am Games Society, as represented by its board, would be liable for any shortfall.

Mr. Doer: So the Pan Am Games Society is liable, legally liable for the debt. Is there anything in writing on that to assure, because people say to us, well, gee, everybody wants it to succeed. But Manitobans say: where is the money going to come from if there is a debt? It is an answer our constituents ask us for, obviously, and it is an answer we should have. So we are singing from the same hymn book.

Mr. Filmon: The Pan Am Games Society is an incorporated legal entity. They would have responsibility for it. We have said, and I am putting on the record yet again, as I have in the past, that we will not be responsible for any further contributions.

Mr. Doer: Is there any document in writing that we can receive on the liability, question No. 1; and No. 2, is the Pan Am Game Society made up of any provincial, federal or civic reps?

Mr. Filmon: I will attempt to see what paper is available, but there certainly are agreements that they had to enter into with the Canadian Olympic Association, with the Pan American Sports Organization, PASO, and that would lay out their responsibility, and that responsibility is to the Pan Am Games Society of Winnipeg 1999, and there is no legal obligation on the part of any level of government beyond that.

The governments have on the executive committee, I believe, three appointees each. Our appointees are, I believe, Mr. Orton Harrison,

who is a school principal; Mr. Ken Lee, who is a chartered accountant, and I thought there was one other, but I cannot remember. The Minister of Sport (Mr. Stefanson) incidentally is right down the hall having his Estimates, and he has probably got this at his fingertips.

Mr. Doer: Just another question that comes to us generally. People see the Premier as the person who, you know the clock goes off and the Pan Am jacket and around town, so the questions we get asked are about the Premier and the government's responsibility, and the Premier knows that.

The travel costs for the athletes coming here, I know that from the original bid it was a change to deal with. I think we went from 6,000 to 8,000 athletes. Just how, for example, if Michael Johnson is an athlete competing for the U.S. in the 100-metre race—I do not know whether he is. I certainly hope he is, but if Michael Johnson was competing against Donovan Bailey, who would be responsible for the travel costs of the U.S. Pan Am Games team? How would that work, just so I know because they get questions out in the community on that, and it is something that we have to know.

Mr. Filmon: I really have no idea. You would have to organize that either through the Minister of Sport who might have it at his fingertips or else undertake to provide it for the member. I would certainly undertake to provide it, but I certainly do not have that at my fingertips.

Mr. Doer: I know that there were some adjustments to our bid to get certain consideration from other countries as we proceeded with the voting, and I know the Premier and the former mayor were involved in that. What is the general policy on, for example—I will go from the specific to the general—what is the general policy, for example, for the U.S. team in terms of its travel expenses for the responsibility of the Pan Am Games Society here in Manitoba? There is \$40 million of public money. Will some of that money be going to pay for the travel of members of the U.S. team? Again we hear different stories on this, and this is a place where the \$40 million is accountable.

Mr. Filmon: My recollection was that the amount of money that was going into public facilities, that would be a permanent legacy here, would exceed the amount of money that we were putting into the Games. So items such as the travel subsidy would be in the area much beyond the public contributions and ones that the society itself would have to fund out of ticket sales, revenues, television advertising and all of those things, corporate revenues.

Mr. Doer: So I guess my question is: as host of the Pan Am Games, the Pan Am Games Society, are we paying for the U.S. team to travel to Winnipeg? I just want to know that. I mean, it is going to come out. I do not think it is a secret.

Mr. Filmon: Mr. Chairman, it is not a secret because I have discussed it on the air on various talk shows. As I say, the investments in public facilities will far exceed our contribution to it. Our contribution is going to the legacy of the things that are being built at The Forks, at the university, at various different places throughout the province. He talked about the equestrian matters. There are all sorts of areas in which our money has gone: velodrome, et cetera, a second pool to the Pan American swimming. Various contributions have been made, and two facilities that will be the lasting legacy. There is some arrangement for travel subsidies, but that would not come out of our money. That would come out of the money that the society raises through corporate sponsorships, ticket sales, advertising revenues, and all of those kinds of things.

Mr. Doer: I did not hear the Premier on air. I sometimes see him on air or hear him on air. In fact, I turned him on this morning, at 6:30 in the morning. He was not talking about that on Newsworld or something close to that. He can be assured he had my utmost attention. But I did not hear his answer to the question I asked on the air some other time, some other random occasion. So I just want to know: what is the travel policy for the Pan Am Games? What is the host society, which we are part of, paying for?

Mr. Filmon: If the critic for Sport has not already got that information, I will undertake to get that information for the member. But I can

assure him that our \$40 million is going to the facilities. It is not going to the travel subsidies. There are other revenues that will pay for that.

* (1540)

Mr. Doer: I just want to know what the Premier's understanding is of the policy on travel costs, and what he said on air about the subject that he said he talked about before. I just want to know what it is. I mean, we hear that we are paying for all the athletes and officials to come; we hear we are paying for part of it; we hear we are paying for all countries, save the United States and Venezuela; we hear something else. I just want to know and I think it is just a question we get from the public. The Premier has said he has already made that statement on the air. Can he make the statement on the air here in the House?

Mr. Filmon: The debate on the air took place back in 1994, after we got back from the Games when it was publicized that that was part of the bid. My understanding is that it has changed since then because they have put a limit on the number of athletes whose travel they will subsidize because there was a difficulty, and they have also put a limit on the number of athletes whose housing they will subsidize. In other words, there is the cost of housing these people, and if it was unlimited, there could have been 8,000 athletes here. I believe that the number is going to be somewhere slightly in excess of 5,000, as a result of the renegotiations that the Pan American Games Society had with PASO. So I could not tell him what it is other than to confirm that there is a travel subsidy, that it does apply I do not believe to all athletes and it may well be that it does not apply to the United States. It was in some discussion that indicated to me that the Americans, to save money for themselves, were staging their athletes in Grand Forks so that they were only sending them here for five days at a time as opposed to the entire two-week period. They were accommodating them in a staging situation in Grand Forks so that they would spend their own money in their own country rather than here in Canada. So that leads me to believe that there is not a subsidy, in all likelihood, going to the American athletes. But I do not have the exact detail on it. I will undertake to get it for him.

Mr. Doer: I will move on. At the Western Premiers' Conference, the governments talked about returning the funding for post-secondary education, were quite critical of the unilateral change in post-secondary education. We certainly would agree with that. We were quite critical of the '95 federal budget that withdrew \$240 million from the budget of Manitoba. We would agree that the announcements made by the federal government in the '99 budget were just one step ahead from about three or four steps behind or backwards from the budget of 1995.

But the provincial government itself has also offloaded decisions to the universities. There has been a change on the budgeting and treatment of the property tax and assessment at the university and the grant levels. Is the Premier aware of the changes that were made by his Rural Development minister? Does he not consider that a similar offload onto the universities and therefore students and qualities of programs?

Mr. Filmon: I am not familiar with the detail of the changes that Rural Development has initiated. I know that the intent was to try and put all the post-secondary education institutions on the same footing, that they did not all pay taxes in the same manner. I also know that in this past year the universities located here in Winnipeg have successfully challenged their assessment and dramatically lowered their assessment under appeal, which also reduces very substantially the amount of taxes that they pay.

Mr. Doer: As I understand it, the U of M used to have an amount of \$11 million. The assessment has gone up at that institution, has a comparable amount of money at the time that there was a great deal of concern in committee. The minister tried to assure us, his minister tried to assure us there would not be any financial negative treatment. Is that true today a few years later?

Mr. Filmon: I do not have that information.

Mr. Doer: I would like to ask the Premier, when the Minister of Municipal Affairs and Rural Development went to the government and the Premier for permission to pass this law and

in committee he assured members of the university community and opposition members and therefore the public that this would not be a negative financial consequence, it is kind of like the Brian Mulroney comment that we have with the GST and the manufacturers sales tax, that it is revenue neutral.

Was he assured as Premier that this would be not an impact on the revenues and expenditures at the university?

Mr. Filmon: I do not have that information.

Mr. Doer: Well, I guess my point is that one government's unilateral action to us, which is negative, may be, regrettably, also carried on by an unilateral action from this government to another institution. For us to be consistent with the federal government, I think is important to ensure that when we say there are not going to be changes in laws that will be negatively impacting on the revenues and expenditures at our educational facilities, that in fact we can be consistent with the federal government about this "offload." If the legislation, as we understand it, has reduced the financial—notwithstanding the other grants through the post-secondary education budget—if the changes in Municipal Affairs have not resulted in being a revenue-neutral item, but have in fact been a de facto offload, would we not be better to investigate that matter and have a consistent position ourselves internally as we approach the federal government to deal with their offload on to us?

Mr. Filmon: That sounds reasonable to me, Mr. Chairman, but I cannot confirm whether or not there has been this so-called offload.

Mr. Doer: I would like the Premier then to investigate the statutory changes, I believe it was '95 or '96, certainly within this term, Bill 32, the concerns raised by us, the assurances made by the minister, and whether in fact there has been an offload as a result of that change at the University of Manitoba. If he could, I do not want to take up the whole Estimates with it, but I think it provides for if the federal government is aware of this, and I certainly know that the federal member representing the University of Manitoba is fairly well aware of what is going

on out there. It may not help our position in a consistent way on one government offloading to another, with our government offloading to the universities. I would ask him to investigate this matter. If there is a shortfall through offloading, I would like to know about it and see if we cannot agree with the Premier about dealing with the shortfall from the federal government. We certainly agree with the priority of that, but we thought that some of his ministers were acting the same way as the federal government with the university.

* (1550)

Mr. Filmon: Well, Mr. Chairman, you cannot spend what you do not have. We, over the course of four federal budgets, eventually were receiving \$263 million a year less in transfers to the CHST. Those transfers, as the member knows, were intended for, first and foremost, health; secondly, post-secondary education; and, thirdly, social programs. The point that we make is that the federal government has, over a period of the next three years, agreed to reinstate approximately 40 percent of those cuts. That is simply not enough, and it does not leave us anything. Since we have made a commitment to put all of that reinstated money into health care, it does not leave us any room to address the needs and the issues of post-secondary education.

So at the request of Dennis Andersen, the president of Brandon University, who is also the president of the council of university presidents of western Canada, and as well all of the presidents of the universities in Manitoba, I took the issue to the western premiers' table, and we talked very specifically about us making the commitment to invest the funds that we would get restored from Ottawa. The proposal that I put forward was that anything over and above the current commitment of 40 percent restoration would be divided between health and post-secondary education. So post-secondary education would end up getting actually, under that commitment, more money than they got before than was in any way reduced. They would be getting a very substantial bonus out of that arrangement. I have since heard from some of them that they were very happy to hear that commitment.

Mr. Doer: I would like to ask the Premier whether in fact there has been any positive response from the federal government to this proposal. Have they heard anything from the federal people about this proposal leading into the year 2000 budget?

Mr. Filmon: Subsequent to the Western Premiers' Conference and the resolutions and communiques that we passed, that question about putting more money into transfer payments to the provinces for university funding was put to the Honourable Stephane Dion, the Minister of Intergovernmental Affairs in Ottawa. He said, among other things: Today the Government of Canada is in the position of having a surplus, as are all provinces with the exception of Ontario, which has opted for lowering taxes more quickly. So we have the possibility, we do have the possibility of helping our universities. The future of the country depends on it. This is a very important issue, as everyone realizes. Last year it was important to do something for health, and now it will be important to look at what we can do for the universities.

So it looks as though Ottawa may be favourably inclined to consider that proposal.

Mr. Doer: As I understand it, in the 1990s the only province in Canada that has increased funding to universities over the decade has been British Columbia, with Saskatchewan remaining at constant dollars, and every other province in Canada reducing the amount of money to universities, including Manitoba. That is an analysis I have heard. Is that correct? I have also heard that every state in the United States in the '90s has increased their funding for universities over the last nine years. There is a certain degree of investment going on in the United States and the universities versus Canada in the 1990s.

Mr. Filmon: I cannot confirm that. I am sure that the Minister of Education and Training (Mr. McCrae) would be able to, but I point out that British Columbia is still running a significant deficit, something in the range of \$900 million, and is rapidly approaching Manitoba in terms of its debt to GDP ratio and its per capita debt ratio as it adds consistently to its total accumulated debt. So that is a choice I suppose that they are

making to run huge deficits and to spend more money in a whole variety of areas. That is something that we have chosen not to do.

We are, however, leading the discussion with respect to the federal government restoring its transfers. We have had to live through some difficult choices and some difficult times as a provincial government with the loss of up to \$263 million a year of transfers from Ottawa. With the restoration of the funding for health care, we are able to do things there that we were unable to do in the mid-'80s. We are suggesting to Ottawa that we will make a commitment that we will utilize the money as I have indicated for both post-secondary education and health care and make commitments to have the additional funds be transparent in our budget so that they can be assured that the money will go to post-secondary education. We believe that we are in a position to do that within the realm of a balanced budget.

Mr. Doer: The Premier indicated that the cut was \$263 million. What is the reinstated amount of money on an annual basis? What are we down from the '95 numbers in terms of health, post-secondary education and social services?

Mr. Filmon: This is not something that obviously is, again, within my area of responsibility. It would be within the Department of Finance, but it is something in the range of \$100 million out of the \$263 million that would ultimately be restored under the current commitments, but it grows over a three-year period to reach that level.

Mr. Doer: As Minister responsible for Federal-Provincial Relations, this is a fairly major issue of federal-provincial responsibility, and so as I understand it, the \$100 million is backloaded in terms of the three years. Can the Premier, if he has not got it here, but if we use the number 245 and now it is 263 and I would just like to use the same numbers unless we disagree about them, and I do not disagree about the range of 260, can the Premier provide the year 2000, the year 2001 and 2002, what those numbers would be vis-a-vis the 263?

Mr. Filmon: Yes.

* (1600)

Mr. Doer: There were a lot of media reports around the budget about not just this year's number on equalization but future year numbers on equalization. What is the status on equalization? I know we can get into a huge discussion about population growth and all the other things, and we can do that if you want. I just want to know what the numbers are in the next couple years. The complex formula, I know, has produced benefits to us in some years and has been a penalty to us in other years. I just want to know, there was a Canadian Press report out at the time of the budget. It had a huge decline in equalization. Then of course the Minister of Finance indicated they were investigating that but he did not think so. Can we find out what are the immediate and short-term or medium-term impact of equalization changes on Manitoba, notwithstanding the fact it has changed every—the formula has adjusted.

Mr. Filmon: The formula is adjusted on an ongoing basis to take into account our own source revenue growth vis-a-vis that of the country as a whole, our own population growth vis-a-vis that of the country as a whole, or the other equalization receiving provinces, I guess, because it is our portion of the pool. But the one major shift that is taking place is the re-establishing of the formula.

My recollection is that Manitoba is the most negatively impacted by the new formula because of two things. One is that they now take gaming revenue into the formula, which it was not before, and there was a second item which they folded into the formula which negatively impacted us. The general trends are that we had some negative impact out of the reformation of the equalization formula. We have some reductions as a result of a growing economy, therefore giving us less entitlement to equalization. We continue to have reasonable growth in terms of our share of the population of the recipient provinces being favourable. So all of those factors continue to be at play. I guess the Minister of Finance is the best person to give you his current estimates of what all of these different factors will produce in the next year or two.

Mr. Doer: So the initial Canadian Press reports about over \$100 million per year on the wire

were wrong and there is an adjustment but it is certainly not in the range of a 10 percent reduction. I know it is in the budget this year, but I am more concerned about the forecast for year 2000-2001. Are they still holding firm? Because the government gets quarterly adjustments and has discussions with the federal government.

Mr. Filmon: The budget document says that the federal government renewed the equalization program from April 1, 1999, to March 31, 2004. Equalization changes resulted in a reduction in entitlements to Manitoba of \$37 million annually. The effects of the technical changes will be phased in over five years.

Mr. Doer: So there has been no change on that in those numbers based on since the budget has been produced, printed and distributed. Because I know that the federal government changes those things as they go along.

Mr. Filmon: I understand that about three or four times during the year we get adjustments brought to us from Ottawa based on their most current numbers. It is backcast usually for two or three years, adjusted for population and adjusted for economic revenue numbers. We are part of the whole pool of seven provinces who are recipient provinces. So all of their revenue numbers are fed into the computer to produce the results. The person who could give you the most recent estimates on that would be the Minister of Finance (Mr. Gilleshammer). I do not have that right at my finger tips.

Mr. Doer: The provincial government has stated in 1995, when they made the capital commitments, that they would deliver those capital commitments notwithstanding the changes that were made in February of 1995 to the health care funding by the federal government. Many of those capital projects have been delayed, some of them have been cancelled, the formula for capital contributions has been changed. The result has been pretty negative consequences for people who are in the hallways and hospitals or awaiting surgery or other needed medical services, a thousand nurses laid off, now 600 being rehired. Did the government make a mistake by not fulfilling its election commitments in 1995 and freezing those

promises and only now proceeding with some of them?

Mr. Filmon: Mr. Chairman, you cannot spend what you do not have, and we made commitments to capital projects in health care. Yes, they were delayed as a result of a lack of revenues from Ottawa, but virtually all of them have either been completed or are under construction at the present time. To my knowledge, there are very few that either have not already been given the go ahead or are not already under construction or completed.

The member may have a few that he wants to go over. Again, the Minister of Health (Mr. Stefanson) can give him the exact details as to the status of it, but I know that some of the ones that he has raised in this House are out to tender, and tenders may be even awarded as we speak. So virtually all of that five-year program has either been completed or is under development at the present time.

Mr. Doer: Well, what I am worried about is the revisionist history of the Premier and his statement now that because of the federal cuts he could not spend what he did not have. When he made his announcement on capital, his two Health ministers ago made the statement that we will build these projects and we will fulfill these capital commitments, and the federal reductions and federal cuts have been factored into these announcements we are making today. Something that also the Premier said in April of 1995.

Now he is saying that we could not do it because the federal government cut us back. I guess what I am really concerned about and the public is concerned about is two different stories. One during March and April of '95 that, yes, we will be able to build it; it is our commitment; we will fulfill these commitments; the federal government cuts have been factored into these decisions; and then in June of '95 and now into June of '99, the federal government cut our money; therefore, we could not spend what we did not have.

You knew what you did not have in March of 1995, and you made the announcements accordingly, I think, to a great erosion of your own credibility, if I might add, but that is for somebody else to decide. [interjection] Well, we

await that, and so does the member for Assiniboia (Mrs. McIntosh), I know, who helped out the Premier (Mr. Filmon) in his Estimates the last time around. I would have been very disappointed if the member for Assiniboia did not start heckling at one point in the debates. I guess she feels that the Premier needs her help. I do not think he does, but—

An Honourable Member: You need distraction.

* (1610)

Mr. Doer: Well, perhaps, you would pipe down then, and we can proceed with our Estimates.

I am sorry that we were so rudely interrupted, but if I can proceed to ask the question on Health. In March of '95, you said that the cuts from the federal government would not stop us from proceeding with capital. Are you now changing your position on what you announced and committed to in 1995?

Mr. Filmon: No, I am not changing my position. They have not stopped us. That is the point is that those projects are either constructed, under construction or under development, and commitments are being made on the vast majority of them. The one thing that we did say afterwards was that we would give the regional health authorities the ability to review some of these projects to see whether they fit in with their overall plan for the regions. In a very, very small number of cases, they have given us other advice about the priorities in their areas and suggested that we do this project rather than that project. We have basically followed their advice, but there are not very many instances of that to my knowledge.

Mr. Doer: Does it make any sense at all to close a hospital bed that has been paid for by taxpayers in 1995, in a hospital that is still operating and have a three- or four- or five-year delay in the personal care home bed that would replace the acute care bed in a hospital? Does it make any sense at all to close that hospital bed that has been paid for, not build or replace that hospital bed for three or four or five years, and then have a situation where a family whose parents or members of their family have paid

taxes for years has their loved ones in a hallway rather than a room that has been paid for and built but not open because of the close first and build later policies of this government?

Mr. Filmon: Mr. Chairman, there have been patients in hallways at various times of the year going back into the days of the Pawley government and probably into the days of the Schreyer government. I have press clippings to show the member opposite. The capacity requirements of any of our health care institutions or acute care institutions vary substantially during the course of the year, and as the member well knows, you do not build a church for the number of people who are going to be there on Easter Sunday. So for staffing purposes and for volume purposes, the hospitals have always had to manage their available spaces and make adjustments. I have many clippings that would say during the Pawley years that elective surgery was cut off in order to allow for more people to be in acute care beds.

I have clippings that would suggest that in the Pawley years there were people in hallways, and all of this is part of the normal cycle of volumes that go through the acute care hospitals in our city. I have looked at 20 years, and I have seen in the 20 years of the cycle that there have been spikes that lasted for a period of several weeks each and every year in which the capacity of the hospitals was exceeded in the acute care side and people were left in hallways as a consequence, so if the member opposite is trying to say that this is something new or unusual, I do not believe he is right.

Mr. Doer: I will leave that again to the public, because the fact that people paid for hospital rooms to be closed down, and I was in the St. Boniface Hospital a considerable amount of time myself, watched people in hallways and families in hallways, while I knew that beds were open and then closed in that hospital and paid for by the taxpayers.

Of course, the Minister of Health (Mr. Stefanson) challenged us to come up with—remember he said, if there are any rooms, I will open them up. I think that is his former Minister

of Health, not two ago, one ago, said: well, you find them. Of course, in every hospital, Seven Oaks, Misericordia before he closed it down, St. Boniface, Health Sciences Centre, Grace, Concordia, we found hospital rooms. They were closed down by the government and could be reopened. He said oops. Of course that leads to the credibility problem that the government has with the public on this issue. They know that their taxes have gone to pay for hospital beds and rooms that have been closed down before the personal care beds have been opened, Mr. Chairman.

We even have a modest example of that again today where we have a good program, the comprehensive breast program at the Misericordia Hospital. It provides a comprehensive program. The program which is going to be replaced now that the government has changed its mind and it is going to close the hospital down. The program is being closed down. Initially we had an announcement that the new project will be at St. Boniface Hospital on April 1, then May 1, then June 1. On June 15, the hospitals closed down. The programs are closed and it is now allegedly September 1 before the new programs are being opened—[interjection]

Is this the deputy premier now or the associate premier? Somebody who wants to join in on the debate? I am more than willing to accommodate the ministers. [interjection] I did not know you were asking them. I guess you are getting used to your new role perhaps and perhaps not. We should not be too arrogant for the public, should we. So the question I have—perhaps the minister does not need to interrupt. When she is finished interrupting, I will proceed with my question. [interjection] Thank you.

I think that the example at Misericordia Hospital, which was a good program, will be ending as an excellent program on June 15, is another small, micro example of what in our view is wrong on a macro basis with the lack of planning and lack of delivery in health care. Innovations are necessary in health care. There is absolutely no question about it. But, when something is closed down, it must be replaced with something else as part of the innovation, otherwise patients end up in the void. People end up in the void. You would not have a

situation where somebody goes from one technology to another where they close down their whole operations before the other technology would come in. It just does not make any sense.

I guess we believe the government has erred dramatically in having hospital rooms that have been paid for by the public closed down by the government before the new personal care beds have been opened. I guess the Premier does not agree, and I guess he is defending his commitments he made in '95 and feels that there was no breach of trust there and no breach of trust with the public on health care. I regret that. Does it make any sense for the Premier to fire a thousand nurses in reductions that are made through his government and then a couple of weeks ago announce the hiring back of 600 nurses? Is that a sensible way to proceed with resources in health care?

* (1620)

Mr. Filmon: Mr. Chairman, the member knows that the government does not hire and fire nurses, that institutions staff to the levels that they believe are required to meet the demands of their institution, and that if he looks at the numbers overall, I do not have them again. I am here debating Health with the member when this is the Executive Council Estimates. My recollection from the most recent figures I have seen is that basically our nursing complement is very much the same as it was seven years ago. It is within 100 nurses; in fact, on a per capita basis our nursing complement is one of the highest in Canada.

The fact of the matter is that there is a shift taking place, which the member opposite probably does not acknowledge. I know that my colleagues across Canada, regardless of their political stripe, acknowledge it and are engaged in it. It is why my colleague to the west, Mr. Romanow, closed down 52 hospitals. There is a shift taking place from acute care facilities to long-term care facilities.

Very shortly after we came to office, the member opposite has quoted this report and so

has his critic. In 1989 we were told we were 900 personal care beds short in this province. That was not something that occurred in the six months or so after we had taken office. That was obviously a legacy from the New Democratic administration that we succeeded. Between 1989 and 1998 we built those 900 additional personal care beds. In 1998 we were told we were 600 more short, so we are building those 600 at the present time.

These are all things that are being done, and every one of those facilities requires nurses. There are considerable nursing jobs added by adding 900 personal care beds and adding another 600 personal care beds. Staffing mixes changed, partly in response to the collective agreement that was entered into in 1991. I know that we as a government held out during that strike to try and persuade the nurses' union that there should not be such a close monetary relationship between LPNs and registered nurses, that that would lead to administrators making decisions, not the government, because we do not run the hospitals and the institutions. But in order to meet their payrolls, they changed to a mix of registered nurses and nurse's aides, eliminating quite a number of LPN positions. Not at our behest. In fact, we were not happy with it, but that was done in response to the fact that the top-level LPN salary was within a dollar of the R.N. salaries, and so they changed their staffing mixes.

These are all things where actions cause a reaction in areas where we do not ultimately control the decisions, but nurses also have been shifting over into long-term care positions and into home care. We have probably hundreds more nurses in home care today than we did back in 1992. So the nursing jobs are in different areas.

We do have a shortage in our hospitals of nurses today, registered nurses, and that is a shortage I might say that is taking place right across Canada. Many other provinces are in far worse circumstances than we are. We worked very hard to negotiate an agreement with our nurses' union here so we could have levels of

salary that would be attractive to assist us in our recruitment process because we are in competition right across Canada, and even with jurisdictions to the south of us. We are doing that because we recognize that this is a necessity.

We are also training twice as many LPNs as we had been. I think there is about 190 in training who will be coming into the workforce very shortly. I am very encouraged at the fact that the vast majority of registered nurses graduating this year, or it could be B.N.s, I am not sure what, are almost all of them staying here. These are all things that are designed to assist us in filling those nursing shortages.

Mr. Doer: Did the Premier support the decision of the government to change the training methodologies for nurses, cancelling the nursing training at St. Boniface, Health Sciences Centre, a number of the other hospitals—Grace, Victoria, Brandon, and other communities—closing down the hospital-based training programs that have had the benefit of not only turning nurses around in a shorter period of time but also giving nurses more practical experience on wards and giving the ability we hear to recruit and retain nurses coming from that training program in an acute setting, in a personal care setting, maybe more favourably than coming out of a university setting?

Mr. Filmon: Mr. Chairman, that certainly was an issue that I had grave concerns about. I would say that it is fair to say our government resisted it for a long period of time, perhaps the first eight years or more that we were in office. Unfortunately, the movement from the Manitoba Association of Registered Nurses, which was part of the Canadian registered nursing organization, was advocating to every province in Canada that the change be made, and I believe that we probably held out till at least half of the provinces had agreed to it and others were planning to.

To my knowledge this has been agreed to literally right across the country, and we recognize that there are things that are going to have to be done in order to help us to meet our nursing shortages, and that includes making sure

that the B.N. program can recruit in greater numbers than they have in recent years. We also believe that they need to have the hands-on experience that they got in the training programs that were hospital centred. These are all things that will have to be worked out by the professional organization, but we had grave concerns about it. Essentially we were forced into it as part of a national movement.

Mr. Doer: Sometimes national movements are correct in their predicting the future, and sometimes they are wrong. Has there been discussion then at the national level about the status of nursing and the original decision that has been made by a number of provinces? The Premier has often said the best time to plant a tree is 20 years ago, but if you do not plant it today, you are not going to have the tree 20 years from now.

Are we making a mistake of monumental proportions? Professional organizations certainly have the profession in mind, and certainly I am not disputing their motivation from the public interest but sometimes the public interest—and we have been critical of the government before on other professional organizations on the specialist agreement and the government giving away public responsibility and rights and other agreements, and the MMA agreement of the mid-'90s or 1994. Sometimes organizations, employees and professional organizations can be correct, and sometimes in terms of the long-term public interest they might not be correct. The person who ultimately bears the responsibility for those decisions for the public interest is the government, and the person who must evaluate whether the decision was the right or wrong one based on the next 10 years of projections in this area is the government, not the professional body. Are we evaluating that decision? Were the Premier's first instincts correct? Is he going to look at any kind of evaluation of going back, not back but going forward with a plan that will accommodate the huge demand we are going to have as a community?

* (1630)

Mr. Filmon: Firstly, it certainly has been discussed at the national level and more recently at the Western Premiers' Conference. The

communique refers under Health to the fact that we have discussed the challenges and critical issues facing western provincial-territorial health care systems, including, in bullet No. 3, "the national shortage of health care professionals, in particular, nurses."

Every province was lamenting the fact that the switch over to B.N. was creating stresses and pressures on them, that there was the shortage of nursing personnel that was seen right across the country, and that there had to be some ability to have short-term flexibility in meeting some of these needs. The final answer, obviously, is going to have to be developed in consultation with the professional organization. That is something that I know the Department of Health and the minister are certainly looking at, at the present time.

Mrs. Myrna Driedger, Acting Chairperson, in the Chair

They have, as a for instance, persuaded the university to reduce the length of time for completion of the nursing course by having the training take place over longer periods of the year and, I believe, reducing a four-year course into three years. They also have, as I said, instituted greater training for the LPNs, doubling the number that is normally trained. They are looking at the fact that there are a very significant number of nurses who are not working in the nursing profession at the moment, but who could, with some fairly minimum retraining and requalification, be put back into the profession. So those are a number of things that I am aware of, and I am not the Minister of Health (Mr. Stefanson), so there might well be many other things ongoing.

Mr. Doer: The health care situation, I think, will be an issue that, obviously, will be debated more conclusively whenever the election is called. I know Mel Myers could not find out from you when it was going to be, and I do not expect I will find out the date in the Estimates, but I want to proceed with other matters of federal-provincial relations.

The gas tax and revenue, has there been any indication from the federal government that they would be willing to—I know there was some

confusion last year with the western premiers and the premiers about making sure health was the No. 1 priority, even though a lot of us feel we are being robbed literally in terms of the gas tax revenues not being spent at all for the programs, roads and infrastructure, particularly when you consider the federal government in western Canada walking away from the Crow rate without any transition plan whatsoever and then walking away with the tax revenue without any national programs to be in place. You know, I think that it is a scandal what they have done in terms of western Canada in particular and, certainly, Manitoba.

Mr. Marcel Laurendeau, Chairperson, in the Chair

Has there been any success in this area by the premiers? I know the Heavy Construction Association always has a statement about it, but has there been anything beyond that in terms of public consciousness and the consciousness of the federal government?

Mr. Filmon: Well, I certainly concur with the member opposite that we are being robbed of a great deal of money that ought to be reinvested in this province. It is almost \$150 million this year that will be paid in fuel taxes to Ottawa, and there are zero dollars coming back from Ottawa for highways, infrastructure. This is an intolerable situation. It is out of step with every other country in the G-7 nations, and it is our view that it has to be rectified.

In every communique from the annual Premiers' Conference and the Western Premiers' Conferences going back to about 1992, we have had a reference to the federal government funding a national highways policy. The federal government has steadfastly refused to endorse that. Although they are talking now about the possibility of putting some money in, they specifically decouple any investment from the revenues that they get. They say all those revenues just go into general revenue, and if they structure a national highways program, it will not bear any relationship to revenues. It will be just simply a program that they develop for this particular purpose.

You may know that in the United States, I believe the federal government commits every dollar, and it is the billions of dollars that they take out of fuel tax revenues, to the construction of the interstate highway network in the United States. In many of the other G-7 countries, the federal governments do anything from 60 percent up in terms of their percentage of spending.

This year in our Western Premiers' Conference our communique says: "Western Premiers called upon the federal government to commit in the 2000/01 federal budget significant, long term funding for a National Transportation Investment Strategy with a National Highways Program as a major component." So we certainly concur completely with all of the thoughts that the Leader of the Opposition has put forward. I have used the same arguments about the loss of the Crow rate, the transference of responsibility onto the road network, all of those things, many times in the past decade, but nobody seems to be listening at the federal government level.

Mr. Doer: Has the Prime Minister responded to this issue ever or does the provincial government deal with another federal minister? Is there any attempt by, particularly western caucus members of the federal government, notwithstanding the fact that not all of them live and work in rural and northern communities, to push for these proposals?

* (1640)

Mr. Filmon: The Prime Minister's reaction has simply been to say that is an issue that should be dealt with by the Minister of Finance and the Minister of Transportation. So we have dealt with Mr. Martin who has flatly refused to endorse anything like this program and Minister Collette who has given, I would say, warmer signals towards it in recent times.

The question was asked about lobbying federal members. During the last election campaign federally, the member for Winnipeg South put himself forward as sort of the champion of the national highways program and in fact gained significant support from the heavy construction industry association financially

towards this campaign as a result of saying he would carry on the ball on this issue. It has not happened obviously. So whether that means he has been turned down by the Minister of Finance or by the Minister of Transportation, I do not know. Certainly we thought that he would have some impact on this debate, and so far it just has not transpired.

Mr. Doer: Has the government been dealing with the federal government on the whole issue of airports in aboriginal communities, the landing strips that were built, a lot of them, in the '60s and '70s by previous governments to deal with medivacs? Many of the airports are now too short.

I was in Little Grand Rapids last week. I think the Premier thought I was doing something else, but I can assure him there is no golf course in Little Grand Rapids. There was none that I could find, and I would still do lousy anyway if there was. But I was there last week—my one game a year will not be played there from what I could see—and, you know, the airport, there was a tragic accident there. There have been four accidents there at the airstrip. It is literally a peak and valley thing. You could see it even as you land. The member for Rupertsland (Mr. Robinson) raised that. I know it is not the only airport.

I know there are thousands of people living in the Island Lake area that are really in trouble in freeze-up and the thaw. I know that there is now up to 5,000 people that are across the water from the airstrip and if, in the middle of the night, somebody has a heart attack and there is no helicopter there, it is just awful. So we have some serious problems on transportation.

Has the federal government participated with the provincial government in this matter? Are we looking at moving some of the airstrips, for example, that were brought in by the provincial government for transportation? Because of jurisdictional issues they are put across the way in the provincial side as opposed to the federal side. It just does not make any sense to spend all that money on helicopters during freeze-up and potentially risking people's lives and skidoos and other situations during

other times of the year. Where is that at, and what do we know about that program? Has there been any discussions between the federal minister responsible for federal-provincial relations and the federal government in this regard?

Mr. Filmon: I know that both at the ministerial level and at the deputy ministerial level our people have been lobbying very hard. The tragic accident at Little Grand Rapids which, I think, was about December of 1997, caused everyone to re-evaluate the needs there. I believe that our former minister, the member for Springfield (Mr. Findlay), has verified the poor condition of the landing strip at Little Grand Rapids personally there, and the difficulty we have is that there does not seem to be any commitment on the part of the federal government to putting money in. Most of these cases where it talked about airstrips that are on reserve or built primarily to serve the needs of the reserve community, and so we have, as the member knows, in the last two budgets put money in to upgrade a number of the northern airstrips, but there is obviously a great deal more than we have the capacity to fund out of our own revenues.

Mr. Doer: Is the federal government willing to sit down—I mean, here we have airstrips that are outdated, some of them very much outdated for the type of transportation and airplanes that are being used, particularly necessary for medivacs. In the case of Little Grand Rapids, you are four or five miles across the water. It makes more sense, if you are going to build a new airstrip or to improve an airstrip to spend the money on the reserve side. Is there any effort to sit down with the federal government and the provincial government to come up with a community-by-community common-sense solution that deals with safety? The increased economic activity in these communities now, I mean, there are regular airlines going into these communities now, sometimes two or three airlines going to these communities, whereas before it used to be the odd medivac. Things have dramatically changed in terms of population, medical considerations, economic viability, economic opportunity in these communities that seems to me that a community-by-community approach should be the way we go rather than just two

people saying, it is your job between the federal and provincial governments.

Mr. Filmon: There is no question that there is a huge demand and requirement for air transportation that is safe and reliable in many of our northern communities. As the member has said, many times of the year it is the only access into many of our remote aboriginal communities. That being the case, we then have to look at the condition, the length, in some cases they are built in places—I think Little Grand Rapids may be one of them. Certainly the one at Island Lakes, Garden Hill was not big enough and could not be lengthened. It was on an island. You have to start all over with what is a multimillion dollar project. When you are looking at maybe a couple of dozen of these, the fiscal capacity of the province to get involved in this is simply not there. It has to be a federal responsibility. We have had the discussions. We have had the interchange of correspondence with the previous minister and the current minister who have, I believe, emphasized to the federal government that this is a necessity. There does not appear to be a willingness on the federal part to come through with it. It is frustrating for me.

The member opposite knows, probably enjoyed the fact that we had a couple of demonstrations here at the Legislature in March and April of this year on issues to deal almost entirely with federal responsibility. I subsequently went to the meeting with the Assembly of Manitoba Chiefs in early April. Jane Stewart was at the same meeting. She is the one who should have the demands placed upon her. They essentially gave her a free ride and took great delight in attempting to embarrass me and my government over issues that really are federal responsibility. I say that there has to be some focus on this. We can certainly do our best, but if the aboriginal leadership themselves are not prepared to really make their demands known to the federal government and make it a high priority, the federal government I think finds it too easy to ignore the province on this one.

Mr. Doer: We agree that it should be a strategy to deal with the provincial. There are provincial airstrips under our jurisdiction, there is federal

land under their jurisdiction. But there is a joint economic and health problem, and I agree it should not be just one level of government in terms of this issue. I think we should try to develop a joint action plan with the federal government based on safety first as the criteria and economic opportunity second. It has to be, if you start from the community up, it has to be both jurisdictions. By definition things that have happened historically have not necessarily taken the longer term issues into consideration in those communities.

* (1650)

Similarly in health care, we have a situation now where, for example, in Island Lake there must be thousands—I do not know the exact count but it must be getting close to 10,000 people residing in those five communities. That is a huge community by Manitoba definition, and it is, in my view, better to have health care services closer to the community, appropriate to the community. Obviously, prevention is best. Recreation programs are better, and programs like home care and programs that can keep people living in the community in dignity make a lot more sense than medivacs and long-term stays in southern-based institutional care.

Is there any work going on between the provincial and federal governments? I know the Minister of Health (Mr. Stefanson) indicated that the new nurse recruitment program would be available for northern nursing stations that are short staffed. I think that has been passed on to those communities. Has there been any work on again a huge, huge challenge for us as a province, again with the changing demographics, huge population growths in some areas, to get a kind of co-operative long-term program rather than just relying on the, it is your job, it is my job? So what happens is people get moved from one community to another with medivacs that are expensive and programs that are expensive in the south when cheaper programs closer to the community can be and should be made available where populations and health care warrant with the provincial and federal governments working together, first on prevention and secondly on some of the community-based programs that are necessary and should be located closer to communities rather than further away.

Mr. Filmon: Well, I certainly agree with the objectives that the member has laid out. In terms of the detail of what has gone on and what discussions have taken place and what arrangements are being worked on, I really cannot speak to that. The Minister of Health would certainly be able to respond to that.

Mr. Doer: Has the Premier of this province ever met with the Prime Minister and the Minister of Indian Affairs to discuss this huge, huge—when you look at the demographics, when you look at the population changes by the year 2010, it seems to me that on a federal-provincial relations basis, this is the biggest challenge anybody has to face. It seems to me that the old way of saying it is your job because you are provincial and your job because you are federal is not in the end going to move us forward if we do not have a kind of common sense way to provide opportunity, to provide education and training programs, to have the people be able to take the jobs of the future, a longer term strategy to deal with Canadian citizens who live in Manitoba in First Nations communities and adjacent to them.

Has this government had any discussions with the federal government at the highest level and the minister responsible to just say, listen, we have got to do something about this, it is a very serious problem, it is not going to get better unless we have a long-term action plan in place?

Mr. Filmon: Absolutely. Not only has my Minister of Northern and Native Affairs (Mr. Newman) had numerous discussions with his federal counterpart on the matter and put in perspective the magnitude of the challenges as we see it, and it is one of the biggest challenges. But when I had an opportunity to have a private dinner with the Prime Minister about a year and a half ago, and he asked me to lay out for him what our biggest challenges were, it was one of the two or three largest challenges I laid out to him. What I found intriguing and comes up, obviously, over and over again in a whole variety of ways is the fact that federal politicians, when they think about the challenges of a very rapidly burgeoning aboriginal population, still think in terms of programs aimed at those who are on reserve in First Nations communities. When I pointed out to the

Prime Minister that that was only essentially addressing one-third of the problem and the issues, I think he was taken aback. We had a lengthy discussion which I laid out for him that, in Manitoba's context, somewhere between 60 percent and 70 percent of all First Nations and aboriginal people live in the cities, towns and villages of our province. They do not live in the First Nations communities and that every time they developed a program, and they might do it hand in hand with the Assembly of First Nations, that they were leaving out two-thirds of the aboriginal people from the access to that program.

I had the same discussion with Mr. Axworthy, I might say. As a result, I think that they have attempted to do some things that are addressed to urban aboriginals and people living off-reserve, and unfortunately that has created a backlash. Now when we went to—in Regina this year and in Winnipeg last year, the annual meeting that has been set up between the premiers of Canada and the leaders of the aboriginal peoples of Canada, we get a very, very sort of strident position being taken by notably the leader, the Grand Chief of the Assembly of First Nations and the president of the Metis Council of Canada who say that organizations like the Winnipeg Aboriginal Association have no status and have no right to get any programming money, any funding. Everything that is directed at aboriginal people, they say must be directed through only those two organizations. They do not recognize the existence of any other organizations.

Frankly, that is a real detriment and a real roadblock to making progress. We have got to recognize that wherever the populations are who need the programming, whether it is for social services, recreation, education, health, any of those things, we have to find community-based organizations who have the capacity to deliver these to the best possible extent to the people involved. We cannot stand on ceremony and put boundaries around certain organizations and say only they are entitled to receive funding. It is a challenge that I believe is very important for us to undertake, but breaking down the barriers that have been set up by formal relationships that have been established in the past is going to be our biggest challenge.

So I say to the member opposite that we want to be able to work with all of the aboriginal peoples of Manitoba. We want to be able to say to the federal government: let us collectively address the challenge of our First Nations people. We have already crossed the barrier where unilaterally, I believe it was back in 1992 under the Mulroney government, that they began to offload the costs of social services to aboriginal peoples in Manitoba. It is now estimated that it is costing us over \$30 million a year for services that we used to get paid for—these are First Nations people who do not live on reserve, and they are not being paid for in terms of their social services by the federal government any longer, and we have got to deal with it. But the federal government is taking a very hard line position.

Premier Romanow and I have very strong common cause on this one because we are in exactly the same position, and the proportion of our populations that are aboriginal peoples is just about the same. So we have worked in concert on it, but even under the Social Union Framework Agreement we held out to get some acknowledgement of this special issue which is basically an issue for western Canada.

* (1700)

I have to tell you that even in Ontario, where there are some reasonable numbers, as a percentage of population, it is so small that it hardly impacts on their radar screen in terms of a policy issue. Once you keep going east from there, it becomes less and less of an issue, but in Canadian terms, we have over 10 percent of our population who are aboriginal people. Saskatchewan is about a half percent less than us and Alberta is 4 percent. Then after that there is nobody else in the country who is any more than 2 percent, so the issue is really concentrated here. It is our biggest challenge, and it has to be part of the development of any opportunities in the future, economic opportunities or opportunities to improve our population's health status, our social status or any of those things

In fact, at the conference that was held in March in Regina, as well as the one that was held in Winnipeg in November of '97 between the aboriginal leaders of Canada and the

premiers, we called on the Prime Minister to hold a national conference, a special conference of First Ministers and aboriginal leaders on aboriginal concerns, but it seems to be falling on deaf ears.

Mr. Doer: Has the government prepared an analysis of the recent court decision talking about the right of First Nations people in urban communities to vote in band elections, and what impact will that have on the federal offload for the provincial government here in Manitoba and Saskatchewan?

It seems to me that the consistent message from that decision, notwithstanding your comments about the national grand chief, you may have more in common with the national grand chief and its precedent from the Supreme Court to go back to the federal government now on the offloading of social services based on this national decision. Has there been any analysis of it? Will you and the national grand chief now become allies on using this precedent for another matter as a way of using a legal precedent, if you will, if a moral argument cannot be utilized, a legal argument that is consistent with this Supreme Court decision on responsibility? It seems to me rights of individuals to participate in their community's elections also would be reflected on responsibilities of the federal government for programs off-reserve.

Mr. Filmon: I want to agree with the Leader of the Opposition's interpretation of what that court decision might mean. We had in the past been so frustrated that we were prepared to go to court to challenge the federal government's unilateral decision to offload its responsibilities for First Nation people living off-reserve. We were cautioned by constitutional legal advice that there was a real downside to that, and that we ought not to proceed.

Both Premier Romanow and I have kept it as a failsafe that we might still attempt to go to court to make the challenge in the frustration for not getting the attention of the federal government on the matter and on a whole series of matters on aboriginal issues. With respect to this particular court decision, because I said I think that it does have the possibility of giving us a lever to have the court say that indeed the

federal government is responsible financially for First Nations people living off-reserve if they have the rights also to vote on reserve, and they are still considered to be residents and citizens of those First Nations communities.

I understand that our legal staff from Manitoba have been meeting just very much in the last few days with the Saskatchewan government's legal staff on the matter, and that they are trying to put together a collective opinion for our two governments, because we took the position a number of years ago that we had the most in common and the most reasons to be aggressive on this. Indeed, I have talked with Grand Chief Fontaine, and I am not in any way suggesting that I do not co-operate and work with them. I mean, he and I and the Saskatchewan government are absolutely in concert on this position.

Mr. Doer: I was wondering whether after the conclusion of the analysis and the "collective opinions of lawyers from two provinces" on the one hand, on the other hand it just seems to me as a layperson on a gut level that the precedent is a useful one for us, and could that be provided to members of the opposition?

Mr. Filmon: Mr. Chairman, I would consider it, but I would also take advice from them as to whether or not they believe that we should tip our hand by sort of putting out our opinion publicly before we decide to go to court.

Mr. Doer: I think our hand is pretty nicely tipped. There is a problem with the Mulroney unilateral action and we want it rectified, we want justice. However, we will leave that position to you. The Premier is being cautious and he should be cautious.

Another matter of court with the federal and provincial governments is the whole issue of gun registration, C-68. We disagree with the measures in C-68 on registration. I think now four years later the view that was held by those of us who believe it was going to be costly; it was going to come out of police services. The registration costs were going to be much higher than estimated; the budgets would be higher; more people would be employed. I cannot understand why, if we are going to spend

money, we do not have more border guards to prevent illegal guns coming in from United States rather than this kind of "gotcha politics" from the federal government, creating some real degree of concern by people in Manitoba. We were on the same page on C-68. We agree with the government on taking the federal government to court along with the Saskatchewan NDP and I think the Yukon NDP is part of this case. I am not sure whether B.C. has jumped in or not. I know Alberta has. But I certainly agree with the government, and hopefully that would lead to not a court case where winner takes all but rather the federal government and the federal Justice minister coming back with proposals that actually have some consensus with the public—the governed as opposed to just decisions made unilaterally by the governors, by the federal government.

Have there been any discussions with the provincial government, with the federal government on this matter, or are we just getting extensions on the implementation of this granted and the federal government proceeding to defend their position and the provincial governments, particularly in western Canada, certainly the three prairie provinces, opposing this provision?

* (1710)

Mr. Filmon: I gather this is the subject of ongoing discussions. I will just note for whatever it is worth that we have a new ally who will be joining the provinces in the challenge: New Brunswick's new premier, Bernard Lord, as part of his 100 promises, promised to join in with Manitoba, Alberta, Ontario and Saskatchewan, I guess it is, in the challenge to Bill C-68. So that is interesting because it now spreads into an area of Canada that had previously been co-operative with the federal government on the issue.

We are also getting many, many reports about the administrative costs, the withdrawal of RCMP resources in order to fund the gun registration, all of those issues that we argued would take away from safety and security and just simply put into a bureaucratic system. It appears to be being confirmed, but on the issue of the challenge, I do not know at what stage the issue rests. I do not know if it is in the Alberta

Court of Appeal or where it is at the moment, quite honestly, so maybe I can get some advice on that.

Mr. Doer: The issue of disaster assistance from the 1997 flood, there was a considerable amount of discussions between the provincial and federal government, interpretations of the disaster assistance program, amendments on three separate occasions by the provincial government for coverage pursuant to that program and different estimates of the amount of money necessary and the amount of money provided by the provincial government and provided by the federal government. One, do we have a negotiated agreement with the federal government on all matters related to the 1997 flood in the Red River Valley?

Mr. Filmon: Well, it is fair to say that we have an agreement in principle on all matters, but, for instance, our initial contemplation was that the flood proofing would be in the range of \$150 million to \$200 million, and I do not think the federal government has agreed to all of that. They keep agreeing to it one phase at a time.

The member opposite may know that a number of the issues that we thought might be covered in the city of Winnipeg's flood proofing were left out, because the federal government has yet to agree to fund some of the dike improvements within the city of Winnipeg. What is our current number that is agreed to by the feds? About a hundred million. So if we were to do what was contemplated at the time, on May 1, 1997, that Mr. Axworthy and I signed that agreement in principle, we would still have another \$100 million worth of work to do.

The federal government has not said it will not go ahead, but it obviously is leading each step of the way to a subsequent negotiation and discussion in which they may or may not agree with the ultimate proposals that we put forward. Our Natural Resources people believe that for us to do the job as well as we can and in a justifiable manner, there are proposals, as the member knows, to deepen the floodway which would put us into hundreds of millions of dollars, but we are just doing what we believe are the absolute necessities at the moment to

protect us against a flood of similar proportion to 1997, with maybe a little bit of extra safety factor.

We are not talking about one-in-500-year flood which some are saying we should be contemplating being able to protect against. That would require a great deal more effort in cost-benefit studies. You know, the cost of several hundred million dollars investment versus the impact of this happening one in 500 years has got to be really worked out in the longer term. So we are going at it a step at a time.

With respect to all of the other programs, there are all sorts of things, like the JERI programs that were addressed to small businesses in the valley and to agricultural producers in the valley, some of which were entirely federal dollars. There have been issues and concerns with that because the federal government that was handing out \$5,000 cheques at the time of the 1997 federal election has been earlier this year collecting that money back, or attempting to collect the money back, saying that it was only supposed to have been an advance, and that if people cannot produce receipts and confirmations of payments, they are not entitled to keep the money and things of this nature. It has been very complicated and difficult, and obviously these are parts of the federal response that we were not a party to.

With respect to the Disaster Financial Assistance arrangements, I believe that we have had a reasonably satisfactory resolution to all of those issues, maybe taken in some cases a lot longer to get the payments in and to get the approval of the accounts submitted. But we have financed it all through the piece, and we believe that when we take into account our contributions—for instance, we had to add a number of properties that were not covered by the Disaster Financial Assistance program and those were rental properties or vacant properties, farm properties that were not covered—when we take it all into account, we will be paying approximately, I think, 75-25 as opposed to the 90-10 that the feds kept trumpeting during the election campaign, that they were putting in 90 percent of the money because a number of these things that we insisted in fairness had to be

covered. They eventually agreed to, but only on a separate 50-50 basis.

The rest of it is going along. We certainly have not collected any money recently. I think there is probably a lot of bills outstanding, but that is fairly typical. We, in previous flood disasters, have waited three and more years to get reimbursement for the money we have put out.

Mr. Doer: The Premier mentioned three or four years. In his Estimates, we have dealt with the '96 flood before and the dispute about using municipal staff and equipment and that being covered by the disaster assistance. The Premier indicated that on one of the Team Canada trips, he had discussed this matter with the Prime Minister and had promised to provide documentation. Has the '96 flood in the western region of the province, where municipalities used equipment and staff and felt that that was the appropriate way to proceed and that was not included by the federal government, has that flood been dealt with and concluded?

Mr. Filmon: We will have to check on the status in the '96 payments and report back.

Mr. Doer: In terms of policy, did the federal government finally agree that using on-site graders, on-site staff and people expert with the local situation made more sense than going out and hiring people and then having to deal with people that are not even conversant with the terrain and communities and concerns?

* (1720)

Mr. Filmon: No, they have not accepted the method of dealing with it that whoever is on the scene should be paid for the work. They will only pay municipalities who are using their own equipment for the work which is (a) the most rapid response, and (b) the most effective response, and (c) the cheapest response. They will only pay them I believe it is a factor of 16 or 17 percent of their costs, which they believe to be the out-of-pocket portion of the cost to the municipality that pays for no wear and tear on equipment. It probably pays for no operator time. I think it just pays for fuel and a little bit of other costs, so it is an unfair situation.

Now, I do not want to suggest that we are behind the scheme, but what is happening is that municipalities are working for each other and billing each other, so then the whole bill becomes reimbursable. It is an unfortunate situation to put municipalities into, but I believe that some of that is happening to counteract what appears to be a senseless federal policy.

Mr. Doer: So we could have a situation where a community is, and I am not using these as an example, but this would not be appropriate, but you could have a situation where one community, Morris, has its equipment being utilized and paid for by Rosenort, and Rosenort could be using the Morris equipment. I am sure that is not the example, but that gets covered 100 percent by the federal government, and that is actually going on in Manitoba?

Mr. Filmon: I am not suggesting this is happening, but it could also be that Rosenort hires Morris to construct their dike, and Morris hires a private contractor to do theirs.

Mr. Doer: Maybe my guess was accurate. No, I know that, I just mentioned those communities because we had an opportunity to visit them in the middle of the crisis in '97. So the flood of '96 has not totally resolved the issue of municipal funding, and its response to disasters is not resolved. We may have municipalities having creative ways of advocating following the rules but not, you know, because the federal government is being too rigid and inflexible. The purpose of disaster assistance is to assist people in disasters, not to have a situation where the economic fortunes of a community are so compromised by the disaster that it is such a huge hole to get out of that the community will take decades to do so. Well, that is unfortunate.

Mr. Jack Penner, Acting Chairperson, in the Chair

In the 1997 situation, has the federal government considered any cost to the City of Winnipeg as part of the disaster assistance of that flood of 1997? Are we saying then it is better to have the city flood as opposed to spending money to prevent flooding? Is that the message that is being made? It is better to have the actual disaster in terms of compensation, not

for the people, for more flexible treatment by the federal government, than it is to have prevention measures in place, which seems to me to be the more logical way to go and would seem to most citizens to be—not all citizens in this community—a better way to proceed.

Mr. Filmon: Firstly, the bills for whatever damages occurred within the city and there were many—I mean the areas of the member for St. Norbert (Mr. Laurendeau) and others, Christie Rd., which was in the Speaker's constituency. There were plenty of damages for which Disaster Financial Assistance claims have been made and probably paid out to the residents involved in the commercial enterprises involved and so on.

There have been some elements of the floodproofing of the city of Winnipeg that have been included in the current hundred-million dollar commitment, but they are not the big-ticket items. That includes the pumping of the outflows of, for instance, sewer outflows into the Red River where they are below flood stage. Under flood circumstances they are below the water level, and that means we get the sewer backups, the potential for basement flooding, and all those kind of things.

Fixing that and fixing a number of other major problems have not been included so far by the federal government. So what we are doing is cost-sharing a risk analysis with IJC of what things need to be done in order to adequately protect the city of Winnipeg against a further flood event that would be equivalent to or slightly greater than what occurred in 1997. It is our hope that that risk analysis will demonstrate to the federal government that the city came very, very close to having a major disaster and that, indeed, an ounce of prevention is worth a pound of cure. It would be much cheaper for them to be putting these dollars into this flood prevention as opposed to risking, tolerating another major flood in which the protection work for the city of Winnipeg, which was just about stressed to the limit in 1997, would fail. So that kind of thing is, we hope, going to come out of this risk analysis that we are cost-sharing with IJC.

At the moment, we do not have enough. It seems we do not have enough justification to

convince the federal government to approve these projects. We certainly as a province believe that these projects ought to be approved. The city has put them forward legitimately and, I think, conscientiously, but the feds have not yet approved them, and we hope this risk analysis will push them over.

Mr. Doer: When will this report be completed?

Mr. Filmon: I am informed it is a fairly extensive analysis, and we are expecting it later this year.

Mr. Doer: Will the risk analysis include communities all along the Red River Valley? Will it include communities just inside of the floodway? And will it include—well, I will just ask those two questions first.

Mr. Filmon: I am informed that this one just focused on Winnipeg because we needed the extra evidence to support the case that this had to be part of the floodproofing.

Mr. Doer: There are other studies now along the whole valley from, as I understand it, Fargo, Grand Forks, adjacent watersheds—part of the watershed rather, not adjacent ones, we do not want the adjacent ones connecting to us—the watershed area and up the valley here in Manitoba. That announcement was made by the federal Foreign Affairs minister in the height of the situation in 1997, a of couple meetings, where is that at?

One of the things you notice, the desire for all producers and the need sometimes to get on the land early enough to get the crop out before the frost and the first freeze-up sometimes gets us a lot of water quickly, as well as Mother Nature and other means. So where is the rest of the kind of study on the Red River outside of the city of Winnipeg?

* (1730)

Mr. Filmon: I am informed that this is being handled by the Foreign Affairs federal people, and it is the study of the international watershed through the IJC. It is running considerably behind schedule, and we are expecting an

interim report by the end of this year and a final report about a year later.

Mr. Doer: So both the risk analysis by the IJC and the committee to look at the total watershed area and the drainage challenges and flooding challenges, both of them will not be ready in time to take action for the year 2000 spring period. So it will be at least three years since the report was announced or the committee was announced, and the risk analysis will be not ready for the flood, the year 2000. Is that correct?

Mr. Filmon: Essentially that is correct. We do not expect to receive any report in time to initiate any construction activity before next year's spring potential flooding season.

Mr. Doer: Reading the Water Commission report, and I am sure the Premier read the studies attached to it, there was a study conducted—one of the presentations dealt with the floodway. Then there was a subsequent story in the newspaper with a thesis that had pretty strong conclusions.

Dealing with the subcommittee report dealing with the Water Commission review on the strengths and weaknesses on the existing floodway and the projected capital, has the Premier had his department review those analyses, and what is the status of those findings?

Mr. Filmon: The Department of Natural Resources is the lead agency in doing the analysis, and they are taking that information and utilizing it in their discussions with the federal government to attempt to persuade them of the need for additional investments over time.

Mr. Doer: Well, some of the conclusions from some of the subcommittee reports were massive amounts of investment, comparable to the original floodway itself. Obviously, the original floodway had both federal and provincial money in it. So have there been any discussions at all about the capacity of the floodway, the infrastructure on the floodway, the surrounding banks of the floodway and other analysis to suggest a fairly steep level of capital investment and a fairly high risk if that does not take place, with

the warning that we came within an inch of a rainstorm or a windstorm of getting further flooding in Winnipeg and I know in many other communities as well?

Mr. Filmon: My understanding, Mr. Chairman, is that there is not a consensus on what is the best action to proceed with because we are dealing with very substantial potential costs. I do not know what it would cost to, say, deepen the floodway, but I suggest it would be in the hundreds of millions of dollars. So they are doing their own further studies to try and arrive at what they consider to be the best investment of dollars, and then they would have to convince the federal partner to cost-share it.

Mr. Chairperson in the Chair

Mr. Doer: Has the Premier had any discussions with the Manitoba lead minister on the findings in the Water Commission report, the subcommittee report, and both its impact of doing nothing and the cost of doing something? Has the Premier had any direct discussions with Lloyd Axworthy on this matter or Mr. Duhamel? Are they aware or concerned about this, or are the costs so high, they do not want to discuss it?

It seems to me that there is more of a public sense of urgency based on the people's views of what happened and experiences of what happened in 1997. I agree we should know what the risk is and the analysis is and the cost-benefit, but it seems to me the longer we wait, the more we can be lulled into a sense of false security about something that is pretty serious to hundreds of thousands of people.

Mr. Filmon: I do not think we would attempt to lull anybody into a sense of security. I believe that we think that more must be done. It is a question of what extent we should carry this, but we have been trying to convince the federal government one piece at a time to do more and more floodproofing to give greater and greater security and protection. I am not sure that there is a consensus on the big-ticket item of essentially in some way massively increasing the capacity of the floodway. Until we have that position ourselves, I guess it would be difficult to persuade the federal partner to go forward with it.

The Minister responsible for Natural Resources (Mr. Cummings) has talked with his federal counterparts, both Mr. Duhamel and Mr. Axworthy, at various times about continuing the process, but I think it is fair to say that the big-ticket item has not been seriously put on the agenda as the best route to go at this point. I think that more studies need to be done on it.

* (1740)

Mr. Doer: I am not sure. The Department of Natural Resources is reviewing the report on the flood commission report. Will they be reporting, given the fact that this is a concern of all of us? Obviously, during the flood of '97, we had a lot of disagreement about some of the announcements being made after the flood for victims of the flood, but there was a lot of consensus in this Chamber on co-operating to prevent the flood. Votes were cancelled. People were out, whether it was the member for St. Norbert (Mr. Laurendeau) or the member for St. Johns (Mr. Macintosh)—well, people were out continuously working with their community, working with their neighbours and working with officials to try to deal with this crisis.

When will the Department of Natural Resources be completing its analysis, and will it be shared with all members of this Legislature, so that we will all have a common understanding of their analysis, their technical analysis, their technical reports, provided for the flood commission whose report was tabled in this Legislature?

Mr. Filmon: Various pieces of their analysis are being completed and taken into the discussions with the federal government for future action and financial commitments. So there is not one big sort of study ongoing, but there are a whole series of steps along the way of various pieces.

I would think that there would be no reason why we would not want to be public about our position on the issue. I would think that during the Estimates process the Minister of Natural Resources (Mr. Cummings) could probably give the member for Concordia (Mr. Doer) more information as to the status of any of the analysis.

Mr. Doer: I noted the Minister responsible for Western Diversification made a statement the other day, quote: that the process to access flood protection was bureaucratic. Whose bureaucracy was he speaking of? His own or ours?

Mr. Filmon: It must have been his. It certainly is not ours. We have a pretty good handle on it and we have been able to—there are, for instance, in the settlement, all sorts of issues that flow out of the flood event. We got down to really having something like 25 to 30 files that did not qualify under the normal rules, and there were choices to be made about reconstruction, mould involvement, all sorts of things.

We created a category called anomalies. We simply approached the feds to say: technically, these do not come under your DFA, so let us find a way to deal with them. I think we have dealt with them more on a cost-shared basis 50-50, as opposed to the 90-10, because we believed that they were legitimate cases that we had to find a solution for. So we are very flexible. I think he must have been speaking about his own bureaucracy.

Mr. Doer: Has any minister contacted the federal minister after his statements to try to find out? I mean to have a federal minister criticize a bureaucracy when we have not settled the 1996 flood yet, I thought was a little strange and not helpful. I notice the leader here, the provincial leader here, was also part of that apparent meeting. Did anything come out of it, what bureaucracy they are going to streamline, and where and when and how?

Mr. Filmon: The Minister of Natural Resources (Mr. Cummings) has never been shy about challenging the federal government if they have misspoken or misrepresented issues. It may not have been the federal minister that said that. It may have been Mr. Iftody and he has been unfortunately known to misrepresent where things are at and who is responsible for what and who is doing and who is not doing things. I must say that he has caused a great deal of consternation, I think, for his own bureaucracy as well as for our people trying to work on issues when we have put our position forward. We have passed things through our Treasury Board and Cabinet process and are waiting for a federal

decision, and he makes statements to the effect that we are stalling or we are holding it up and things of this nature. So he appears to, from time to time, say things that just simply are not accurate. That may be what the member is talking about.

There was an issue that came up about something being forestalled. It was the environmental assessment and review process, that is what the discussion was. Well, it was all federal issues. It was about the freshwater fisheries regulations and all of those which were totally federal. It was not provincial at all. So I can tell you that we were surprised to hear about this, but certainly it is the federal side that is stalling on that environmental assessment on the floodproofing.

Mr. Doer: So, if the federal government is stalling on the environmental side on the floodproofing, what communities are affected? Is Ste. Agathe affected? Is Ritchot affected? Grande Pointe? What communities would be impacted by this delay?

Mr. Filmon: We do not have the list. The Minister of Natural Resources certainly would have the list, and if the member wants to raise that in Question Period tomorrow, we will perhaps have him briefed and ready to go on it.

Mr. Doer: I will just brief you on all my questions for the next while, I am sure, or maybe not. But I thank the Premier for that offer, I appreciate it.

The matter of Devils Lake, we have asked questions here. We have offered the all-party committee. We have suggested communities be involved. Can the Premier advise us where those discussions are going and what is the capital expenditure for this year and what is its potential impact on Manitoba?

Mr. Filmon: I understand that there are still studies ongoing as to what is the proper solution to the Devils Lake problem. That funding has been approved by Congress not only for studies but for the development of the project. It is subject to their not being transboundary water transfers and to IJC approval, so it has strings

tied to it that at the moment provide some comfort for us.

* (1750)

Devils Lake continues to increase. The member may know the history that initially Devils Lake was in danger back a couple of decades ago of drying up, so all sorts of farm drainage was diverted into Devils Lake to give it source of inflow, but it has no source of outflow. So all that drainage work over a period of a lengthy dry cycle, and I think we are in the tenth year of the dry cycle now, has resulted in it being 25 and 30 feet above the datum that it was sometime ago. According to the governor, whom I spoke to a few weeks ago in Drumheller, it is now naturally overflowing into Stump Lake, which was predicted, but it still is not overflowing into any drainage channel that will take it into the Red River Valley basin.

We have said on the record and directly to Governor Schafer and his representatives that we are unalterably opposed to any transference of water from the Missouri River basin to the Red River Watershed. We will use every means available to us to oppose it, including IJC and any other mechanism that is required. His position is that if something is not done, obviously, that nature will take its course, that it is possible, but we are given to understand that it would take quite a number of years before natural circumstances cause that to happen, and in all likelihood we are entering into a dry cycle sometime in the near future that would perhaps forestall the problem for another cycle. That may be a seven to 10 years away kind of thing.

We have people assigned to the file who are in regular contact on it. Certainly, the Canadian Consulate in Minneapolis has been our contact point and have had representatives attending any meetings to do with it in the States and have kept us apprised of all the various different steps that take place either in Congress, Senate or at the local level.

Mr. Doer: Is there any court action contemplated by the province at this point?

Mr. Filmon: Well, we certainly would not rule out court action, but there is no action taking place that would result in court action, so if

somehow approvals took place to actually develop a project that violated our principles on the matter and did have the potential to transfer water interbasin, then we would take any action at our disposal, including court action.

Mr. Doer: Does the Premier know what authority the U.S. Corps of Engineers has in this regard? We received bulletins last year, which we raised as a concern to the Premier, about what authorities and what expenditures have been provided to the U.S. Corps of Engineers. In the budget before Congress now are there any additional funds to this project to the Corps of Engineers, and are there any strings attached to that?

Mr. Filmon: Essentially, the U.S. Corps of Engineers operate as a design and development arm for large-scale water projects in the United States. They have received small appropriations to do continued design work on potential solutions to the Devils Lake project. These are the matters that I said the funds were allocated subject to the conditions that they had to meet, which included IJC approval. The other thing to be aware of is that there are some very major opponents to this in the United States, notably the National Audubon Society and the Sierra Club who, if any action began on any particular development that resulted in an interbasin transfer, would be in court quicker than we would on the issue.

Mr. Doer: As I understand it, the National Audubon Society and the Sierra Club, the local chapters in Minneapolis, are also keeping their national offices apprised of the situation. Is there contact with our government, our people, to their people in Minneapolis, or do we do it through Washington, and how is that working right now?

Mr. Filmon: Our contact to them would be maintained through the consulate, as well as through the embassy in Washington, but our officials end up being at some of the same meetings as their officials are, and so they maintain a dialogue and exchange of information.

Mr. Doer: So there is notwithstanding the subject to provisions—are there any new funds in

the appropriations for the U.S. Corps of Engineers for this project in the '99-2000 budget?

Mr. Filmon: Apparently their fiscal year runs July to July, so the money that had been allocated is what we just were talking about, which was small amounts because the North Dakota congressional delegation continues to press that issue and continues to try and vote small sums on to various money bills to continue to fund the design costs for the Corps of Engineers. They have been successful in getting small amounts with all of the conditions attached that we talked about.

Mr. Doer: So July '99 to July 2000, in the congressional budget, there has been some money allocated to the U.S. Corps of Engineers, subject to the conditions the Premier indicated. Do we know how much that is?

Mr. Filmon: We do not have that file with us, Mr. Chairman, but we will try and get it for the member and see because some is allocated to studies and others have strings attached that cannot be touched, so it seems as though it has limits to it. At the same time I think we have to recognize that we have people out there who are continuously monitoring and are vigilant, and we do send people to any meetings that can report to us from these sources, though we will give him the actual status of what money has been allocated and how much of it can be attached.

Mr. Doer: As a former volunteer involved in the community efforts in Garrison, besides our responsibilities in the Chamber, I am very interested in it. Anything you can provide, obviously all matters we raise we are interested in, but some are longer-term issues for all of us.

I am not sure what the House leaders have arranged for us. I understand you are busy tomorrow. We need a time mutually agreeable, I suppose, through the House leaders. I do not have a long time to go. I am not sure about the member for Inkster. [interjection] An hour, hour and a half? Oh, okay. I have some other stuff.

Mr. Filmon: I will double-check my schedule. Tomorrow is time that I will be away from the

House, but I assume that we can pick several days in a row next week to complete whatever discussions we have.

Mr. Chairperson: The hour being six o'clock, committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being six o'clock, this House is now adjourned and stands adjourned till tomorrow (Thursday) at 10 a.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 9, 1999

CONTENTS

ROUTINE PROCEEDINGS

Presenting Reports by Standing and Special Committees

Committee of Supply
Laurendeau 2471

Standing Committee on Public Utilities
and Natural Resources, 1st Report
McAlpine 2471

Tabling of Reports

Supplementary Information for Legislative
Review for Manitoba Community Support
Programs and Manitoba Sport
for 1999-2000
Stefanson 2472

Actuarial Report on Civil Service
Superannuation Fund
Radcliffe 2472

Oral Questions

Gangs
Doer; Toews; Filmon 2472
Mackintosh; Filmon; Toews 2473

Winnipeg Police Service
Mackintosh; Toews 2474

Joint Forces Intelligence Unit
Mackintosh; Toews 2475

CN Transcona Shops
Reid; Praznik; Filmon 2475

Education System
Lamoureux; McCrae 2477

Mining Industry
Mihychuk; Newman 2478

Flooding
Wowchuk; Pitura 2479

Speaker's Ruling
Dacquay 2480

Members' Statements

Young Offenders
Penner 2480

Mining Industry
Mihychuk 2480

Golden Gate Middle School Concert
McAlpine 2481

CN Rail
Wowchuk 2481

Victor Tessessaze
Jennissen 2482

ORDERS OF THE DAY

Second Readings

Bill 33—The Special Payment to Certain
Dependent Spouses of Deceased
Workers Act
Radcliffe 2483
Lamoureux 2483

Committee of Supply (Concurrent Sections)

Labour 2484

Sport 2509

Consumer and Corporate Affairs 2525

Executive Council 2534