



Fifth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
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DOER, Gary	Concordia	N.D.P.
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DRIEDGER, Albert	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
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FILMON, Gary, Hon.	Tuxedo	P.C.
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HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
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KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
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WOWCHUK, Rosann	Swan River	N.D.P.
<i>Vacant</i>	St. Boniface	

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, June 23, 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 Pembina (Mr. Dyck), that the report of the committee be received.

Motion agreed to.

Standing Committee on Public Utilities and Natural Resources Second Report

Mr. Peter Dyck (Chairperson of the Standing Committee on Public Utilities and Natural Resources): I beg to present the second report of the Standing Committee on Public Utilities and Natural Resources.

An Honourable Member: Dispense.

Madam Speaker: Dispense.

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

Your committee met on Tuesday, June 22, 1999, at 10 a.m. in Room 255 of the Legislative Building to consider the Annual Report of the Workers Compensation Board for the year ended December 31, 1998, the Five-Year Operating Plans for 1998 and 1999, and the Report of the Appeal Commission for the year

ended December 31, 1998. Your committee also met on Tuesday, May 25, 1999, and Tuesday, June 8, 1999, to consider these reports.

Mr. Wally Fox-Decent, chairperson of the board, Ms. Pat Jacobsen, president and chief executive officer, Mr. Don Paul, vice-president of rehabilitation and compensation services, 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 Report of the Workers Compensation Board for the year ended December 31, 1998, and the Report of the Appeal Commission for the year ended December 31, 1998, and has adopted the same as presented.

Mr. Dyck: I move, seconded by the honourable member for Arthur-Virden (Mr. Downey), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. James McCrae (Minister of Education and Training): Madam Speaker, I am pleased to table the 1998 Annual Report of the Teachers' Retirement Allowances Fund.

Hon. Frank Pitura (Minister of Government Services): Madam Speaker, I would like to table the Supplementary Information for Legislative Review for 1999-2000 Departmental Expenditure Estimates for the Department of Government Services and Emergency Expenditures.

Hon. Mike Radcliffe (Minister of Labour): Madam Speaker, I would like to table the 1998 Annual Report of the Manitoba Civil Service Superannuation Board.

* (1335)

INTRODUCTION OF BILLS

Bill 36—The Registered Nurses Act

Hon. Eric Stefanson (Minister of Health): I am pleased to move, seconded by the Minister of Environment (Mrs. McIntosh), that leave be given to introduce Bill 36, The Registered Nurses Act (Loi modifiant la Loi sur les infirmières), and that the same be now received and read a first time.

Motion agreed to.

Bill 37—The Licensed Practical Nurses Act

Mr. Stefanson: I am pleased to move, seconded by the Minister of Education and Training (Mr. McCrae), that leave be given to introduce Bill 37, The Licensed Practical Nurses Act (Loi modifiant la Loi sur les infirmières auxiliaires), and that the same be now received and read a first time.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, first, I would like to draw the attention of all honourable members to the Speaker's Gallery where we have this afternoon Rick Borotsik, the member of Parliament for Brandon-Souris.

Also, seated in the public gallery we have fifty-four Grade 5 students from Souris School under the direction of Ms. Tressa O'Brien and Mr. Glen Wallman. This school is located in the constituency of the honourable Minister of Industry, Trade and Tourism (Mr. Tweed).

Also, eighty-four Grade 5 students from Henry G. Izatt Middle School under the direction of Mrs. JoAnn Eliuk. This school is located in the constituency of the honourable Minister of Culture, Heritage and Citizenship (Mrs. Vodrey).

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

ORAL QUESTION PERIOD

Flooding Compensation for Farmers

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, how fortuitous to have the member from Brandon here today, because Friday of this week, June 25, marks the 30th anniversary, since 1969, of the election of Len Evans as the member for Brandon East. Thirty years. I also believe that it was 50 years before Brandon had a representative in a provincial cabinet, before Len was appointed in 1969, so it is—

An Honourable Member: Time for a change.

Mr. Doer: Well, we will not be talking about the member for Lakeside (Mr. Enns), but he has seen a lot of members come and go, I would remind the member for Arthur-Virden (Mr. Downey).

Madam Speaker, today the mayor of Brandon talked about the tough slugging, with no end in sight, for southwestern and southcentral Manitoba. This region and regions of Manitoba have been hit with horrible weather, with prices last year, with other challenges of disease on certain crops, and it is truly a crisis for some producers. As I understand it, the Antler River Equipment dealership just went down and people lost their livelihoods and their jobs in one of our communities.

I think it is regrettable and very serious that the federal government would treat the disaster in the Saguenay or the disaster of the ice storm or the disaster in the Red River Valley different than this crisis.

Cabinet met yesterday, and I would like to ask the Premier: has there been any sensitivity to the plight of these people since the minister met, and has there been any movement between the Premier and the Prime Minister that he can announce out of the federal cabinet meeting after the unfortunate announcements made earlier this week?

* (1340)

Hon. Gary Filmon (Premier): As I indicated yesterday afternoon in our discussion of this matter in the Estimates debate, we are very, very concerned about the lack of response by the federal government to what is undoubtedly going to be a larger economic disaster to the province of Manitoba than was the flood of 1997. There does not seem to be an understanding of this matter in the federal cabinet. There does not seem to be an understanding of this matter by the federal Minister of Agriculture.

I can tell the member opposite that we continue to examine what alternatives we have to offer and to suggest to the federal government. The discussions, of course, have taken place even this morning, and I know that subsequently over the noon hour our Minister of Agriculture (Mr. Enns) was in contact with the Minister of Agriculture of Saskatchewan, Mr. Upshall. Mr. Romanow has continued his appeal to the federal government to do more than what they have proposed, and we will be working in concert with them. I intend to speak with Mr. Romanow as quickly as I can get hold of him and pursue the matter collectively.

There are a variety of different proposals that we believe could be viable, and it is our intention after meeting with different groups—and we are committed, I believe, to meet as early as Monday with representatives of the Association of Manitoba Municipalities who have requested a meeting. We are committed to get together with them to try and seek what may be viable solutions.

But there is no question that we believe the federal response is inadequate. We believe the federal response will not address many of the concerns, whether it be the local businesses that are being severely impacted by the loss of income from the customers, or whether it be the farmers who will face very dire prospects if they are not given more assistance, Madam Speaker.

Mr. Doer: Madam Speaker, in the early '90s, I think the former federal Leader of the Opposition and now Prime Minister was involved in rallying an attempt to get some programs changed to deal with the disaster of prices and commodity prices in the early '90s

which threatened many farms. Ultimately, all political parties got together with producers and went to Ottawa to argue for and bring to the cabinet table, and to the national media centred in central Canada, the absolute dire situation.

Given the fact that Parliament is not sitting at this point, and cabinet met yesterday—and I do not know when the next meeting is, but apparently it is a retreat next time—has the Premier considered an all-party delegation to work with producers and municipal organizations to show a united voice with Ottawa to get a decent crisis relief program, consistent with the crisis relief that we had in 1997? Can we join together and bring our voices to Ottawa if we do not get sensitivity back in Manitoba?

Mr. Filmon: Madam Speaker, I certainly appreciate the offer of the Leader of the Opposition and know that we have his support in the efforts that we will be putting forward. I believe it is important for us to be working from the same page with both farm leaders and municipal leaders and even Chambers of Commerce and others. I think building a consensus and a coalition is an important aspect of where we go from here.

We have certainly put in writing and verbally our great concerns and even our suggestions to the federal government. Obviously, they have been acting unilaterally even to the extent of the announcement that was made last Friday, and that means that we have to find a better approach. I believe the better approach does include the building of a coalition or a consensus, and it is part and parcel of the discussions that we will have underway over the next five days.

Health Care Facilities Food Services

Mr. Tim Sale (Crescentwood): Madam Speaker, in the fall the frozen food was supposed to go to the facilities, each facility going on one week after the other. It now becomes clear that HSC and St. Boniface cannot even receive the food that was supposed to be supplied to them, even though they are paying \$110,000 a month each for food they are not getting because the

renovations were never properly planned and were never costed. They are not even underway at HSC or St. Boniface.

Does the Minister of Health still believe that the frozen food facility is going to be able to provide meals to all nine facilities that signed on for this experiment which has gone so disastrously wrong?

Hon. Eric Stefanson (Minister of Health): I had an opportunity last week to meet with the board of directors of Urban Shared Services Corporation. As the member for Crescentwood knows, the board of directors consists of the CEOs of all nine urban hospitals along with four citizens at large. We discussed a number of issues, of which one of them is the coming on stream of both St. Boniface and Health Sciences Centre. Both of those facilities, both of those organizations are committed to come on stream. They are working with Urban Shared Services in terms of both the issues of the timing and the issues of the capital cost required to do some modifications at both facilities.

There are a few other peripheral issues as well, but both those facilities and the Urban Shared Services Corporation are committed to making it happen, Madam Speaker.

*(1345)

Mr. Sale: Madam Speaker, why would the minister say what he has just said when the manager of a facility, one Kathleen Richardson, told the staff the same day that Joe Sheil quit that the current facility was simply not able to supply the needs of Health Sciences Centre and St. Boniface Hospital? It could not physically produce any more meals than it is right now.

Mr. Stefanson: Again, I have just indicated I had an opportunity to meet with the entire board, with the individuals who really are on both sides of this issue. They are the board of directors of the Urban Shared Services Corporation. They are also the individuals who are the CEOs of all of our urban hospitals. They are committed to having both Health Sciences Centre and St. Boniface come on stream. The Urban Shared Services Corporation supports doing that, and they are working on making that happen.

There still is additional capacity within the existing operation, and there might be some other modifications required to the facility to ultimately bring both those facilities on stream, but both organizations and the Urban Shared Services Corporation are committed to do that.

Mr. Sale: Madam Speaker, will the minister not now admit that this whole experiment is a disaster, that it is over budget, that it cannot serve the meals that it promised to serve, that the time line is out of whack, that the hospitals are spending money, millions of dollars in total for food they are not getting and cannot get? Will he not now admit that he has to spend millions and millions of dollars extra, throwing good money after bad, because the facility he planned, his government planned, does not work, cannot serve the meals? Will he not now put it on hold?

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

Mr. Stefanson: I remind the member for Crescentwood that, by consolidating this service in one facility as opposed to doing it in nine other facilities, it will save in the range of about \$15 million in capital costs, less capital costs being invested in the one facility as opposed to nine facilities.

Again, you can certainly do it more economically in terms of consolidating all at one location as opposed to doing it at nine locations. The original business plan showed an annual savings of in the range of \$5 million. There have been some start-up costs. There have been some transition costs, but again, the Urban Shared Services Corporation will be coming forward with a revised business plan shortly, and again, this is not a short-term investment.

This is not something that is being done for six months or one year. It is a facility that will be in place for the next many, many years in the province of Manitoba, and it will save both operational dollars and capital dollars.

Youth Advisory Council Status Report

Mr. Gord Mackintosh (St. Johns): To the Minister of Justice. This so-called gang hotline,

where they pick up messages every five months or so, was announced before the last election at the same time as some other measures such as the military boot camps. Remember that hoax? The Youth Advisory Council was also announced that same day, before the election, to be chaired by Craig Morrissey of Thompson, and it was to provide a formal mechanism to involve youth themselves in solutions to youth crime based on the very successful B.C. model.

I ask the minister: how is that council doing?

Hon. Vic Toews (Minister of Justice and Attorney General): I am very pleased with the input of various community leaders and community organizations in respect of developing the policy for our government in respect of, I think, very successful youth programs. The member makes a passing reference to the regimented style of a youth facility—very pleased with what is happening at Agassiz Youth Centre. That program has been moving ahead very successfully, and I think many of the staff are very proud of the accomplishments that are being made, not only in terms of giving a regimented, structured atmosphere for the youth but also for ensuring that the youth are educated on a year-round basis in that particular facility. So I am very pleased with what is happening in that respect.

* (1350)

Mr. Mackintosh: This is just unbelievable, Madam Speaker. Can this minister not just come clean, 'fess up, simply admit that the Youth Advisory Council announced before the election as part of their get-tough plan has never met, not once? It too was bogus.

Mr. Toews: Indeed, during the time that I have been the minister, I have been very impressed with two organizations and two groups that provide me with very direct advice in respect of the development of youth criminal law policy. The first is the Provincial Council on Youth Crime, which is headed by the former mayor of Portage la Prairie, Mr. Glenn Carlson. This group in fact is performing a very important task, not only in terms of ensuring that the youth councils generally, the youth justice committees

generally are functioning appropriately, but indeed that policy is being developed for the cabinet and indeed myself to consider. I will finish the answer in the next question.

Mr. Mackintosh: Would this minister, whose government before the last election said that as part of its aggressive attack on youth crime, this Youth Advisory Council was essential to, and I quote, integrating the views of young people into the problem solving—would he and this government start integrating some truth into their fraudulent pre-election talk?

Mr. Toews: Madam Speaker, I think those comments by the member for St. Johns are uncalled for. The department in fact has been meeting with the Council on Youth Crime to ensure that we do in fact develop appropriate policies that are reflective of the concerns of our youth. The second aspect that I wanted to talk about is our youth justice committees generally, which certainly involve a community participation in youth justice and ensuring that our policies reflect what the community is looking for. I think these two organizations, then, the youth justice committees generally, which we are leaders of, leaders in Canada, are providing me with very, very important input.

Madam Speaker: Order, please.

Point of Order

Mr. Mackintosh: I draw your attention, Madam Speaker, to Beausheue. Answers to questions should be direct, should address the question that was posed. The question was very simple. It was: what has happened with this council, the Youth Advisory Council? Has it ever met? We are getting yada yada yada. Would he just answer the question?

Madam Speaker: The honourable Minister of Justice, on the same point of order.

Mr. Toews: I know that, as a socialist, the member for St. Johns is more concerned about bureaucracies and the names of committees. What I am concerned about is that our policies are in fact reflective of what our communities want, that we have appropriate input into the development of our policies.

Madam Speaker: Order, please. With the greatest of respect, the honourable Minister of Justice is responding to the question and not speaking to the point of order raised by the honourable member for St. Johns.

The honourable member for St. Johns did indeed have a point of order.

* * *

Madam Speaker: The honourable minister, to quickly respond to the question asked.

Mr. Toews: As I was indicating, the importance of involving the community, in whatever form, is very important. As I have indicated, through our youth justice committees and our Provincial Council on Youth Crime, we indeed have been obtaining very important information in respect of youth policies.

* (1355)

Video Games Rating System

Ms. Diane McGifford (Osborne): Madam Speaker, yesterday, in response to a question about the nonclassification of video games, the minister justified her inaction by saying, and I quote: The member has forgotten or misunderstood that video games can be pulled down on the Internet on computers. But, of course, the minister's point is illogical and intellectually inconsistent because videos and movies now classified can also be pulled down, downloaded from the Internet.

So I would like to ask the minister once again if she would end the political side shuffle and if she would tell this House her real reason for not classifying video games, many of which are brutally violent, sexist and interactive and yet classifying films and videos which, by contrast, are less extreme.

Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship): It is because this government does believe that there is a concern around video games that this province has in fact launched the first education initiative for parents, one that is not being launched anywhere else, to my knowledge, across the country.

It is only the member opposite who is doing a political shuffle, Madam Speaker, and hers is simply the typical line of the NDP. That is simply to take a parental role, no partnership, no co-operation with the community. It is our government's position that we in fact would prefer to be a part of a partnership, a partnership of parents, a partnership of industry and a partnership within government. The members opposite have no concept of partnership whatsoever.

Ms. McGifford: I would like to ask the minister why she has not developed a partnership with video producers and the producers of films but has chosen to classify these while she has chosen not to classify video games. Where is the logic? Where is the consistency?

Mrs. Vodrey: I ask the member opposite: where is her logic? We began classifying in Manitoba in terms of movies, and I would remind the member that it is a classification system, not a censorship system. Yesterday her questions very strongly implied censorship, not classification. In our province we have a film classification system. However, the availability of these video games is available without any classification done locally. It is done, classified, but there is a classification system which is international. It is our government's position that we would like to work in partnership with parents, with the industry and with government to provide information. Information does not have to start with the piece of legislation that the member opposite wishes to do. Again, I would reinforce the difference between both sides. Their side, Madam Speaker, simply believes in being big brother, move straight to legislation, total control. This government believes in partnership, working with communities.

Ms. McGifford: Madam Speaker, she could at least get my sex right. I am big sister, not big brother.

Madam Speaker: Order, please.

An Honourable Member: Georgina Orwell.

Madam Speaker: Order, please.

Ms. McGifford: The Minister of Education is just indicating his illiteracy in that comment.

Madam Speaker: Order, please. The honourable member for Osborne, please pose her question.

Ms. McGifford: Thank you, Madam Speaker. I think it is time for this minister to admit and I ask her to admit that this public awareness push of an already existing entirely voluntary rating system is merely a plan to try to win a few votes for an election. The whole thing will disappear right after.

Mrs. Vodrey: Madam Speaker, this is an important issue. Our government has accepted it as an important issue, which is why we have in fact begun this education initiative to give parents tools to assist them so that they can assess in fact what types of video games their children are watching. It is one that we are committed to. It is not one that I have found in any other jurisdiction.

The member herself knows that in fact ratings are not done in any other province in Canada or within the United States. Technology is moving so very, very quickly that it is almost impossible to look at how things can be classified so very quickly. The important thing is then to find a mechanism to provide a classification and an information system which is able to be used wherever people are, in the province of Manitoba, in Ontario, in Saskatchewan, when people go on holidays. This is an education tool. It is there to assist parents. But we have also made it clear, if in fact this does not prove to be helpful to families, then we have permissive legislation before this House which would allow us then at a date, if we discover this is not successful, to implement further legislation if it is required.

* (1400)

Physiotherapists Retention/Recruitment Strategy

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health. In Manitoba there is a growing concern, as we have more and more Manitobans who suffer back injuries and injuries of that nature, that there is a growing shortage of physio-

therapists. The waiting lists continue to grow as individuals with back injuries will now wait months before they can actually get their backs treated.

My question for the Minister of Health is: what is this government doing to address the need for additional physiotherapists in the province of Manitoba?

Hon. Eric Stefanson (Minister of Health): Again, Madam Speaker, as I have responded in questions from other members opposite, we have continued to dedicate additional resources in many areas of need, both in terms of attracting physicians, attracting nurses and reducing waiting lists and improving services. So, this budget, our 1999 budget, includes some \$194 million, a 10 percent increase, to address a number of the issues relative to accessing additional services and providing more support for more positions and retaining and recruiting our health care professionals.

Mr. Lamoureux: Madam Speaker, can the Minister of Health indicate, when we have 30, for example, graduates coming from physiotherapy this year and you based it on last year where we had approximately 50 percent, just over 50 percent who decided to stay in Winnipeg--does the minister believe that we have enough people who are entering into this profession to ensure that Manitobans are going to be provided quality service in dealing with issues like back injuries?

Mr. Stefanson: The short answer is yes, Madam Speaker. To continue to recognize the role of physiotherapists, we are bringing in some amendments to our legislation which will be introduced very shortly, which the member for Inkster I believe is aware of. We discussed it very briefly during the Estimates process. So, yes, we will continue to address ensuring that we have an adequate number of physiotherapists in the province of Manitoba.

Education System Standards Testing Breach

Mr. Kevin Lamoureux (Inkster): Madam Speaker, a final question for the Minister of Education, and I ask the question: can the

minister indicate if he accepts the findings in the Seven Oaks School Division report?

Hon. James McCrae (Minister of Education and Training): Madam Speaker, there are certain aspects of this report I find quite unsatisfactory indeed. However, the report does confirm that Mr. O'Leary breached exam protocol; we know that. That was previously acknowledged by Mr. O'Leary, and I notice that the Leader of the Opposition (Mr. Doer) has begun weaseling his way out of this situation or trying to at least. He initially said to Chuck Adler on the radio program that if his campaign manager did this kind of thing, he would resign. Well, he has been pretty quiet about that, but today he has engaged in some weaseling on the same radio program, and he is all over the place. The one thing the Leader of the Opposition needs to understand, I mean, if he wants to have credibility with the people, he should learn to face issues head on instead of running away and hiding from them. That is not leadership. Leadership requires courage, something the honourable member does not have, and he is not willing to ensure that his own campaign manager is above reproach.

Cardiac Care Program Surgery Cancellations

Mr. Leonard Evans (Brandon East): The Minister of Health and the government have made many announcements about increased funding for the health care system, and yet we learn of people who are in desperate need of heart surgery and whose operations are being delayed for long periods of time while the patients' health continues to deteriorate. I have a constituent in Brandon who was told on April 21 that he needed a multiple heart by-pass and who now nine weeks later has been apparently advised that, because of recent reductions in operating room time and hospital beds at the St. Boniface Hospital, no one in the system seems to know when his operation will occur.

So my question is: why is this happening, and how can we describe our health care system in glowing terms when it is not providing the necessary lifesaving surgery?

Hon. Eric Stefanson (Minister of Health): Madam Speaker, in the whole area of

cardiology, we have discussed this in previous questions from the member's colleague for Kildonan. Today in Manitoba we are doing approximately 1,100 surgical procedures annually; that is up significantly. Health Sciences Centre alone last year was doing 50 percent more surgeries. So that is all as a result of dedicating additional dollars to health care in the province of Manitoba. This budget alone dedicates an additional \$194 million, a 10 percent increase, which members opposite voted for and supported in large part because those dollars are going to address these very important areas like cardiovascular surgery.

So again, there have been significant improvements in terms of access to that service, significant reductions in waiting periods. Anybody who requires it on an urgent basis is dealt with within a maximum of 48 hours. Emergent issues are still dealt with in a short period of time. When it comes to elective surgery, again those waiting times have come down very, very significantly because of the significant increase in resources dedicated. I remind the Leader of the Opposition (Mr. Doer) and his colleagues, I am sure that is one of the many reasons they voted for this 1999 budget, because of the significant commitment to health care in this budget.

Mr. L. Evans: Can the minister—he can rattle off with a lot of statistics—appreciate the anxiety and the stress that this cardiac patient and his family are having to endure on being told of the delays, while his condition continues to deteriorate?

My question supplementary to that is: what is the extent of the planned reduction of authorized cardiac surgeries this summer at the major hospitals, and what will this do to the waiting lists?

Mr. Stefanson: It is for that very reason that we recognize the concern of individuals who require this surgery, the concern to families and so on, that we have consistently dedicated more and more resources in this area, amongst other areas but certainly within this area. It is for that reason that we are now able to do over 1,100 surgical procedures annually. That is why we have been able to increase the capacity at Health

Sciences Centre alone by 50 percent because it is a priority, and we have dedicated resources to do that.

Madam Speaker, there is one challenge across our health care system which is not unique to Manitoba. It applies to literally every province in Canada, one significant challenge, and that is the whole issue of recruiting more nurses. We have done a number of things that I have outlined on many occasions in this House, our \$7-million fund putting in place more permanent positions, but in the area of intensive care we do require more nurses. Like many other jurisdictions, we have a graduating class this October that I believe has 32 or approximately 32 intensive care unit nurses that again will continue to enhance our ability to do more and more procedures in this area.

So it is a high priority for our government. We have dedicated the resources to deal with providing the support for cardiac surgery, and we continue to work on the issue of providing the nurses required to provide that surgery.

Mr. L. Evans: Specifically, what action can this minister take to ensure that my constituent does not die unnecessarily because of what seems to be a summer slowdown in providing services, including cardiac surgery? I mean, how can we be sure that this person does not die unnecessarily because he is being deprived of a cardiac operation?

Mr. Stefanson: Summer schedules are not unique to Manitoba. They have been the case under our government, under previous governments and so on. That is certainly common in our health care sector, and it is common in other sectors. When it comes to the urgency of the individuals' surgery, those are decisions the doctors have the expertise to make. It is done within 48 hours if it is an emergent situation. If it is an urgent situation, it is still done within a very short period of time. If it is what is described as elective, our waiting lists are still coming down and still continuing to improve in a relative sense within Canada because we have dedicated the financial resources to this very important area to provide the services, to reduce waiting lists. The money is in place, and the waiting lists do continue to reduce significantly.

* (1410)

Cancer Radiation Treatment Waiting Lists

Mr. Gerard Jennissen (Flin Flon): My questions are for the Minister of Health. One of my constituents from Flin Flon is suffering from prostate cancer. He has been told that he will not be able to get radiation treatment for at least three months and perhaps for as long as six months, yet his cancer is very aggressive, and he needs the radiation treatment now.

Could the minister explain why there is such a delay when he is spending more than \$675,000 on TV, radio and newspaper advertising, claiming that health care waiting lists are not a problem?

Hon. Eric Stefanson (Minister of Health): Well, the member may have seen an article in one of our daily papers just recently on the issue of radiology technicians. There were quotes from the director of the Manitoba Cancer Treatment and Research Foundation about the issue of needing to attract more radiation technicians to Manitoba. Again, that is an issue that is a challenge for provinces right across Canada. So it is not a financial issue. The money is in place to do that. The money is in place to reduce waiting lists.

The challenge for the organization is to attract more technicians to provide the service. They are committed to doing that. I can outline in detail what that organization is doing to attract more technicians. They are advertising nationally across Canada. They are aggressively recruiting individuals. They are attending a conference of technicians, I believe this week, so they are taking all of the steps to attract more technicians to the province of Manitoba to continue to reduce those waiting lists.

Mr. Jennissen: Since the cobalt machine used to treat patients at St. Boniface Hospital is being shut down from July 5 until the end of August, could the minister explain why the province is wasting money on advertising instead of speeding up the necessary treatment for cancer patients?

Mr. Stefanson: I have just explained for the member for Flin Flon, who did not seem to appreciate it or understand it, that it is not a financial issue. The money is in place for the organization. It is a staffing issue, and a staffing issue that is not unique to the province of Manitoba.

You may have read the newspaper article that you refer to where they talk about Ontario having a program and changing the program and now having no graduates. So it is a challenge not only for Manitoba, but it is a challenge for many provinces in Canada.

We put in place the financial resources to provide the support, to provide the staffing. The organization responsible, the Manitoba Cancer Treatment and Research Foundation, is aggressively recruiting individuals into that area. [interjection] Yes, they are. They are advertising nationally. They are attending a conference of these technicians. They are going after individuals on a direct basis. So they are taking all the steps to bring into Manitoba more technicians to provide the services to continue to reduce the waiting lists. So the money is in place. The issue is getting the people to provide the service, and the Cancer Treatment and Research Foundation is doing everything to do just that.

Mr. Jennissen: Meanwhile, my constituent with that problem is actually looking to going to Saskatoon. I do not think that ought to be the case.

Will the minister have his staff look into the case of the Flin Flon patient then, a case that I have sent to him this morning in fact, to ensure that this patient receives the proper radiation treatment he so urgently needs and needs right now, not six months from now?

Mr. Stefanson: Madam Speaker, the member for Flin Flon refers to Saskatchewan. Saskatchewan has shut down a treatment unit due to the very same reason that we are having a two-month slowdown in Manitoba, due to the very same reason. [interjection] Well, the member refers to Saskatchewan. They have shut down an entire unit for the same reason, access to appropriate staff.

It is not a challenge just for Manitoba. It is a challenge right across Canada to attract more of these radiation technologists. We are doing everything in Manitoba in terms of putting the money in place, having the organization aggressively recruit individuals to fill the position. I believe they will be successful because they are doing a number of things to do just that. What that will do is that will continue to reduce the waiting lists for individuals like the member is referring to and for all Manitobans.

Cardiac Care Program Surgery Cancellations

Mr. Conrad Santos (Broadway): To the honourable Minister of Health. I have a 78-year-old constituent who wrote a letter to him and to me about his heart valve replacement need. He collapsed already, and he had undergone preparatory examinations since April. They were told he will be called for operation scheduling, but he had not been receiving anything. Whenever they called, they were told no nursing services available, no operating room available.

Will the honourable Minister of Health have time to look into this case?

Hon. Eric Stefanson (Minister of Health): Yes, I will, Madam Speaker.

Again, the member is asking a similar question to previous questions relative to cardiac surgery. This is not a financial issue. The money is in place to expand those services. This budget includes \$32.5 million for 650 nursing positions. I am assuming that is one of the many reasons that members opposite supported the 1999 budget.

The Leader of the Opposition is shaking his head. They voted for our budget. I believe one of the reasons they voted for our budget is because we have \$194 million more, a 10 percent increase in our health care budget, to address a number of very important issues to our government and to Manitobans. Certainly one of them is continuing to provide solid support for our cardiac surgery program. I will certainly look into the specific individual in the instance that the member brings to the House today.

Madam Speaker: Time for Oral Questions has expired.

Speaker's Ruling

Madam Speaker: I have a ruling for the House.

I took under advisement a point of order raised by the honourable member for St. Johns (Mr. Mackintosh) on June 3 respecting my intervention in his posing a question on that day.

I have reviewed the Hansard, and indeed the honourable member had put his question.

MEMBERS' STATEMENTS

Prostitution Transition Program

Mrs. Myrna Driedger (Charleswood): Madam Speaker, for the last four years I have been actively involved in addressing the issue of sexual exploitation of children in Manitoba. I know the importance of helping prostitutes leave the streets. I am pleased our government is working towards this goal with a new pilot project supported through the Justice Initiatives Fund. The province will contribute more than \$146,000 to the transition program for adults sexually exploited through prostitution programs. To be run by New Directions, the program will provide a one-year transitional program for 15 adult sex-trade workers. The objectives of the program include assisting participants with job searches and accessing further education, decreasing practices related to street involvement, developing better living conditions, increasing attention to personal health and self care, and reconnecting aboriginal participants with their culture.

Collaboration with agencies and organizations is an important part of this project. It was proposed by the Prostitution Diversion Group, which includes New Directions, Probation Services, the Winnipeg Police Service, the Public Prosecutions Branch, the Salvation Army, Training and Employment Resources for Females, Street Connections and individuals currently working as prostitutes. New Directions will work with the Children and Youth Secretariat, Prostitution Diversion Group, Winnipeg Gang Coalition for Healthy

Communities, Coalition of Drop-In Centres, Solutions to Overcome Poverty, Community United for Change, and other organizations.

This program provides us with a positive way to enhance public safety and the well-being of the prostitutes while improving the effectiveness of the criminal justice system. Thank you, Madam Speaker.

* (1420)

Cancer Radiation Treatment

Mr. Gerard Jennissen (Flin Flon): Madam Speaker, the waiting lists for radiation treatment have been among the longest in the country for the last five years. While the Filmon government has more than \$675,000 to spend on promoting their misguided health policies, they have spent little time or attention on this serious health issue. The cobalt unit used to treat cancer patients at St. Boniface Hospital is being shut down from July 5 until the end of August. As a direct result, as many as 10 patients a day will be denied treatment for this period, making waiting lists even longer. I can only imagine the anxiety and stress not only for the patient who is waiting for the treatment but also for the friends and families of those waiting.

One such patient is a resident of Flin Flon, who was diagnosed with prostate cancer in February and has been told it might be October or later before he gets treatment. His cancer is spreading aggressively. He has already had a very serious operation. He needs radiation treatment right now, not a quarter of a year or half a year from now. This is an appalling situation which needs attention. Sadly, in this case and many others, the patients and families are forced to look to other provinces for treatment. We have asked the Health minister (Mr. Stefanson) to cancel the promotional advertising and use that money to recruit radiation therapists. We hope the government takes this request seriously and finally makes radiation therapy a priority. For the sake of my constituent who agonized every single day over these treatment delays and for the sake of all those other Manitobans on waiting lists, I sincerely hope the minister will act swiftly to remedy this unacceptable situation. Thank you.

Tourism Statistics

Mr. Ben Sveinson (La Verendrye): Madam Speaker, Manitoba proved one of the country's more popular tourist destinations last year according to the recent figures from Statistics Canada. Total 1998 domestic travel, which includes other Canadians travelling to Manitoba as well as Manitobans travelling within the province, rose 16 percent to 6.19 million visits from 5.2 million in 1997. Domestic tourism expenditures in the province rose 19.7 percent to 769.2 million in 1998, up from 642.6 million in 1997.

The province's popularity as a vacation spot continues to increase with Canadians as well as Americans. Our province's many festivals and events, along with a broad variety of outdoor adventures, are important drawing cards for tourists. Manitoba has some of the best sports, arts, recreation facilities and natural beauty in the world, and when we add special events like this summer's Pan Am Games, the province's tourism appeal as a vacation spot is irresistible.

An estimated 100,000 visitors are expected in the province to attend Pan Am Games, many of whom will take in several other Manitoba tourist attractions during their visit. Tourism is one of Manitoba's more successful industries, providing employment for more than 52,000 people and generating more than 1 billion in annual revenue. Much of the economic well-being of Manitoba depends on this industry being healthy.

I would like to wish all the province's tourism operators continued success as we head into the busy summer travel season. Thank you for so capably showcasing our province's cultural, recreational and sporting opportunities to the world and for making our province even stronger. Thank you, Madam Speaker.

Education Facilities—ITV System

Mr. Oscar Lathlin (The Pas): Madam Speaker, the manner in which this government deals with the problems with the provincial interactive television system is symbolic really of the way northern Manitoba is often treated. The \$700,000 ITV system at The Pas and Flin

Flon schools did not work half the time, forcing students and staff to use telephones and faxes instead. Many call this frustrating experience a correspondence system and not a high-technology, leading-edge system.

In May the system was down for some three weeks at MBCI at The Pas and Hapnot Collegiate in Flin Flon and up for just two days. The provincial government for some four years heavily promoted the ITV system before it finally began operating last year in any Manitoba schools. This past semester it worked for half the time at Flin Flon and The Pas centres, costing the schools extra costs. Frontier School Division, Kelsey School Division and the Flin Flon School Division all had signed up for the program.

One major problem has been the fact that the equipment, parts and service all come from outside the North, delaying repairs when problems do occur. We hope that the commitment to train and employ a representative based in the North is acted on shortly. Provincial Education department officials say that the problems with the system are being worked out and this fall the system will work much better. Given the long-term potential of such systems, we hope the performance does indeed improve. For northern students graduating this month, the system was a frustrating experience.

The Minister of Education (Mr. McCrae) should review this program to see whether some of the schools should get their money back. Thank you.

Manitoba Society of Seniors

Mr. Tim Sale (Crescentwood): Madam Speaker, I rise today to pay tribute to the Manitoba Society of Seniors who recently completed the very successful Seniors Games in Carman. I want to pay particular tribute to this organization because I think it exemplifies the strong traditions of Manitoba's voluntary organizations that combines extremely strong advocacy. For example, the Manitoba Society of Seniors with other seniors groups across the country led the fight to defeat Finance Minister Martin's attempts to take away seniors benefits,

to legislate seniors pensions out of existence over time. They won that fight in concert with many other organizations.

They pressed and were successful in getting full, open and public hearings on the Centra Gas acquisition. At the same time, as seniors, they know how to play, to have fun. They recognize the great skills that seniors bring to our society and encourage their active involvement in every element of our society.

So I want to pay tribute to them and in particular recognize those of the Fort Rouge city centre branch of the seniors' association who today held their annual meeting at the Hudson's Bay store, on the sixth floor there, had a very good program and elected a new slate of officers. I know that they will continue the strong tradition of representing both the fun and the involvement that we all have with our seniors as well as the strong advocacy and strong stand of principles on issues that affect not just seniors but all of us in our society. So I commend the Manitoba Society of Seniors for both their activism and their great spirit of fun.

* (1430)

ORDERS OF THE DAY

House Business

Hon. Darren Praznik (Government House Leader): Madam Speaker, a number of issues. First of all, I think if you would canvass the House, you would find that there is unanimous consent to waive private members' hour today.

Madam Speaker: Is there unanimous consent of the House to waive private members' hour for today? [agreed]

Mr. Praznik: Secondly, I would like to announce that the Standing Committee on Law Amendments will be called for Monday next at 10 a.m. for the consideration of Bill 33. There are a number of Justice bills that we will also be announcing for that committee. I am just confirming the availability of the minister and will likely add those bills tomorrow to their list. That is, we are working that out with the

opposition. In fact, I have confirmation that the minister is available, so I would add that the Standing Committee on Law Amendments will be called to consider Bill 33 first, followed by Bill 4, Bill 11, Bill 12 and Bill 18, which I believe are all Justice bills.

Madam Speaker: For the benefit of all members of the House, I will repeat the announcement. The Standing Committee on Law Amendments will meet on Monday, June 28, at 10 a.m. to consider Bills 33, 4, 11, 12 and 18.

Mr. Praznik: Madam Speaker, for this afternoon in Committee of Supply, again if leave is required—I think we are all kind of a little bit losing track of where we are in the order—but for the Chamber would be the continuation of Highways and Transportation. In the committee room where Consumer and Corporate Affairs is currently meeting, that will also continue, and in the remaining committee room, we would ask if, with leave, the Department of Justice could begin their Estimates, which would adjourn at 4 p.m. and then resume the Estimates of the Department of Family Services.

Madam Speaker: Is there unanimous consent of the House first to consider the Estimates of the Department of Highways and Transportation, have them continue in the Chamber? [agreed]

Is there unanimous consent of the House to consider the Estimates of the Department of Consumer and Corporate Affairs in Room 255? [agreed]

Is there unanimous consent of the House to deal with the Estimates of the Department of Justice in Room 254 until 4 p.m., at which time the Department of Family Services will recommence for today only? [agreed]

Mr. Praznik: Madam Speaker, I would move, seconded by the honourable Minister of Natural Resources (Mr. Cummings), that Madam Speaker do now leave the Chair and that this House resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

Motion agreed to.

**COMMITTEE OF SUPPLY
(Concurrent Sections)**

JUSTICE

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply will be considering the Estimates of the Department of Justice.

Does the honourable minister have an opening statement?

Hon. Vic Toews (Minister of Justice and Attorney General): Mr. Chair, I am pleased to present to the committee the Estimates of Expenditure for Manitoba Justice for the fiscal year 1999-2000.

At Manitoba Justice, we undertake the development of programs and identify our priorities based on our government's and department's vision, our mission goals, and the input of the people of Manitoba. Our government's vision is to improve the quality of life for Manitobans. The vision of the department is a safe, just and peaceful society supported by a justice system that is fair, effective, trusted and understood. In Justice, we achieve this by providing a fair and effective prosecution service. We achieve this by managing offenders in an environment that promotes public safety and rehabilitation, by providing mechanisms for timely and peaceful resolution of civil and criminal matters. We do this by providing legal advice and services to government. We provide programs which assist in protecting and enforcing individual and indeed collective rights. Another important aspect of achieving these goals is to provide support and assistance to victims of crime and of course promote effective policing and crime prevention initiatives in our communities.

There are concrete programs and changes occurring every day in our system of justice, whether these changes occur in the area of policing, of policy, courts, correctional services, crime prevention, victims' services and indeed a myriad of other programs.

I have heard comments that expenditures made in one area are somehow misconstrued as

being a decision of government not to support services in other equally important areas of justice management. I think it bears repeating that the Justice portfolio has many competing areas, financially, philosophically, interest-based and constitutionally. The balance is a delicate one, and it is never possible to please all groups in society on a particular subject.

* (1440)

When there has been a horrific crime, we are all outraged about man's and, indeed in this age, woman's inhumanity to one another. Yet in the Department of Justice in our province, when such a crime occurs, we need to ensure that the rights of all people are met to ensure a fair, impartial justice system.

As Minister of Justice, I will speak out as an advocate for victims. I also am obliged to speak out for offenders to be held fully accountable for their actions. I will advocate for reform in the law when it is in the interests of the public we all serve and in the interest of public safety. In this context, it is important to remember that the primary responsibility for criminal law is of course the federal parliament. The provincial jurisdiction is limited to property and civil rights and other headings under the Constitution that have been specifically assigned to the province. So while we can make advances and achieve certain goals within the context of the province's constitutional jurisdiction, it is always important to remember that it is the federal Parliament who passes the laws and which we, as a province, indeed all provinces in Canada, have accepted the delegation of prosecuting cases under our Criminal Code.

Not all criminal statutes, of course, are prosecuted by the provincial government. That in fact is something that is always an ongoing discussion between the federal and the provincial governments. For example, the prosecution of narcotics, which is under the criminal law-making power of the federal government and the criminal law power still is prosecuted by the federal Department of Justice. We of course recognize then the need for co-operation between governments, between parliament and legislators, in order to ensure that the net, in so far as constitutionally and

practically possible, is a seamless constitutional net. So we advocate for reform in terms of improving our legal system generally, whether the primary area of responsibility lies with the federal government or where the province has a jurisdiction and a role to play. At the same time, if I do not, as Minister of Justice, support a strong system to defend an accused's ability to make a full and forceful defence and do not accept the ultimate independence of the judiciary to make rulings within the law, even when I disagree with them, our society will not have one of the most basic principles which I am sure we will all acknowledge is essential to a healthy community and province.

Just in the context of ensuring that accuseds have a fair trial, I am reminded very recently of a step that the Deputy Attorney General had to take by publishing a statement. This statement was a result of activities of not only the media but indeed of the Justice critic, the member for St. Johns (Mr. Mackintosh), publicizing the names of people charged with criminal offences, not only the names but indeed the criminal record of people charged with criminal offences before those cases were properly dealt with in the court. Again, that would concern me very much.

So I certainly approve of the statement of the Deputy Attorney General, who states in his message: in the past months and certainly in the past several days, a number of media outlets have published the criminal record and past conduct of persons presently charged with criminal offences whose cases are now before the courts. The media have refrained from doing this in the past, a decision the courts and the law have supported on the basis that to do otherwise could improperly interfere with the trial of a person accused of an offence. It is for this reason that counsel within the Department of Justice as well as the Attorney General and the former Attorney General cannot and will not comment on any suggestion that an accused person now before the courts has previously been involved in any court proceedings. To do so would be improper and could interfere with court proceedings now underway.

I would just parenthetically note that any lawyer, of course, knows that it would be

improper to do that, and so the statement here by the Deputy Attorney General, I think, serves as a very appropriate reminder.

Continuing on then, he states: the appropriate and lawful time to discuss such matters is when court proceedings are complete.

I think that for my purposes at this time, that is sufficient.

In Justice, we are focusing our efforts on making our community safer for all Manitobans. In the Department of Justice we have taken a three-pronged approach: No. 1, suppression and intervention; No.2, prevention; and thirdly, partnerships. We believe that this three-pronged approach will result in a balanced approach to respond to the many very complex issues facing our competing systems and services of justice in our province.

I would like to talk of some of the many exciting programs and services, Mr. Chairperson. I do intend on spending some time on this matter, within certainly my time allotment, to speak of the many exciting programs and services that are being offered in our province which have made it a safer place for people to live, which have contributed to a reduction in rates of crime not only in Winnipeg but in the rest of Manitoba, and indeed which I believe have contributed to an increase in the public's confidence in our system of justice.

Although I may sound optimistic—and I am. I am very pleased at the success of many of our programs. I am not as enthusiastic as the Free Press, for instance, in a recent editorial where it stated that the issue of gang violence was under control and implied that it was more or less a thing of the past. I think we have to be very vigilant to ensure that if it is indeed a thing of the past, that it remains a thing of the past. So I think that to simply say to this point in time we are successful in our programs and to neglect the challenges of the future would, in my opinion, be a serious mistake.

From the perspective of suppression and intervention, the government has taken an aggressive approach to the prosecution of individuals accused of breaking federal and

provincial laws. We have put more Crown attorneys in place to carry out this important work. They are following a policy of vigorously opposing bail where there has been violence or gang-related crimes. This means that, while awaiting trial, and of course subject to judicial approval, these people are kept in jail rather than being free to live in our communities. Or, if they are granted bail by the court, the Crown attorneys do argue for appropriate conditions to restrict the actions of the accused to ensure the victim's and the public's safety is paramount.

If a court finds a person guilty of an offence, our prosecutors will make an aggressive submission at the sentencing hearings within the parameters set by law. They will speak for the victims of crime directly in their submissions to the court, and indeed they will rely on victim impact statements in appropriate cases. Again, it is very important that, as a part of our new Victims' Rights Act, there is a specific provision ensuring that victims can be heard through this particular program.

* (1450)

I know the member for St. Johns (Mr. Mackintosh) had indicated that his preference would be to include oral victim impact statements when our legislation was last before the House, but, as he was well aware, the ability of the provincial government to adopt one of these programs is circumscribed by federal legislation. I am pleased, however, that the federal government is moving in the direction that many of us would like to see to give victims that option at their discretion to have an oral victim impact statement. As it is now, certainly courts call upon victims to speak at trial from time to time, but my understanding of the situation is that that remains within the discretion of the trial judge. I think we would like to see the emphasis shifted, as the federal proposals are, to seeing that discretion then moved towards the discretion of the victim.

Of course we would not want to make victim impact statements, either verbal or oral, compulsory. They should be available at the discretion of the victim and, of course, subject to the appropriate running of the trial. In certain cases it may not be appropriate.

All victims have a requirement to be informed about the progress of the case through the court process, and the act sets out the need for dealing respectfully and with compassion in dealings with the victim by all who work in the justice system. I think it is important to note that the overall conduct of the case on behalf of the people, on behalf of the Crown, which includes not only the victim but the accused as well, is carried by the Crown prosecutor. That prosecutor ultimately, after listening and making considerations, will be responsible for the carriage of that prosecution.

Mr. Jack Penner, Acting Chairperson, in the Chair

So it is very important that legislation not improperly interfere with that long-standing tradition of prosecutorial independence, and we need to respect prosecutors in the same way that we respect a doctor, a surgeon perhaps who makes a determination as to what to be done in the course of a particular operation. We do not have operations, generally speaking, by committee. We trust the professionals assigned to the task, and sometimes we, as lay people, do not necessarily understand why a doctor made a particular decision or a dentist made a particular decision or a chartered accountant made a particular decision.

In the same way, our Crown prosecutors, who I consider the finest in Canada, require a degree of professional independence that we need to respect, and so our legislation has to be framed very carefully and cannot be overly intrusive. I believe that anyone who understands the appropriate role of the Crown, appropriate role of the judge, the appropriate role of defence counsel, understands the importance of a vigorous, independent, prosecutorial authority. In this context then, we have to understand The Victims' Rights Act.

I want to say that, even though we respect the independence and professionalism of a prosecutor, we also want to hold them accountable and indeed hold each person in the justice system accountable. That is why I think our Victims' Rights Act and the dealings of victims with our professional staff require some measure of regulation. I believe our act, as new

as it is, is an act that has found the appropriate balance that is giving a voice to victims and not in any way improperly intimidating the prosecutor from a vigorous prosecution.

In this context, I want to say that I was reading a newspaper article about a case in Ontario where it was noted that our Victims' Rights Act was the only act in Canada, the only act, Mr. Chairperson, that in fact has an effective complaint mechanism. No other act in Canada, it was noted, had the effective complaint mechanism that our act has. The pendulum has swung back from the early 1980s and the introduction of the Charter when there was a public perception that only the accused mattered in a trial. Now the victims, those people who have been violated, are an integral and central part of the process. I believe that the dynamic has changed. The emphasis of the right of accused, which is, of course, very important, does not unduly impair the important role of the public and the individual victim.

Mr. Chair, the police across Manitoba, whether they are municipal police forces such as the Winnipeg City Police, the Brandon City Police, Altona, Morden, Rivers, Winkler, and others, and the RCMP are recognized for their professionalism and protection of the public. Consistently, in public opinion polls, the police rank as one of the highest institutions that the people of Manitoba, indeed of Canada, respect. We believe that our government has taken appropriate steps to provide not only our general tax revenues to provide assistance to municipal police forces, our government has provided \$2 million a year over and above any funding that we provide to the city of Winnipeg, to the Winnipeg Police Service in its efforts to increase the number of police on the streets to respond to the policing needs of all of our citizens.

Very recently then, of course, it was announced that the province will expand that \$2-million-a-year commitment in order to provide funding in excess of \$15 million for 62 police officers to be shared by the province's three largest enforcement agencies over the next five years to do things such as help fight organized criminal groups such as street gangs and outlaw bikers. The proposal, the next step in ongoing discussions with the major law enforcement

agencies, includes a two-year extension through 2004 of the program to provide the \$2 million and 40 officers on an annual basis. It also provides for funding for additional police in Brandon and across Manitoba with the RCMP.

*(1500)

Mr. Chairperson in the Chair

As our Premier (Mr. Filmon) noted, the need to fight street gangs and outlaw bikers will continue to be a priority of this government as we work hard to make our communities safer.

The funding proposal which was announced was made, I should emphasize, as a result of requests made by law enforcement agencies. Specifically in that context, the programs that will benefit from the recent announcements are the Joint Forces Intelligence Unit, the Winnipeg Police Service community policing, and the ViCLAS system, the violent crime linkage analysis system. Additional officers for duties to be agreed upon through consultation will be provided following agreement between the province and the police forces.

I note that there is always a measure of consultation, a measure of interaction with municipal authorities to ensure that we are working off the same page. So, while we may not always be able to strike an agreement immediately as to how resources should be implemented, I was very pleased to see that, as a result of the request of these municipal police forces and the RCMP, we were able to address some of the specific priorities that they had identified and targeted.

During the discussions with the police community regarding how these resources will be used, we will consider how the impact of these resources may be measured. It is always important that, when we fund matters, we also periodically re-examine how specific programs are doing. While that may not occur on a regular basis with smaller-funded programs where professional organizations are entrusted with certain amounts of money, certainly in a measure of this magnitude that would call for, and indeed I know it is expected by the municipal forces that we look on a constant basis

to ensure that any program is being effectively utilized and that it is of importance in the community.

I think it is important in this context to remember as well that government initiatives, government announcements, government programs go through many changes and phases and amalgamations. I think that is healthy. Government announces programs, but nothing should compel government to go down a particular path when it is demonstrated or shown that there is a better way of achieving the same result. So we have to be mindful of that particular issue.

Very relevant in that particular respect is the issue of the seizure of motor vehicles for prostitution-related activities. This was an announcement made in 1995 which identified a very important need. It did not identify particularly clearly how that need would be addressed and how the mechanism would be implemented.

So what we were able to do in a very careful, measured way, develop a program to reach the goal. The goal, I think, reflects the intent and substance of the announcement or plan in 1995, but in fact there were a number of steps that were important, intermediate steps that I think go to shore up that program and will eventually contribute to its ultimate success. I refer in that context to the development of johns and janes schools, and I understand that in respect to the janes school, the preferred term now is diversion camp. So we are clear on what we are talking about, I will utilize that term, provided I do not slip into the old term.

But again, these two camps or programs I think are very important in terms of an educational component, in terms of a community component. It was certainly embraced by community organizations across Winnipeg as being an important step, firstly, to let the customers of prostitutes know about the destruction that they were causing to their community and, secondly, with the money that johns were required to pay to attend this diversion camp or diversion school for the customers, the money was then used to fund the diversion camps, which have been very successful. Those camps are funded then by

money coming from the customers of the sex-trade workers or prostitutes. The prostitutes or sex-trade workers do not have to put any money in themselves to participate in this diversion.

It was after the implementation of that aspect of the program that the actual seizure-of-motor-vehicles legislation was announced, and both aspects still run concurrently. Judging from police reports in the media and in conversations with individual officers, this has certainly been a very important and useful tool for the police forces and, I would venture to say, for community organizations generally.

The last announcement in that series was then the program announced yesterday run by the New Directions, which will seek to offer a more permanent diversion for prostitutes out of the sex trade and to provide them with more healthy choices. I do not believe that most of these prostitutes, mainly women, engage in this trade as a matter of choice. They do so for a number of reasons, including drug addictions and lives that have involved no small amount of abuse. So it was important, I think, to continue along this continuum in that direction to provide these important services.

* (1510)

Another program that I think falls in very nicely with the emphasis on partnership, not only with community organizations or police, but in fact an intermediary organization, is the auxiliary police forces. Today across rural Manitoba, serving with the RCMP which is the province's police force, there are currently 140 auxiliary police officer positions which the provincial government funds. This has been a tremendously successful and important aspect of policing in rural Manitoba.

On June 10, our government announced that other municipalities will be entitled to augment or supplement their regular police forces by having access to 150 auxiliary police positions. This would include municipal police forces such as Winnipeg, Brandon, Morden, Rivers and Winkler. In addition, we will also expand the RCMP's contingent by 100 new positions, again funded through the provincial government. These auxiliary police officers, although sworn

as peace officers, will only exercise their powers when on duty with a regular police force. Again, we are very interested in working together with the various municipalities and, indeed, our own provincial police force, the RCMP, to ensure that these positions are fully utilized.

Manitoba has for years had the most aggressive policy against domestic violence in the country. We have taken this secret crime and made it a public issue that in combination with a high presence of police officers has resulted in higher crime statistics. I think it is important to note that if we did not have as an aggressive policy against domestic violence, our crime statistics, in particular our domestic violence crime statistics, of course, would be much, much lower. Our violent crime statistics generally would be much lower. I understand that of our probation orders alone in this province, of the 5,000 or so, there are approximately 2,500 which relate to domestic violence. That is a huge number.

You know, Mr. Chairperson, we could have kept this crime a secret crime, and for the sake of statistics kept our statistics down, but we think it is much better to ensure that people are safe in their homes as well as on the streets, that we pursue this particular policy. I note that other provinces that do not have this aggressive policy against domestic violence may have lower figures in terms of violence, but as Statistics Canada has noted for the first time, our higher violent crime statistics are directly attributable to the aggressive approach we take to domestic violence and the fact that this secret crime is no longer tolerated not only by citizens, but institutions of government and the courts.

I think it is important also to understand that our policy against domestic violence does not short-circuit the legal requirements necessary to bring forward an assault charge in this context. There still has to be the tests that the police officers have to meet, the Crown has to meet. What is taken out of the hands of the police officer is that once there is the appropriate legal test made that every crime investigation must meet, then discretion as to whether or not to charge the individual is taken out of the hands of the police. That is, in fact, what is known as

zero tolerance. Zero tolerance does not, in my opinion, condone the laying of charges where no appropriate legal basis exists. That legal basis must exist.

There have been many enhancements that have been made to respond to the recommendations of Mr. Justice Schulman's report on the inquiry into the deaths of Rhonda and Roy Lavoie. I am pleased to advise that virtually all recommendations affecting Prosecutions, Corrections, Women's Advocacy and Court systems, where in our control, have, in fact, been acted upon.

I might note that in at least one case a particular recommendation that was recommended by Mr. Justice Schulman was rejected by the judiciary, which we certainly do not pretend to have control over in our system of independence of the judiciary. We might disagree with them, as I have indicated earlier, but we respect their decisions.

The implementation of these recommendations have been acted on, and this has required the dedication of government and community partners in approaching new ways of serving victims of domestic violence. There has been an unprecedented level of negotiation and collaboration to achieve the significant results outlined in the report of the implementation committee released last November.

In addition, the government has committed over \$2 million on an annual basis to the area of domestic violence. An important aspect of this entire program is, of course, The Domestic Violence and Stalking Prevention, Protection and Compensation Act. This act has been introduced. It has been passed. In speaking to members of my department very recently, there, of course, are regulatory development issues which are, as I understand, very close to completion, and now the extensive training that needs to take place will, in fact, take place. The act should be in place in the very near future, and we are looking forward to ensuring that this civil act, which I think incorporates some of the best aspects of other acts across Canada but I think is unique in its total approach, will be unique in its success.

Last year, I informed this committee that we had set up a Lavoie report implementation committee to monitor progress on addressing Justice Schulman's recommendations in the quickest and most efficient manner possible. I also advised this committee that the 1998-99 Estimates of Expenditure provided a total of 24 new full-time employees and \$1.2 million in increased resources to implement the recommendation that fell within the purview of our department.

This issue continues to be of utmost concern and priority to the department and to the people of Manitoba. For this reason, I am pleased to announce, of course, additional supports, and these, of course, can be gone into more detail in the course of the specific Estimates. Added positions, added money to improve the delivery of programming and to increase our monitoring of domestic violence offenders is, of course, very, very important.

On April 30 of this year, it was announced that the province was funding a Family Violence Court research project. They received \$23,800 to continue collecting data and information on the operations of Manitoba's Family Violence Court. The establishment of this unique court signalled Manitoba's determination to deal with the silent crime of domestic violence in a specialized court. The information being provided by the centre will help government ensure the continued successful operation of this court for the benefit of all Manitobans.

* (1520)

It is my opinion that we will build on our existing record to improve the way domestic violence is handled throughout our criminal justice system from the time charges are laid right through the prosecution process. I might point out that the Family Violence Court was established in 1991 as a part of the government's overall efforts to deal with domestic violence through the zero tolerance policy that I have previously alluded to. The court has been noted for its effective work in dealing with cases of domestic violence.

Our government, as I indicated at the beginning of my opening remarks, will intervene

by advocating for changes in laws that are established by the Parliament of Canada. I spent some time at Justice ministers' meetings advocating for change. The law is not static and we must respond to the changing criminal elements in our communities.

One example of the need for change is the area of young offenders. I have taken positions forward which reflect what Manitobans have been saying. I want the law to deal firmly with respect to youth crime and especially violent youth crime, for if we can ensure that young people learn that there is no easy ride when you get involved with the justice system, then they will reconsider some of the choices that they are making.

Recently, I conducted, along with the member for Emerson (Mr. Penner) who was sitting as the Chair, a series of public consultations on the federal young offenders legislation. I heard from the people of Manitoba, young and old, of the need for ensuring that young criminals are dealt with in a way to ensure responsibility and accountability, but, at the same time, I also heard that we must give our young people positive alternatives to the criminal lifestyle. This is where we must speak or seek an appropriate balance, and, indeed, this was the message that I took forward to the federal Minister of Justice. I am pleased to report that I was able to meet with the federal Minister of Justice to leave a copy of our report and to speak about some of the issues that Manitobans raised with me in the context of those hearings, those hearings that were chaired by the member for Emerson (Mr. Penner) and which I might indicate were attended and participated in by many other members from the government caucus.

Our efforts to support young people through programming have been eroded for many years by continued federal reductions of funds for creative programs. I drew this to the minister's attention in the report, and, indeed, I have drawn this to the minister's attention on other occasions, where we want to make sure that even though young criminals must be held accountable and responsible, we also need to ensure that appropriate programs are there for those who require them.

We continue to partner with community organizations. The province agreed to a plan proposed by the Salvation Army Weetamah Corps Youth Initiatives that would see Manitoba contribute \$64,000 through the year 2002 to that award-winning program. I indicated at that time that our government is determined to give our young people the best chances in life to succeed. The Salvation Army had established this worthy program, offers young people alternatives to destructive lifestyles, including falling in with street gangs.

I know that there are ongoing concerns in respect of that particular program with respect to the funding. The Salvation Army and the provincial government I know are committed to working in partnership to ensure that we work together to resolve that particular issue. The issue of partnership and the success of partners have, in fact, made our community sports camps so successful, as well as other urban safety initiatives such as the Kildonan Youth Activity Centre, the Salvation Army Kid Zones and other programs, again, very important that we continue to partner with these programs.

Another program that I know members of the House are very interested in and which Manitoba is taking a lead role in is the Citizens on Patrol program. I know that throughout the province and the city this is an example time and again of how groups of volunteers can provide support to local police forces by being present and watching for signals of crime.

The member for St. Johns (Mr. Mackintosh) I know has, in his constituency at least, people who are interested in that, not only in respect of the COP program but other programs. I know that both the member and myself are very interested in ensuring that we can support not only Citizens on Patrol programs in our own areas of the city where we live but throughout the province.

The initial concern that I had was not that these programs were not successful in rural areas. They were very successful. What concerned me is how do we transfer that successful program into the city from the rural areas of Manitoba. My concerns I think were not warranted. To date, they have been

tremendously successful in lowering the requirement for direct police assistance in areas of the city. I know, for that reason alone, not only members in the government caucus but also opposition members have been enthusiastic supporters of this particular program, and the government of Manitoba is certainly pleased to support appropriate programming.

* (1530)

By and large, these Citizens on Patrol programs have been successful, certainly in the rural areas have been found to be responsible for reductions of up to 70 percent in criminal activities in some communities. In speaking to police forces in the city of Winnipeg, as well, we know that they are making a tremendous difference in our core areas and other parts of the city. For example, in the Charleswood constituency, which a member of the government caucus holds that constituency, has a COPs program. I believe it is called the Westdale Residents Association or that is the association that runs the COPs program. I have had occasion to meet some of the members on a number of occasions, and I know that while the program is not without its challenges, these programs always are with some degree of challenge, they in fact have been doing an excellent job in their particular part of Charleswood.

Our citizens are saying to us: It is our community, let us do the job of making it a great place to live. They are not asking government to pay for their time. They are saying that what they are doing is a necessary part of being a member of a community. Over 30 such programs are in place. I think my notes here might be a little out of date, because I believe that it is far in excess of 30 programs now, but a great number of programs are in place. With some financial support from the provincial government for some basic equipment, the volunteers are able to do their best to support crime prevention activities of the police.

There are other strategies that we have announced. I know that during the course of Estimates, I will be spending a great deal of time in talking about these strategies and ensuring that the member for St. Johns (Mr. Mackintosh) has all of this relevant information, not only the

financial aspects but the philosophical underpinnings and the administrative requirements of these particular programs, so that we can continue to develop through discussion and debate what is the most appropriate way of dealing with this program.

In this context, the program that we announced that we will be seizing motor vehicles from drunk drivers is in fact a very important step in a very successful program that has spanned approximately 10 years. There are a number of aspects to this program that I want to deal with. Not all of it deals with provincial legislation, but in fact much of it deals with policy and strategy in the context of our criminal courts.

There are a number of other matters that I would like to touch on. I know that my time is limited but perhaps a final note at this time, that is, the announcement that our province recently made in assisting the establishment of a national DNA data bank. On June 9 of this year, our government announced that Manitoba would help cover the cost of a DNA biology casework analysis system.

The province has agreed to share this cost in support of the establishment of a national DNA data bank in order to assist police to investigate crimes and help cases progress quicker through the courts. Again, this is in emphasis of ensuring that technology keeps pace with the demands that law enforcement officials find themselves facing. Once established, this data bank will contain DNA profiles of convicted offenders and crime scene indexes indefinitely forming a valuable resource for law enforcement agencies and prosecutors. Indeed, in certain classes of offences under the Young Offenders Act, DNA profiles entered into the data bank will be taken out at prescribed time frames.

The DNA data bank will be primarily funded, controlled and maintained by the RCMP in Ottawa, but we have agreed to cover \$1 million or 55 percent of the cost of the biology casework originating in Manitoba in the third year of the agreement.

So, Mr. Chair, that gives you perhaps a summary of some of the matters that we are

looking at. Indeed, I look forward to continuing some of this discussion in response to questions.

Mr. Chairperson: I thank the honourable minister for those comments. Does the official opposition critic, the honourable member for St. Johns, have an opening statement? [interjection]

In practice, debate of the minister's salary is traditionally the last item considered for the Estimates of the department, and accordingly we shall defer consideration of this item and now proceed to the consideration of the next line. Before we do that, we would invite the minister's staff to join us at the table. We would ask that the minister introduce the staff present at the table when they are here with us at the table.

Mr. Toews: I have with me Mr. Bruce MacFarlane, who is the deputy minister. I have with me Mr. Ron Perozzo, the associate deputy minister, and the responsibility is essentially for the Public Safety area. Criminal Justice Division is the formal title. Mr. Pat Sinnott is the executive director of Courts; and Mr. Rob Finlayson, the assistant deputy minister generally responsible for Prosecutions.

Mr. Chairperson: I thank the minister. We will now proceed to line 4.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$470,600 on page 107.

Mr. Gord Mackintosh (St. Johns): A preliminary matter, further to the retaining of Mr. Leonard Doust for an outside review as to whether there is basis for further investigation or prosecution following on the Monnin report. Can the minister tell us when Mr. Doust's report is expected? In other words, has he heard lately on any update on that?

Mr. Toews: As you are aware, as a result of the report coming down from the former chief justice, the honourable Justice Monnin, as a result of that particular report, the deputy minister undertook certain reviews and made a decision in respect of retaining Mr. Doust. Mr. Doust was given a mandate that I believe has been circulated publicly. I am just trying to recall, but I believe that I, in fact, tabled that in the House. If not, I could do so. If the member

does not have that particular announcement, I could also make that available. That, in fact, outlines the terms of reference, indeed the time frame. We are expecting the report to come down on or before June 30 of this year, so very shortly. We have not yet heard from Mr. Doust, so I am not aware of whether or not he will make that time limit of June 30, but any conversations in that regard or discussions will be done through the office of the deputy minister.

* (1540)

Mr. Mackintosh: Specifically, can the minister confirm whether there has been any extension requested by Mr. Doust?

Mr. Toews: I can advise the member for St. Johns that at this time no request has been requested and none has been granted.

Mr. Mackintosh: Perhaps the minister can help me, is his name pronounced Dow or Doust?

Mr. Toews: I guess for the record it is going to be difficult, but it is Doust, That is with a "t" at the end, so the "t" is actually pronounced. Doust.

Mr. Mackintosh: Just a question that follows on this, I know the deputy minister had travelled to Vancouver to meet with Mr. Doust. I am just wondering what the purpose of the travel was and what the nature of the discussions was when the two got together in British Columbia.

Mr. Toews: Just for clarification here because this is an extremely sensitive area, I have not sought advice nor given direction to the deputy minister on this matter. I do not want to be conveying instructions or positions that might in some way suggest that I have been advising or directing the deputy in this matter. This is an independent function of the prosecutor's office. What I certainly would be willing to do is to have the deputy prepare for me a report for presentation here at committee, and then I would want to table that report so that there is no misunderstanding in that respect.

Mr. Mackintosh: I would appreciate that because I simply seek information. I guess essentially from the deputy minister through the

minister is the line of communication that we have. I am just wondering if at the same time there could be a clarification as to what were the matters of contention between the deputy and Mr. Doust in respect of the terms of reference for Mr. Doust.

Mr. Toews: Just in that respect, I think it is better that the deputy refresh his memory in that respect and ensure that all appropriate facts are brought forward. I do not believe he was prepared to deal with that aspect of this issue right now. So I think in fairness we will defer that issue until the deputy produces the report for the committee. I think that can be done in a very quick way, and then if any questions arise out of that, I think we could use that document as a guide. I understand from speaking to the deputy that every request that was made by Mr. Doust was, in fact, granted by the deputy.

Mr. Mackintosh: There are five working days left before the deadline for Mr. Doust's report to be received. Will the minister commit to making public the report from Mr. Doust on the day that it is received from him?

Mr. Toews: If this were a regular government report that simply involved the finding of a public body such as the Chief Justice in respect of the entire inquiry that he conducted, I would have no difficulty in making that type of commitment. However, because this particular investigation and inquiry relates to an exploration of whether or not there was criminal activity that should be pursued, it must be treated in the same way that any criminal investigation needs to be treated.

So I cannot make that commitment, but I understand that the issue of release and the extent to which matters should properly be released remains in the control of Mr. Doust. That is the way it appropriately should be.

Mr. Mackintosh: Well, the minister, I am sure, has analyzed this to the extent of realizing that he has a discretion whether to release Mr. Doust's report or not, that he remains seized, if you will, of that responsibility. I wonder if he has already made a determination as to whether the report will be made public or not.

Mr. Toews: Well, in fact, it is not a matter I am seized of nor a matter that I should properly be seized of. This is, in fact, a matter for the independent counsel that was appointed to make that determination. One can only understand why that, in fact, should be. I think, if I am not mistaken—that is why I should have those terms of reference before me—I believe that it was specifically set out in the terms of reference that Mr. Doust would have that jurisdiction, and I might say that is a practice that I think any counsel in that type of position would always do. It is not something for the Minister of Justice and even the Attorney General in that role to be doing unless there is some overriding reason that would require that.

The concern that my direction in that respect gives is, of course, any future processes that might flow from that report. If it is seen that I have had even an indirect involvement in that particular process including the determination of what should be released, if anything, I think could give rise to some concerns. I do not want to in any way impose myself into that decision-making process.

* (1550)

Mr. Mackintosh: Will the minister at least commit to making public on the day he receives the report, and if he is not going to release the report publicly, the main findings or the essence of the report and recommendations of Mr. Doust?

Mr. Toews: Again, as the independent counsel, Mr. Doust retains the responsibility for doing that.

What I would like to be able to do, and I would certainly make this request of the deputy, is that if Mr. Doust requests any type of an extension, that I would be allowed to at least state that in the House or publicly in some way, because there is a public expectation because of the terms of reference that the report would be completed by June 30. So if June 30 comes and goes and nothing has happened, I think it would incumbent upon me simply to ask the deputy what has happened and, to the extent possible, can you explain why this has happened. If the report comes in, the extent to which I can

disclose the contents of the report is again within the mandate of Mr. Doust.

Again, I would like to be able to at least say when that report comes into my possession, that at an appropriate time, and I would see a very short time following that, to be able to announce that in the House so that at least the public of Manitoba is aware that that particular report is in my receipt or in the receipt of the deputy. I am not exactly sure where that report is going. [interjection]

I just indicate that the report, in fact, is going to the deputy, just to clarify that, and the extent to which it would even be shared with me is a matter for Mr. Doust to be determining. But if Mr. Doust indicates that the report is to go to me, certainly I would want to be able to say to the public of Manitoba it is now in my receipt. But the first person to receive that report would be the deputy minister, and I am sure that there will be perhaps a number of discussions related to release of that report, the extent to which it can be released, between the deputy and Mr. Doust even before I am aware that that document is in the possession of the deputy.

Mr. Mackintosh: I have a series of questions, expectedly, on the gang hotline. Some of them I think the minister is well positioned to answer now. There may be some others that he will want to confer with the staff of the Public Safety division on. I do not know, because I do not know what their role is.

I begin with perhaps a historical question. I am just wondering if the minister is aware as to whether any directions, either orally or in writing, have been provided with respect to the operation of the gang hotline since its institution in June of '94.

Mr. Toews: I understand that when the line was initially set up, there was some exchange of documentation, but I do not have any of that in my possession. I am not prepared to answer those questions at this time. I think we should defer those until the appropriate staff members are here.

Mr. Mackintosh: Well, could the minister commit to providing me a copy of those

documents so that we can look at those and review them before we get to that line on the Estimates?

Mr. Toews: I use the term "documents" in the plural because I am not aware of the extent of the documents and to the extent that they are available. So I will review that with staff and determine what is appropriate to release.

Mr. Mackintosh: With the briefing note that we understand the minister had received from staff and which had indicated calls that I made to the gang hotline, what were the total number of calls that were indicated, not just from myself, but how many calls had been made to the gang line? I understand the period of time goes back to late 1998.

Mr. Toews: Well, I will see what numbers are available on that. For some reason I believe that there were eight calls made. After the member authorized the specific release of the specific calls, the deputy provided me with that particular information. That is not a list that I want to review myself. So there were, as I understand, seven calls that were made by the member, and I provided those to members of his staff. The only other suggestion that I can make in respect of the eighth was the call that the member referenced in the House that his intern had made. So I believe it is eight, but I do not know whether that is set out in any of the briefing notes that I have directly seen.

Mr. Mackintosh: When did the minister become aware of problems of delay in retrieving messages from the voice mail of the gang hotline?

Mr. Toews: All I can indicate at this time is that I know that I had a number of meetings with staff in respect of the Estimates process, so certain issues were raised with me during the course of those Estimates briefings. As for an exact date, I do not have that. I will try to make that determination and see what I can discover.

* (1600)

Mr. Chairperson: I am going to interrupt these proceedings of the Estimates of the Department of Justice. As agreed in the House, at 4 p.m., we

would move into the Department of Family Services. I would ask the Minister of Family Services and the critic and staff of Family Services to please come forward to continue with the Estimates of the Department of Family Services.

FAMILY SERVICES

Mr. Chairperson (Gerry McAlpine): Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 254 will resume the consideration of the Estimates of the Department of Family Services. When the committee last sat, it had been considering item 9.4. Child and Family Services (a) Child, Family and Community Development (1) Salaries and Employee Benefits \$3,301,700.

Mr. Doug Martindale (Burrows): A couple of years ago I obtained a copy of statistical data from Winnipeg Child and Family Services, a number of pages, one is called Placements and Related Costs; another one is Summary of Provincial Funding, and Historical Financial Facts, all very interesting reading for those of us who like numbers. Last year I wrote to the CEO, Mr. Lance Barber, and requested a similar printout. I have got that. It is dated March 31, 1998, or at least the stats are for the end of March 1998. I wrote to Mr. Barber again on April 20, 1999. I requested the same statistical information. Actually, one of our research staff phoned Mr. Barber and was told, yes, we could receive that. However, a few minutes later we were told, no, that was not available. I am wondering if the minister has this information for me.

Hon. Bonnie Mitchelson (Minister of Family Services): I am informed we have not received it.

Mr. Martindale: I guess I am a little incredulous at the answer. As the minister knows, this agency receives tens of millions of dollars from this government and this minister's department. It is hard to believe that the minister does not have statistical information from this agency. Now, if the minister does not have this information for March 31, maybe she has it for the end of February.

Mrs. Mitchelson: I guess I would have to see the kind of information my honourable friend has. I probably should not have been as quick to say that we do not have statistical information. What I would have to do is review the information that he has and see whether in fact it is something that is prepared on a regular basis and submitted, whether it was something that was done specifically for him or whether it is something that we receive regularly that we might provide.

Mr. Martindale: The minister is leaving me a little frustrated, because in a previous year's Estimates, I requested the information. The minister said I would have to ask Mr. Barber for it. So I did, and one year I got the information. This year, I cannot seem to get it. If I cannot get it from the minister and I cannot get it from Mr. Barber, where am I going to get it?

Mrs. Mitchelson: I will indicate that I am not sure what my honourable friend asked Mr. Barber for. I do not know if he asked for information that would be provided on a regular basis to the department or whether Mr. Barber prepared something specific for my honourable friend based on what he asked for, so if I can see, it looks like my honourable friend has tabled that information.

Once I have an opportunity to look at it and have my staff look at it, there might be something very comparable that we have but, again, I need to know what it is he asked for, what was provided, and then I will be able to answer more fully the question.

Mr. Martindale: The Clerk's office is photocopying the document. It will be tabled and then the minister will know exactly what it is that I seek. Perhaps this minister has more clout than I do. If she requests it from Mr. Barber, I am sure she will get it. I look forward to the minister tabling it in the Estimates committee before we are finished here.

I would like to move on now to the current reorganization which is underway at Winnipeg Child and Family Services. I did hear that there is a possibility that there might be major changes in the board of directors of Winnipeg Child and Family Services. I wonder if the minister has any information on that.

Mrs. Mitchelson: Yes, there will be changes to the board. We will be releasing that information very shortly.

Mr. Martindale: I am wondering if the minister is willing to divulge any details now or whether you are waiting to have a press conference.

* (1610)

Mrs. Mitchelson: I would indicate to my honourable friend that the announcement will be made shortly. I would imagine it will be made before the end of the time that we are through the Estimates of the Department of Family Services. Then we can discuss in more detail those changes.

Mr. Martindale: It is my understanding that as a part of the reorganization, and actually I have a very interesting document here, Program Management Reorganization Plan, April 1999, for Winnipeg Child and Family Services. I presume that the minister's staff has the same documentation. It is my understanding that about 31 positions have been redeployed. I am wondering if the minister can confirm that 31 positions have been redeployed.

Mrs. Mitchelson: Yes. That is my understanding.

Mr. Martindale: Could the minister tell me which positions were redeployed? Do you to have a detailed report on the redeployed positions?

Mrs. Mitchelson: Mr. Chairperson, our understanding from discussions with the Winnipeg agency is that they are going through the reorg now and that they are anticipating there will be full implementation by October or November of this year. They will have the same number of staff working in the system, but the goal was to increase front-line staff, so he has reorganized rather than on services in the four different areas of Winnipeg Child and Family into program areas. The reorganization will create some delayering at the administrative level, so that in fact there will be more front-line staff.

Mr. Martindale: Mr. Chairperson, all of that information I am aware of, except that the

minister did not answer my question. I would be interested in knowing where the redeployed positions are coming from. Surely, they are not all going from senior management to the front lines. Whereabouts within the agency is the agency finding those staff to redeploy them?

Mrs. Mitchelson: Mr. Chairperson, as my honourable friend does not have that information, we do not know specifically, exactly where that is going to take place. I do know we have no detail around that plan, but we can certainly ask Mr. Barber for that information and share it with my honourable friend.

Mr. Martindale: Can the minister indicate whether she would have that information before Family Services Estimates are completed?

Mrs. Mitchelson: Yes, we will certainly undertake to have as much information as we can before the end. We will ask that question directly and provide the response.

Mr. Martindale: Can the minister tell me if the staff that were moved to the front lines, at least that is my understanding, will be replaced by other staff?

Mrs. Mitchelson: I think I indicated in my first answer that full implementation will be October or November of 1999, so this is the plan for reorganization and my sense would be that it will take until October or November to get full implementation and all of the issues sorted out. So they are in the process right now. They have put a conceptual plan in place.

Very often when a reorganization takes place, it does take some period of time in order to fully implement it. So I will find out exactly where it is at today from the agency and try to report back tomorrow on any information that I can obtain, recognizing and realizing full well that implementation does not happen over night, and that is why they have given themselves several months in order to complete that process.

Mr. Martindale: Mr. Chairperson, can the minister tell me how the reorganization is going to affect the east area? As the minister knows, in the past there were concerns raised by people in the east area. They did not want to be separated

from Winnipeg Child and Family Services and put into a government department. I wonder if we could get an update on what the agencies plans are for any kind of geographic redistribution.

Mrs. Mitchelson: Mr. Chairperson, the reorganization will not remove any of the existing Winnipeg Child and Family Services, so east area will remain to be a part, although I think I indicated in my first answer that rather than having the four different areas within the agency, they are looking to program streams and reorganizing in that manner, but there will not be any change in the size or the demographics of the Winnipeg agency.

Mr. Martindale: Mr. Chairperson, can the minister tell me how much the deficit was for Winnipeg Child and Family Services at the end of the most recent fiscal year?

Mrs. Mitchelson: Mr. Chairperson, the deficit was \$4.66 million.

Mr. Martindale: Can the minister tell me why she thinks every year there is a serious deficit for this agency? What has the minister done in the past to try to avoid this problem? What are you doing in the current fiscal year to avoid this problem?

* (1620)

Mrs. Mitchelson: Mr. Chairperson, I guess we have to look at going back to the operational review that was done of the Winnipeg agency that had some recommendations in it on reorganization and restructuring of the agency. As a result of that review, I think the agency has undertaken proactively reorganization, and they have looked at functional areas now rather than demographics, which I think is certainly a step in the right direction.

We do not have more children in care today than we have had in the past year or two; I mean the numbers of children coming into care have stabilized. What has happened is the cost of providing service to the children in care has increased. Hopefully as they complete their reorganization—I mean, we are working with them on a regular basis—they will be able to

achieve some savings as a result of being able to provide better service in areas of common ground for families and children.

The one thing that I hope will in the future have some positive impact on the situation in our Child and Family Services agencies will be all of the early intervention programs that we have begun to put in place in last year's budget and in this year's budget. Through the Children and Youth Secretariat, we have certainly much more proactive programs in place with the goal and the end result being that less children will have to be taken into care, to have service provided for them, that they will be children in more functional families that will not require the services of Child and Family Services, the mandated agency. So everything that we are doing now that is community based is hopefully going to lead towards the end result of having less children having to come into care.

Mr. Martindale: Mr. Chairperson, does the minister believe that there is any connection between the \$4-million deficit and the reorganization? Is it possible that the agency was told to reorganize in order to get rid of their year-after-year deficits?

Mrs. Mitchelson: Mr. Chairperson, I think the whole reorganization and restructure has come about because of a couple of things, one being the operational review that looked at services to children and families and made some recommendations on how families might be served better through some sort of a new structure and new leadership in the agency that went through—I have to give the new CEO a lot of credit for going through a very significant strategic-planning process where he worked with staff in the agency to determine how to better deliver service. This has never been about a dollars-and-cents issue; this has been about trying to provide the best service possible for children and families. I think that was the whole process that has been gone through, and to go to a functional reorganization, the agency believes that they will be able to serve children and families better. So we have to look to those who have worked in the system, who have made recommendations, and to the new leadership that has come up with a plan that they believe will better serve children and families.

Mr. Martindale: Since the minister referred to the operational review, and since I have it here with me, I would like to refer to the executive summary where, in the main findings, it says: The foster care and emergency housing systems, including residential care, are failing and forcing the agency to rely on expensive alternatives such as hotels and residential care.

I would like to ask the minister how many children there are in hotels and emergency placements and four-bed shelters. Now I cannot imagine that the minister does not have the same information that I have from Winnipeg Child and Family Services, although I can imagine that the minister or someone in her office phones maybe Mr. Goodman, and Mr. Goodman phones Lance Barber and says: Martindale is on our case; we have to know how many kids there are in hotels. But it would be more plausible if the minister or the deputy or assistant deputy actually had that information at their fingertips and did not have to phone every week or every month to find out what the current numbers are. I have numbers for March 31, 1998. Surely the minister has current numbers at her fingertips.

*(1630)

Mrs. Mitchelson: I have some statistics here for the 12 months ending March 31, 1998, and the average per month was 36 in hotels. I have the average for the 12 months—it would be March '98 to March 31, '99—and the average was 15 per month. For April of this year, and May, it has averaged 29 per month.

Mr. Martindale: Can the minister keep going on her charts there and tell me what was the average bed use for apartments/shelters?

Mrs. Mitchelson: For apartments and shelters, for the period ending March 31, 1998, it was 81, and for the 12-month period ending March 31, 1999, it was 100, the average use.

Mr. Martindale: Can the minister tell me how many children were in four-bed units?

Mrs. Mitchelson: In four-bed units for the 12 months ending March 31, 1998, there were 60

on average per month. For the year ending March 31, 1999, there were 51 per month.

Mr. Martindale: Can the minister tell me what IPPs are and how many children are in IPPs?

Mrs. Mitchelson: IPP stands for an individual placement plan. These are specialized 24-hour care, usually apartment-type settings that are not short term. They are longer term. Individual placement plans are specialized 24-hour care plans that are created for individuals, specifically to the needs of the child. They are for short-term assessment and treatment. They are not the hotel-like accommodation, which is supposed to be very short term.

Mr. Martindale: At March 31, 1998, there were 18 children, on average, in IPPs. How many currently are there, or the most recent figures the minister has?

Mrs. Mitchelson: For the 12 months ending March 31, 1999, there were 19 on average.

Mr. Martindale: Just as I suspected, the minister has all kinds of detailed numbers at her fingertips. I am wondering if she would table the charts and numbers that she is reading from.

Mrs. Mitchelson: I will endeavour to get a clean copy of this and table it.

Mr. Martindale: In the operational review, it says that one of the factors that has triggered the current cost overruns, and this is in 1997—there are two factors listed. One of them is a shortage of emergency housing which has forced the agency to rely on hotels and expensive residential placements. I am wondering if this problem has decreased at all or whether it has just been shuffled around by putting children in places other than hotels, since, you know, the deficit is still as large or larger than in past years, and there are still large numbers of children in emergency reception and short-term assessment according to the categories in the chart that I have.

* (1640)

Mrs. Mitchelson: I think the statistics indicate that apartments and shelters on an average in the year ending 1998 had 81 on an average per

month. If you look at the 1999 figures, there are a hundred. So there has been an increase in the number of children that are going into apartments and shelters for short term and a decrease in the number of children that are going into hotels. So what they are trying to do is develop more apartments and shelters for short-term emergency placements. They have had some success, and they continue to work on it. The issue certainly has not been addressed completely yet, but that is the ultimate goal and objective, is to move children into apartments and shelters on intake rather than into hotels.

Mr. Martindale: I think the minister is actually proving the case that I am about to make, and that is that large numbers of children are still in short-term placements, whether it is a hotel, motel, apartment, four-bed unit. Really it does not make any difference. These are children that are either I guess waiting to go back to their family if that is appropriate or to go into foster care. If you look at the numbers, Child and Family Services for March 31, 1998, says 194 children. If I have the figures that the minister has given me today correct, depending on whether we use the higher figure or the lower figure—because the minister indicated that in March '99 there were 15 per month, in April-May '99 there were 29 per month in hotels, but the lower total would be 185, which is only 10 different from a year earlier, or using the higher figure of April and May, 219, which is higher than a year ago.

So the problem still exists, and the operational review comments on this. It says the foster care system is in malaise. The recruitment training and retention of foster care is seriously troubled. Winnipeg Child and Family Services is experiencing difficulty in securing sufficient foster care within the city and relies extensively on foster homes in rural Manitoba.

So I would like to ask the minister: is the agency making any progress on recruiting foster parents? I do not think they are; otherwise, they would not have so many children in emergency placements. If the minister thinks that they are, what is the evidence for that?

Mrs. Mitchelson: Mr. Chairperson, I think the focus by the agency has been to move away

from the hotel-type situation into other short-term types of placements. There is always going to be a need in any system for short-term placements when kids are perceived to be in danger and in need of apprehension for a short period of time. I mean that will never go away. I guess the issue is where are they placed for that short-term period while they are assessed, and I can indicate that they are moving aggressively away from hotels to apartments or shelters. That is the focus of some of their reorganization, redirection.

Mr. Peter Dyck, Acting Chairperson, in the Chair

They certainly have had an aggressive recruitment campaign for foster homes underway. The agency tells us that they are fairly pleased with the way that campaign is going, and homes are being found as a result of that recruitment campaign. I am sure my honourable friend has heard or seen comments from Michele Brown who works from the agency is working very aggressively in this area.

So that has been part of their focus as a result of restructuring, but I do want to indicate to my honourable friend that there always will be need for some sort of short-term placement. Hotels are certainly not the placement of choice or the area we would like to see kids cared for. I know the agency shares that view, and they are working proactively to try to change that and fix that, but they are not there yet.

* (1650)

Mr. Martindale: Mr. Chairperson, going back to the operational review, it says a study of emergency housing is required to develop a plan that will eliminate the need for costly hotel accommodation. Can the minister tell me if that study of emergency housing was done?

Mrs. Mitchelson: As a result of that recommendation, there was a joint committee set up with the agency and the department that worked and continues to work to identify alternative resources to hotel placements. They review case-by-case planning and on intake try to determine what is the best placement. I do want to indicate that although hotels are still

being used and that they are working aggressively on more shelter or apartment capacity, hotels still are being utilized, but my understanding is that it is for much shorter periods of time than it was in the past, because they are aggressively looking on a case-by-case basis, if a hotel is the only option in the short term to move progressively and pretty quickly to a case plan that will move that child into alternate placement. So the time periods are shorter. It fluctuates depending on circumstances or situations. It fluctuates at least on the time of the year and day of the week too when children are apprehended.

Mr. Martindale: I think it does not really make any difference whether we are talking about hotels or apartments or four-bed units. We are still talking about short-term placements. The public should know that these short-term placements in many cases are not even staffed by staff of Winnipeg Child and Family Services or people with experience with children. A lot of them are staffed with people supplied by companies like Medox. So these kinds of short-term placements really are not acceptable for children. From time to time we hear that children are there for months in spite of what the minister claims may be a declining average number of days there.

What we really need is more foster care to get children out of these short-term placements. The operational review said a task force is needed on foster care and the creation of a province-wide clearing house and co-ordination process for allocating, recruiting, and maintaining regular foster care. I am wondering if that task force was ever set up.

Mrs. Mitchelson: What has happened as a result of that recommendation is that we have set up a provincial placement desk. The department chairs that with representation and support from the agencies—Winnipeg, Central, Westman—and those from group homes, from First Nations agencies and from treatment facilities also are part of that placement desk. So we are trying to co-ordinate services better. We are trying to ensure that we look at the needs of the child and the issues and see whether there can be sharing of resources between different agencies, whether there might be a better option for placement in

co-operation with another mandated agency that is providing service. So we are trying to look at the individual children who need our support and service and see whether we cannot find the best placement or treatment option possible.

I know my honourable friend can be critical, and I know that he criticizes short-term placement. But I will go back and say again that there will always be the need for some short-term placement while we get a plan in place and assess a child. It is the appropriateness of that short-term placement, I think, that we all would argue needs to be better and that hotels are not necessarily the preferred option. We would like to see the use of hotels decrease and not exist in the near future, but the reality is until you do an assessment, until you understand all of the issues, it is pretty hard to develop a comprehensive plan that is child focused and is in the best interests of the child.

So we are working and certainly in a more co-ordinated fashion, but again there continues to be work that needs to be done. My honourable friend says, yes, there needs to be more foster homes. The agency in Winnipeg has a plan in place for recruitment. They appear to be having some success, but again this is not an issue that is solved overnight. We do know just by the fact that the cost of providing service for children today is higher than it was in the past, that there are more individual specialized needs for children who are coming into the system.

* (1700)

You know, if my honourable friend has some suggestions or ideas or some sense of what he might do or what direction he might give to the Winnipeg agency in order to have them do things differently, maybe he might share that with us. I mean, my sense is that they are aggressively pursuing options and opportunities, trying very hard to find families who will deal with children with very high and specialized needs, in many instances, very troubled children. So it is something I would like to see. I would love to direct people to take children and look after them. I do not know if that is what my honourable friend is saying he would do with the agency. I think this is a co-operative approach. I think that we are working together. I think that

everyone who is working in the system has the best interests of children at heart, and we can all be critical of things that are not happening. But I think that we have to celebrate the achievements and the progress that has been made as a result of strategic planning, as a result of an agency that is taking the issues surrounding protection and support for children very seriously and are trying their very best to fix some of the issues.

Ultimately, the agency does not create dysfunctional families or troubled kids. But the agency has to be there to try to respond in the best manner possible to deal with these children. I like to be able to give them some credit to think that they are working co-operatively within the agency to find better ways of ensuring that the services for children are at the very best that they can be and that they are working in co-operation with our government department and my ministry with the staff that I know are committed to trying to find better answers and trying to ensure that children get the appropriate service. I think we are seeing much more co-operation within all different areas of society and all different areas, whether it be our group homes, our First Nations agencies, agencies outside of the city of Winnipeg, our treatment facilities, to try to ensure that the most appropriate support for the children is there when they need it.

But if you are asking me whether it is a perfect system, I would have to say no. I am not sure it ever will be, but I do believe that steps have been taken to move in the right direction. I believe that there is very much a co-operative approach and certainly a focus on trying to put children first and ensure that treatments and supports are there when they need them, but that is not always the case again. I like to think that we are moving in the right direction, and I like to give the agency the benefit of the doubt of working towards trying to implement the recommendations from the reviews that have been done. I guess I would ask my honourable friend would he or his party do something differently, you know, what might they do?

I mean our government is as guilty as I am sure his party was when they were in government. The Child and Family Services system has always been criticized. I can go back as far as I can remember, reading stories in the

newspapers before I was even involved in politics in any way and knowing that there were always children that suffered through the system.

I know there was a Children's Aid Society that functioned as one agency or one unit many years ago. There was significant controversy. I know that when the New Democratic Party was in government, they got rid of the Children's Aid Society and decentralized into six different agencies. Were families healthier and children being served better? I am not sure. I do not think so.

So we came into government and looked at that and said: our families are not any better; our children are not being served any better by the new system that was set up. So we changed it and amalgamated it back to one agency.

Are we saying that families are healthier and children are being served any better through that process? I guess there is still criticism. I mean, I think I have come to the conclusion that we have to try to work within the system that is there to effect and impact change and find better ways of delivering service. You cannot just dismantle and think you can set up some new structure that is going to fix things. Quite frankly, again, it is not the agency that creates the issues with children. It is society. It is families. There are all kinds of different dynamics.

What we would hope to see is less children needing the services of a Child and Family Services system. We would rather get to the issues before they end up in a system where they need protection or they have to be apprehended, where they need foster care or they need specialized placement or they need hotel rooms. I would love to see no need for a Child and Family Services system, but the reality is I do not think in my lifetime or my honourable friend's lifetime we are going to see that happen. But I do think that some of the early intervention things that are happening today will help us to strengthen families, build stronger communities, have people looking out for each other and working within their neighbourhoods and within their extended families to ensure that children get off to a healthy start to life, receive the proper nutrition and parenting support that will

lead to less children needing to be apprehended, less children needing to come in to the Child and Family Services system.

So a lot of my energy and effort and time goes into building those programs, listening to what the communities have to say about the direction we need to go, and when they come up with the ideas, then I think it is incumbent that we support those communities to become healthier and stronger and ultimately those families who live in those communities to become healthier and stronger.

You know I honestly believe that the Winnipeg agency is making a strong effort to try to ensure that their services are child focused, that they are putting the best interests of the child first, that they are doing the assessment that needs to be done. We want to be able to support that. We want to be able to work with them.

It is certainly not an us-and-them issue. We do not need to be at loggerheads with each other. I believe that everyone who works within my department in the Child and Family Services area has the best interests of children at heart. I believe everyone who works in the agencies and the treatment facilities, the group homes, I honestly believe that everyone wants to see stronger, healthier children and families. So I am just really pleased to see that there is more co-operation, that there is more interaction, more dialogue around how we can best serve children and families.

*(1710)

You know, I, again, will say it is certainly not perfect. We certainly have a lot of issues to deal with, but we cannot just sit back and do nothing. If we can prevent children from needing the services of our Child and Family Services agencies, then I think we have made significant, positive steps in the right direction. That does not happen overnight, because the early intervention programs like BabyFirst, like Stop FAS, like the Women and Infant Nutrition Program are starting with children that are born today. We may not see significant results for a few years, but I am hoping that as we assess risk and we see—I know that BabyFirst this year will

be working with 1,000 families with newborns. That will be families that will be mentored, that will be supported, that will learn parenting skills, will learn how to ensure their baby gets off to a healthy start to life. That is a big part of the battle towards trying to ensure that children are nurtured and loved and will not be into situations where they are abused or neglected or need to be taken into protection.

So I have to indicate that there are issues on all fronts. We have to work at the far end to try to ensure that the proper placements are there and available for children and for families, but we also have to work at the front end on the prevention side.

Mr. Martindale: I would like to thank the minister for that little lecture.

Going back to the operational review, the recommendation was that the use of hotels be eliminated. That has not happened. There was a recommendation to set up a task force. That has not happened. The minister pointed out that there is always criticism, which is true, but if you look at what and who are being criticized, it is mostly Winnipeg Child and Family Services, and as the minister knows, there are other agencies that receive almost no criticism. For example, she and I were both at, I believe it was, the 100th anniversary of Child and Family Services of Western Manitoba. I have been to their annual meetings in previous years as well, as the minister has, I think, and it is always wonderful to be there because there are usually a couple of hundred people in attendance. They have lots of volunteers who attend their annual meeting and foster parents. They hand out certificates or awards to people for long service, both staff and volunteers and foster parents, and they seem to be doing a very good job.

Interestingly, at one of the previous annual meetings that I attended, I did a little analysis on their budget, partly because of one of the reviews of Child and Family Services. I do not have the whole document here, so I am not sure whose review this was; but there was a recommendation to increase preventative program expenditure to 10 to 15 percent of the budget allocation. Well, if you look at the budget of Child and Family Services of Western Manitoba,

about 10 percent of their budget is spent on prevention, if you include their family resource centre and their child care centre. Maybe there is a cause and effect there. Maybe it is because they are spending substantially more of their budget on prevention that they seem to be able to live within their budget.

Now, maybe the other factor is that socioeconomic conditions in Brandon are quite different than Winnipeg. We know that there are risk factors for children coming into care, and those risk factors, or at least the most significant ones, are single-parent status, being aboriginal, and being poor. We cannot do very much about single-parent status, although I suppose I have a responsibility, as do other people in society, to encourage families to stay together and discourage families from breaking up.

We cannot do anything about people being born aboriginal, although we can do much more for aboriginal people in our society, but we could do a lot more about poverty, but this government has chosen not to do that, other than reducing welfare rates and not doing anything about the very high numbers of people living in poverty in Manitoba. So they are still at risk, and in Winnipeg we see children coming into care.

The numbers, if you compare May 1999 with March 1998, there are more children in temporary facilities. We know that last year, for example, there was a lot of media coverage of this issue. For example, I have a headline from the Winnipeg Free Press from June 3, 1998, which says: All agree child care in turmoil. Fix elusive. Province's vow to recruit more foster parents bears no fruit.

We have a headline that says: Child and Family Services eyes new treatment facilities. New CFS chief expected to inherit the hot seat.

We have other headlines about children in hotels which, as the minister knows, was a major issue last year. We even had people like Nicholas Hirst writing articles about children in hotels, and yet nothing has changed. In fact the situation is worse, if we are talking about temporary facilities. We have more children in

temporary facilities, rather than less. We had an editorial in the Free Press last year, on June 3, entitled Cruel Message, and the first paragraph says: The doubling in the number of children kept in hotel rooms by the Winnipeg Child and Family Services agency is both an evil in itself and a symptom of a deeper failure. Family Services Minister Bonnie Mitchelson needs to improve the support for foster parents so that more can be recruited. She also needs to show her cabinet colleagues the steps that all departments should take to ease the pressures that produce abused and neglected children.

The Nicholas Hirst article is titled Focus on inner city kids, and he points out that last year there were 71,000 occasions that a child spent a night in short-term placements, including hotels. That was dated July 4, 1998.

We have another article, also by Nicholas Hirst, June 6, 1998, titled A huge failure of policy.

* (1720)

So obviously things are not getting any better. They are getting worse, so there needs to be something done. I think this government has contributed to the problem by cutting foster care rates, even though many of the experts have said that one way to get more children out of temporary placements and into foster care is to increase the rates, not decrease them, as this minister and her government have done in the past.

So I guess the obvious question is: has this minister done anything to encourage agencies like Winnipeg Child and Family Services to increase the number of licensed foster homes and to increase the number of licensed emergency placements? Surely it would be better to have children living with a family in a home that is licensed as an emergency foster placement than in a hotel or a four-bed unit or any other kind of temporary placement where there are children and staff living in apartments or wherever on a temporary basis. What is this minister and her government doing to encourage agencies to license more emergency foster parents and more foster parents in general?

Mrs. Mitchelson: I suppose one of the benefits to being in opposition and a critic is that you can selectively pick the newspaper articles that might support one's point of view. Maybe I need to be researching a little bit and getting the newspaper articles that talk about some of the positive things that have happened in the recent while, especially articles that talk about how our ChildrenFirst plan is probably one of the best plans across Canada when it comes to early intervention and support to families and children. I will just have to make sure that I have those in front of me the next time we meet.

It was interesting to hear my honourable friend talk about the issues of poverty and how they contribute in a negative way towards families. I would like to just spend a few minutes talking about the whole issue of poverty and the welfare system and maybe ask for some comments from my honourable friend at the end, because I think it is important that we hear his perspective and his point of view, because I do know that a life on welfare will always be a life in poverty. I mean, I want more for families in Manitoba than a commitment to a life of poverty on welfare. We know that welfare is in some instances a career option, and it is certainly not anything that I want to see as a career option. I would be interested in hearing my honourable friend's comments on that issue.

We want to break the cycle of welfare and dependency on welfare. We want to try to ensure that the tools are in the hands of individuals and families to move off of welfare and into a life where they have a job and an adequate salary to provide for their families. I think that that does an awful lot to ensure healthier, happier families.

We know that people that take some pride in contributing in some way to community and to society feel better about themselves. It has an impact on those that surround them and it certainly has a positive impact on their children. When you feel good about yourself obviously it changes your whole attitude and outlook on life. Those kinds of positive attitudes certainly rub off on your children. I do not want to see the next generation of children know only a life of welfare and poverty.

Certainly if we can support and encourage independence and help people develop the tools that they need to move off of welfare and into the workforce, we can and we will see happier, healthier families.

That is one of the only ways that people on welfare will move out of poverty. There is not any government of any political stripe that is going to be able to provide or I do not think would want to provide welfare assistance, a program of last resort, to the amount that would move people out of poverty. It is just not a reality, unless my honourable friend has something in his back pocket that he and his party may pull out during the next election campaign that might guarantee families of four \$30,000 a year on welfare. But I know that we will not be able to make that commitment. I know that anyone who is being realistic will not be able to make that kind of commitment. I would be interested in hearing my honourable friend's comments on those issues.

I do know that the agency, with our support, is certainly looking at recruiting foster parents. I do know that we want to find a co-ordinated way to ensure that we on intake—and again I will say that there will always need to be short-term placements within our system. If in fact kids are found abandoned on a Friday night and parents are not around, they are going to have to be placed in some sort of a temporary support system. It might only be overnight until we can find a support network within the community or parents that are deemed capable of continuing to look after their children that maybe made a mistake, those kinds of things. But until we get an assessment that tells us what kinds of supports individuals need, there always will need to be short-term placements. I take some exception to my honourable friend's comments about saying that the report and the recommendation says that we should not use hotels. We have all agreed that we should not use hotels.

Mr. Chairperson in the Chair

I guess I would ask again for his comments on what his approach would be. I mean, he is saying we failed, the agency has failed, the government has failed, everyone has failed. It is fine, again, to read the articles in the newspaper

that are critical and say things need to change, and it is fine for my honourable friend to say that everyone has failed and things need to change. I need to know what his suggestions or ideas would be on how he would impact that change and where his leadership would take the system, because again I know in opposition you can have it both ways. You can be critical, but you do not have to indicate what you would do.

Again, we have the Minister of Family Services in waiting—certainly must have, if he says and is critical of what is happening today and believes that nobody is working towards an end goal or an end result of not using hotels—what his answers would be, because we have not found the absolute solution yet, but we are working towards it. There is an aggressive working towards ensuring that if it has to be a short-term placement, it is just that. It is not a six-month or a year placement. It is a short-term placement while there is an assessment, and ultimately the end goal or the end result would be that we would not ever have to use hotels again.

We are not there yet, but again I have to say that surely my honourable friend has some suggestions or ideas on how he might do things differently if he had the ability to set direction. Would it be a confrontational direction where he would provide an edict from on high and say you will? How would he make that happen, because our approach and my approach as a minister has been that we have to identify the issues? Then we have to work co-operatively with those that are in the system to impact a change.

I could probably go back to reports that were done when the New Democratic Party was in government that made recommendations on how to fix things and how to change things. I might go back and find that they did not accomplish everything that was recommended in every report that was presented to them as government, and I think that is reality. In a perfect world we would have a perfect system. All I can indicate is that ultimately I think everyone is working together today in a co-operative way to try to find the right answers and the right solutions.

So my honourable friend may say that we have failed miserably, but I guess I still would

like to hear what his approach would be and how he would deal with the issues, because certainly he has to have some ideas or suggestions, if we are not doing it right, how he might be able to do it better.

Mr. Martindale: I think the minister will have to wait until the election campaign or until we form government to see what we would do in Child and Family Services.

Point of Order

Hon. Mervin Tweed (Minister of Industry, Trade and Tourism): I just want the record to show that the member for Burrows constantly does criticize the department about the care and need of children, and yet he is prepared to wait for a call of an election to bring forward a platform that would help those children today.

Mr. Chairperson: The honourable minister does not have a point of order.

* * *

Mr. Martindale: We were ready for an election several months ago, but this government chickened out and postponed it. So you could have found out what our party position was in April, but you missed the opportunity.

* (1730)

The minister and I would probably agree that there is a need for temporary protection even for one night, as the minister said. What we are talking about is what is more appropriate. Is it more appropriate for children to be in a family home or to be in a hotel or a four-bed placement? I think it would be better for a child to be in a family home. So I am wondering what the minister believes are the barriers or the obstacles or the problems in licensing additional foster homes, including emergency homes, and is the agency working on that? Do they have a plan, and are they making any progress on it?

Mrs. Mitchelson: We certainly have discussed the issue of culturally appropriate foster homes with the Winnipeg agency. As my honourable friend knows, it is estimated that about 70 percent of the kids in care in the Winnipeg

agency are aboriginal children, and yet we do not have a large number of culturally appropriate aboriginal foster homes. I have been working and dialoguing with Ma Mawi around the issue of development of culturally appropriate foster homes. You know, as I talk to those that are involved with Ma Mawi, I hear very often that it is not only foster homes but it is community capacity. A big issue for many within the aboriginal community is trying to ensure that if a family is having difficulty—and sometimes it is temporary difficulty. That is, so very often a child is removed from the community and the neighbourhood that they live in and placed in circumstances that even if it was a foster home placement, it may not be in the best interests of the child to be removed completely from community, from neighbourhood, from friends or from extended family. So the whole issue is building community capacity to try to ensure that we provide the appropriate supports.

So Ma Mawi is working aggressively on that issue, and we are working with them. We are very supportive, and we have expressed our desire to the agency to work aggressively to try to, as well as recruit foster homes, look at culturally appropriate services and supports and build community and neighbourhood capacity to provide the right supports for the right reasons.

So that discussion and dialogue is ongoing. I know that my honourable friend knows that there has been a report done. We had a committee that was struck to look at the issue of aboriginal involvement in the Winnipeg agency, and we have a report that has been endorsed that does indicate that there needs to be a greater focus on engagement of the aboriginal community and helping to find the solutions along with the Winnipeg agency. I think I cannot at this point give any detail around changes to the board of the agency, but I think it will show a step in the right direction in trying to ensure that sort of at the board level and the policy level we will be looking at those issues in a different way.

So we are working on that. I have had the opportunity to meet especially with aboriginal women that we know. I mean no discredit to men sitting around this table or men in our community but—

An Honourable Member: All good men.

Mrs. Mitchelson: All good men. But we do know that it is aboriginal women that are developing some of the leadership skills. They do take family issues very seriously, and they are traditionally the nurturers in the family. I hear on a regular basis from aboriginal women that I meet with that they can and will and are prepared to develop a capacity and help to find the solutions to make their families and the families within their communities stronger and healthier. So I am prepared certainly to reach out, and I have. This is not a them-and-us issue, it is a we-together that we have to find the answers, and I think we are working towards that goal.

* (1740)

Mr. Martindale: The minister has been challenging me and hoping that I would rise to the bait and tell her what my party would do, and I have been resisting the bait. However, I do have one idea which is my own idea. I have not caucused it, and it is not a party position, but it did occur to me that if 70 percent of the children in the care of Winnipeg Child and Family Services are aboriginal, then maybe it makes sense to make 70 percent of the board aboriginal. So, instead of trying to transform the agency from the bottom up by hiring more aboriginal staff, which has had limited success because quite often they get their first job with Winnipeg Child and Family Services, they get some experience and then they leave to go to work for an aboriginal agency, it seems to me that if you had a majority of the board aboriginal that would have a profound impact on the entire agency and actually might be easier than trying to negotiate with a number of different aboriginal organizations to set up a mandated or several mandated aboriginal agencies in Winnipeg. So that is an idea that I have had personally.

But going on to follow up on one of the examples that the minister gave, and that is Ma Mawi, I think we would both agree that it is a very good agency and doing some good work. So I wonder if the minister can indicate if there are any plans to increase their funding or increase their responsibility?

Mrs. Mitchelson: I have to indicate that Ma Mawi, although it has had growing pains and it

has had some issues that it has had to deal with from time to time, certainly has grown and certainly we have partnered as a government with them and will continue to do that. I think my honourable friend might be very pleased with some announcements that may take place very shortly that will look at significant new partnerships with Ma Mawi around issues that are very near and dear to their hearts and issues that I think will address in some way the support to young parents within the aboriginal community.

So I meet with them on a regular basis. They have some excellent ideas on how we could do things better and do things differently. As I said earlier, when the community comes forward with suggestions or ideas on how they can have a positive impact on neighbourhoods and communities, I think it is important for government to listen and then to partner when we can, because the suggestions and ideas are coming from the community level, sort of rather than developing programs internally within government and implementing them. If we implement programs that the community recommends or suggests because they know their community best, I think we have more opportunity for success.

So we are working with Ma Mawi, and we will be announcing something shortly that they believe and we believe will have a positive impact.

Mr. Martindale: I would like to move into a new topic, and that is children who die in the care of an agency. Maybe I can begin by asking the minister to explain the process that happens as to whether or not there is an inquest into the death of a child. Now, I understand that there is a review by the Chief Medical Officer and that there is a children's inquest review committee, and I guess they make recommendations, but I wonder if the minister could explain to me how the process actually works.

Mrs. Mitchelson: Mr. Chairperson, I think I have this, so maybe I will see a head shake negatively if I am not getting this right.

Every child death has to be reported to the Chief Medical Examiner. If a child is in care or

has been connected to the system within two years prior to the death, the Chief Medical Examiner must do an investigation and a report. Also, there is a child inquest review committee which reviews every child death and recommends to the Chief Medical Examiner whether an inquest should be conducted. Now, they just make recommendations to the Chief Medical Examiner, and, ultimately, the Chief Medical Examiner has to make the determination of whether an inquest will be done or not.

Mr. Martindale: Mr. Chairperson, I have some newspaper articles from 1996 and 1997 but not very much that is more recent than that, so I am wondering if the minister can tell me, for the years '97, '98, '99, how many children died in care and which ones resulted in an inquest. Maybe the minister might want to take that as notice.

Mrs. Mitchelson: Yes, Mr. Chairperson, we will get that information for tomorrow.

Mr. Martindale: As the minister knows, a child died and there was a judicial inquest, and the results were made public in March of this year, and there were some recommendations from the judge. This, I believe, was the Brian Thompson—no, that was the father. I guess the child was Brian Thompson, as well, who was in a foster home in the Steinbach area. I wonder if the minister can tell me if she has had a chance to review the inquest recommendations.

Mrs. Mitchelson: Mr. Chairperson, just on the issue of the recommendations that were made, I think there was a recommendation that was made that standards should be looked at and should be more realistic and appropriate. I do not have the recommendations right in front of me, but I think there was one around standards. We were already in the process of rewriting standards. They have been completed. They are out in the field right now being tested, and we are working with the agency around workload issues as a result of the rewritten standards being out there in the field right now. We also do know that there was a recommendation around better monitoring of foster homes. With the reorganization within the agency, they will have one central function that will work with foster

home placements and foster homes. So they are starting to address that kind of an issue around better monitoring of foster homes when they have one function, and with one way of dealing with foster homes right across the system, there should be better ability to monitor circumstances.

* (1750)

We do know, too, that with the agency's reorganization, they are looking at 31 more staff members being redeployed, or whatever, to the front line so they will have more front-line workers, and that should, in some way, begin to address some of the workload issues. So we are working with the agencies around the workload issue, and, hopefully, we will be able to resolve some of the issues around workload.

Mr. Martindale: Mr. Chairperson, the judge recommended that social workers' caseloads be reduced because they were three times the acceptable level. He also said that social workers were supposed to make quarterly visits at minimum, but the worker in this situation had not visited for about five months. It seems to me that when it comes to standards, you can either hire more staff or redeploy staff and have more frequent visits or have visits that are as frequent as the current standard allows, or you can rewrite the standards.

The minister is saying that the standards are being rewritten. My concern is whether rewriting the standards is, in fact, lowering them or whether it is improving them. I wonder if the minister can expand on what she said previously.

Mrs. Mitchelson: Mr. Chairperson, the rationale and reasoning for rewriting the standards was not to downgrade the standards in any way or make them any less onerous, I suppose, but indeed to try to improve the standards and implement revised case management standards. I will just indicate some of the reasons why we might want to do that or why we wanted to do that.

Certainly, some of the criticisms that came from the field and some of the shortcomings within the standards as they existed were that they were timeworn and that they do not reflect

the current service realities, that they were not living, breathing standards. They are viewed as tools to assist staff in doing their job, that the mechanisms in place to ensure compliance with the standards were piecemeal and disjointed, that there was no clear, consistent direction from central office in this regard, that the responsibility for compliance was spread around several different offices and individuals, that there was a section on quality assurance that attempted to deal—[interjection] The new standards have a section on quality assurance that attempts to deal with the whole picture, that the standards or the blue book itself were repetitive, that the beginning section on each area was the same, that it was a ponderous document and needed to be reconstructed to be more readable and useful, that because the message had not been clear, agencies and regions interpreted the standards differently and responded in different ways to the same situation, and there were inconsistent practices from area to area, unit to unit, case to case, and from worker to worker within the system.

So it was really important that standards be rewritten. That has been done. There was a lot of time and energy and effort that went into that in the branch, and the final draft right now is out in the field and it is being field-tested. I think the response that we are getting back is very positive. So that is the reason that we did rewrite the standards. It has been in the process for over a year now. They are, as I said, out now being field tested. The feedback is that they are certainly a significant improvement. So we look forward to them being put in place and implemented.

Mr. Martindale: I will come back to this tomorrow, but I have two questions I would like the minister to take as notice, partly because it is almost six o'clock and partly because it has to do with Community Living. I accept responsibility for not asking these questions yesterday, but when I was preparing for today I came across a couple of topics.

One has to do with a report I believe by the project group, a review of services for people living with a mental disability. I am wondering if the minister could get me a copy of that report. The other issue has to do with sheltered

workshops. I do not have proof of this, but I was told that some sheltered workshops used to use a locked 5 by 8 foot room for punishment. There has been a change in policy, so now the doors are no longer locked. But I am interested in knowing if that actually occurs, and if so if there is a good rationale for it.

Mrs. Mitchelson: I know we have passed those lines in the Community Living area, but I am prepared to try to get as much information and provide it to my honourable friend as I can on that.

Mr. Chairperson: Is it the will of the committee to call it 6 p.m.?

The hour now being 6 p.m., committee rise.

CONSUMER AND CORPORATE AFFAIRS

The Acting Chairperson (Mr. Faurchow): Good afternoon. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates for the Department of Consumer and Corporate Affairs. As had previously been agreed, questioning for this department will follow in a global manner, with all line items to be passed once the questioning has been completed.

I would like now to ask the minister to introduce her staff to the committee. Then, following that, questions from the floor will be entertained.

* (1440)

Hon. Shirley Render (Minister of Consumer and Corporate Affairs): The only new member we have here today is Hollis Singh, secretary to the Public Utilities Board.

The Acting Chairperson (Mr. Faurchow): Thank you, Madam Minister.

Mr. Jim Maloway (Elmwood): I wanted to begin the day by asking a few questions regarding the composition of the members of the Public Utilities Board. I guess our concern is that it is a politically appointed board and perhaps could be politically motivated. I look at

some of the members of the board. I would like to ask the minister as to some of the qualifications of some of the members on the board.

For example, Mr. Ken Collin, who is a government appointee to the board, I would like to know, outside of his being a Conservative candidate in Thompson in the 1988 election, other than being a PC candidate, what were his qualifications for being appointed to this board?

Mrs. Render: I am sorry, Mr. Chair, and to the member. I was just asking a question, and I did not hear.

The Acting Chairperson (Mr. Faurschou): Would the honourable member for Elmwood please repeat his question.

Mr. Maloway: We are concerned about some of the political appointments that this government has made in a number of areas, but, in particular, some of its appointments to the Public Utilities Board appear to have some political overtones to them.

My first question to the minister was: Mr. Ken Collin, other than his qualifications as being a Conservative candidate in Thompson in the 1988 election, other than being a PC candidate, what are his qualifications to be a member of this Public Utilities Board?

Mrs. Render: Ken Collin is a long-time resident of northern Manitoba. He has had a very varied background including that of city councillor and serving two terms as deputy mayor for the City of Thompson. Other endeavours include a very extensive involvement in labour relations, contract negotiations and the owner of a small retail business in the North. That was for more than two decades. So, as you can see, he has a lot of experience in rural and northern Manitoba, and certainly as a city councillor and as a deputy mayor, he has the experience of being able to—as information comes before council, you have to have the ability to look at all sides of an issue. Certainly as deputy mayor, you really have to have the ability to assess and evaluate and look at the good of the community and not just with a partisan kind of viewpoint.

Mr. Maloway: Other than being a Conservative candidate in Crescentwood in the by-election in 1993, what qualifications did Jenny Hillard bring to the board of the PUB?

Mrs. Render: I am not too sure where the question is coming from. That individual is not on the board.

Mr. Maloway: I realize she is not on the board at this time, but she was on the board in the past and she was a Conservative candidate in 1993 in the by-election in Crescentwood. What were her qualifications to be appointed to this board, other than being a loyal Conservative?

Mrs. Render: I am not too sure that she has been a long-time Conservative. My understanding is that that particular individual has been a long-time consumer advocate and has served the community in that capacity I believe far longer than she was a Conservative. Again, as a consumer advocate, she would be able to evaluate and assess issues that would be pertinent to the residents of Manitoba.

Mr. Maloway: I would like to ask the minister then: other than being a contributor to the Conservative Party, what qualifications does David T. Thompson have to sit on this board? In 1988, he contributed \$550 to the Conservative Party; in 1990 he contributed \$435; in 1993 he contributed \$300 to the Conservative Party, and in 1995 he contributed \$370. What other qualifications, other than being a loyal Conservative donor, does this man have to be on the board?

Mrs. Render: Again, I am not too sure where the member is coming from. That individual is not on the board.

Mr. Maloway: Mr. Chairman, my information was that he was on the board at some time. Is the minister saying that is not true, that he was never on the board?

Mrs. Render: To our knowledge, I have been advised that we do not recognize that name. Or I have been advised—I do not recognize that name.

Mr. Maloway: I would refer the minister to page 2 of their 1998 annual report of the Public Utilities Board. Perhaps it is my mistake, but there is a D.T. Anderson listed as being on the board, as a member of the board, so it—

Mrs. Render: You said Thompson. Did you mean Anderson? You said Thompson.

Mr. Maloway: I did?

Mrs. Render: I believe perhaps the member actually meant Anderson and he said Thompson. Maybe he was thinking of the town of Thompson. Is it D.T. Anderson that the member is asking about?

Mr. Maloway: Yes.

Mrs. Render: Again, I realize that the member is trying to make the point that everybody is a political appointee and that their only qualification is that they are Conservatives. I just want to remind the member that the people who have been appointed all come with a variety of skills that bring balance to the board.

This particular member is a professor and a former dean of the University of Manitoba Faculty of Law. He is a former director of education and a bencher of the Law Society of Manitoba. He has also served as a member of the Alberta Law Reform Institute, as well as the Manitoba Law Reform Commission. He is a barrister and solicitor. Again, I would just like to advise the honourable member that this particular individual is bringing another viewpoint and bringing another area of expertise to the Public Utilities Board.

Mr. Chairperson in the Chair

Mr. Maloway: Another member of the board, an M. Rodrigue, donated \$300 to the Conservative Party in 1997, \$300 to the Conservative Party in 1996, and a Gerard Rodrigue, same address, donated \$797 in '96 and \$793 in 1995, and coincidentally this member was appointed right around that time in 1995—on April 3, 1996, pardon me. I would like to ask the member: would those donations to the Conservative Party, coincidentally, just around

the time that she was appointed, have anything to do with her appointment to this board?

Mrs. Render: I just want to remind the honourable member that it is important that the Public Utilities Board be made up of a group of people that can bring a diverse group, a diverse set of experience and expertise to the board. This particular member is a psychology graduate, currently finishing her Master's of Social Work and Family Studies at the University of Manitoba. She is employed as the assistant to the director and a research associate at the Health, Leisure and Human Performance Research Institute in the Faculty of Physical Education and Recreation Studies at the University of Manitoba, and she has served as a director in numerous not-for-profit organizations and is presently an active director of the board of the St. Boniface General Hospital auxiliary.

Mr. Maloway: I have another board member here, a D.L. Barrett-Hrominchuk, and I would like to ask the minister, other than being the daughter of former PC Manitoba Fund member and lifetime Conservative Party member, Cubby Barrett, what are her qualifications for being on this board for the last 10 years?

Mrs. Render: This particular member, again, brings a wide variety of experience to the board. She has a Bachelor of Arts, a Bachelor of Science. She has a good background in finance, in business management courses.

This is a long-term board member, has been on the board for many years. She has, as I mentioned, held various administrative positions within the business sector and has also been actively involved with the creation and implementation of health service and personal development programs with emphasis on program design and budgeting within the northern Manitoba and Interlake areas, and, once again, this particular individual comes to the position with a great deal of knowledge for the area on the other side of the Perimeter.

Mr. Maloway: Can the minister then explain why it is that of all the candidates, members of the board that I checked, they are either former Conservative candidates, former and current Conservative party donors? I would like to

know why that is, why there are no former Liberal candidates, no former NDP candidates, no former donors of either of those two parties on the board at the current time? Could the minister explain to me why that is?

Mrs. Render: The government draws upon members of the community with experience in a wide variety of areas.

Mr. Maloway: It seems to me that the government draws on people of experience, yes, in some cases, but they tend to draw on candidates who are donors to the Conservative party or are ex-candidates. It seems to be a sort of a reward for faithful service to the Conservative party, does it not, when we have got these boards laden with ex-Tory candidates, failed Tory candidates and financial contributors to the Conservative party, in fact, in this case, a daughter of an ex-P.C. Manitoba fund member, one who was very central to the vote-rigging scandal that has embroiled this province for the last year?

Mrs. Render: Again, I take some exception to the member. I look at the chairman of the board, who has served the public for well over 20 years. So to try to cast the chairman of the board in that kind of a light I think is unfair. Once again, I just want to repeat that the board needs people on it who are going to come from a wide variety of backgrounds and have extensive knowledge, as I say, in diverse areas.

Mr. Maloway: I am not denying that there are good appointments to the board, and I am not denying that some of the actual Conservatives that are on the board are not good choices. Perhaps they are, but the point is that this seems to be a board that has had more than its share of political appointees, and I think, after 11 years in government, this government is starting showing signs of age, and I think that there is some evidence of nepotism and cronyism developing in this business of appointments to the board. I think the minister should recognize that there may be some weaknesses in the board, and they may be as a direct result of this party's blind loyalty to their faithful servants, their donors and their ex-candidates.

Mrs. Render: Once again, I will look at another board member that the honourable member

opposite has chosen not to ask me a question about. First of all, I drew his attention to the chair of the board who, as I mentioned to the member, has been serving the province I think back to the mid-'60s, so he has a long-time commitment to serving the residents of Winnipeg.

Secondly, the vice-chair of the board, which the member has not referenced, Evelyn Jacks. She is nationally and internationally recognized. This member is the founder and president of the Jacks Institute, a private training institute specializing in tax and business-related courses and the owner/manager of Jacks on Tax services, a private tax consulting firm in Winnipeg, Manitoba. She has served as an appointee on numerous advisory boards or committees, most recently on the Winnipeg Chamber of Commerce executive board council and as the chair of the chamber's education task force. She is also a featured biographee in the International Who's Who of professional and business women and was recently honoured as one of Manitoba's Entrepreneurs of the Year in 1995. Once again this particular individual is recognized on a national and international level. This government has full confidence in the Board of Directors of the Public Utilities Board.

* (1500)

Mr. Maloway: I would like to move on to some of the functions of the board and some of its activities over the last year. One of the first areas that I wanted to deal with was the whole area of Elmwood Cemetery. The minister will know that this has been a controversial area now for a number of years. We are edging slowly but surely towards a resolution of the problem. One would hope that procedures can be put in place so as to ensure that we do not have another Elmwood Cemetery on our hands, another similar situation in the future. I am looking for assurances from the minister that this problem has finally been resolved and assurances that there are procedures in place so that we do not have a repeat performance of this very sad situation.

Mrs. Render: I think the honourable member has concerns about perhaps perpetual care funds. I share those concerns and certainly this

department will be looking into this area to ensure that we do not have future problems along the lines of one of the cemeteries that ran into some difficulties a couple of years ago.

Mr. Maloway: Well, how much money does the minister think was lost in this whole exercise? We know that the city was out \$400,000 or so in property taxes because of this lax system that has been in place for so many years now. I do not think we have any guarantees about how the money was really spent. I want to get into all that area and find out just how much we really do know about what happened here.

Mrs. Render: In answer to the member's question as to how much money was lost, I cannot give him an answer to that. As the member likely knows, the passing of the accounts, it is the Court of Queen's Bench that was responsible for that. Under the current legislation, that did not have to take place more than once every five years. So, as I say, that responsibility for the passing of accounts was the responsibility of the Court of Queen's Bench.

As the member knows, we are bringing in some changes which will transfer that responsibility to the Public Utilities Board and will also make some changes as to how often that will happen. Those changes will ensure greater accountability.

Mr. Maloway: Mr. Chairman, I think that that is an excellent idea to allow the PUB to have a little greater access to the workings of the cemeteries.

I guess the question is why did the department determine that the old method was not successful?

Mrs. Render: Mr. Chair, I am not too sure whether I would put that particular interpretation on it. The Public Utilities Board licenses the cemeteries, so it makes sense to have the Public Utilities Board handle this and allow the Court of Queen's Bench to be doing the kinds of job the Court of Queen's Bench should be doing. Passing of accounts should not necessarily be their particular focus.

Mr. Maloway: Mr. Chairman, well, I have the passing of accounts from—I am not even certain of the year here, but I assume it was the last one—1995. It seems to me that if they are passed only five years and if they are passed by a judge, the chances are that it is not being looked at very closely. That would be my guess. That would be my analysis of why it would be a problem. The fact that it should be looked at more carefully by a body with some ability to analyze the statistics and be done more often should be something that should be looked into.

So the question is what was so wrong with the old system, and what is so right with the new system, the new proposed system?

Mrs. Render: Mr. Chair, I do not know whether we can simply say that there was something very wrong with the old system and the new system is going to be very right or more right, whatever. I guess I will just repeat my previous answer that the Court of Queen's Bench is a busy place, and it just seems slightly, maybe perhaps makes more sense to have the Public Utilities Board handle this, since Public Utilities Board handles the registration of the cemeteries. Perhaps by putting on a more frequent date for the passing of accounts, then there will be a greater accountability.

Mr. Maloway: Mr. Chairman, well, how often then and how detailed will the new procedures be?

Mrs. Render: Mr. Chair, this is something that the board, I believe, will be determining. I do not have the legislation in front of me. I have shared the legislation with the member, and I believe that the board will determine those kinds of detail as to how often. We are fairly confident that PUB will have an accounting, if not every three to four years, it may be even, to begin with, every second year or even more.

As I say, these are details that until the legislation goes through and until PUB and the board members are able to sit down, because this is a serious issue, I am not too sure that I can comment, because it is not up to me to tell PUB how often the passing of accounts should be. It may very well be that, because this is new legislation, or an amendment, I should say, to the

legislation, PUB may want to put something in place on a trial basis to see how this works, then oversee it and monitor and then perhaps put something more firmly in the regulations.

Mr. Maloway: It has been my assumption that this new method, letting the PUB vet the process, would change the current rules from having the judge do it every five years to having the PUB do it every year. That has been my understanding. It would make sense to me. Financial problems can develop very quickly in a business. So clearly five years is not sufficient time. Businesses start up and go bankrupt in a shorter time than that in many cases. So five years is too long a time. It seems to me that two years or one year is as long as you would want to go without having a good examination and a passing of accounts by the PUB.

* (1510)

Mrs. Render: Certainly the chairman of the board will be reviewing the minutes of Estimates. I know that he will be most interested in the member's suggestions about one year. Again I suspect that it may very well be that initially one year will, they may look at it on a one-year basis, but to say at this point that it would be set at one year I think would be premature. There are people on the PUB board who have a good business background and have a good feel for this kind of a thing. I think we need to allow the PUB to study the issue. Certainly they are very aware of the problem. I think that they will tread very carefully in setting this up. Certainly they will heed the member's comments.

Mr. Maloway: When does the minister plan to study The Cemeteries Act with the idea to have a complete revision and overhaul of the act. I understand Saskatchewan did it. It was a two-year process. They have evidently made some substantial changes or proposed substantial changes. I would like to ask the minister whether she is aware of what is going on in Saskatchewan, how far along the line are they, and what is she planning to do along the same lines?

Mrs. Render: Again, I share the member's concern. As a matter of fact, I have already spoken to the chairman of PUB about looking at the act. I guess I am just saying to the member

that we are already in the process of considering this. It is not something that will be easily done, but it is not something that is not being considered.

Mr. Maloway: I would like to ask the minister, I had a Free Press article dated May 27 in which it indicated that the city I believe had contributed money to the Friends of Elmwood Cemetery, I believe \$128,131, and it indicated that the province was also expected to provide \$128,000 grants to the Friends of Elmwood Cemetery.

I would like to ask the minister whether this has now been done, and how did they arrive at the \$128,000 for a grant?

Mrs. Render: I believe the member's question was how did we arrive at that figure. It is half of the anticipated deficit. The Friends of the Elmwood Cemetery submitted a business plan, and the business plan requested certain funding in each of three years.

Mr. Maloway: My question also asked whether this money has now been provided, whether the money has flowed.

Mrs. Render: The answer is yes, the money is in the budget from the province.

Mr. Maloway: I would like to ask the minister to give us an update on the status of the perpetual care funds to get an idea as to how far we have to go. This is quite a long road to follow here. I mean, in order to generate the revenues required from investments to run this cemetery properly, I think that about \$5 million will be required. I used to think it was around \$3 million, but I have read that it is \$5 million to provide the—you know, it is dependent on the rate of return that you can get on your money. So I would like to know what the prognosis is for this plan.

Just what is the plan, first of all, and what are its chances to succeed?

Mrs. Render: The member is correct. The Friends will be conducting a fundraising campaign over a three-year period to raise an additional \$5 million for the perpetual care fund. The current balance totals approximately \$1.3 million.

In answer to the member's question, will it succeed, I do not know that anybody can give an answer one way or the other. Certainly, we are very hopeful that it will succeed. Certainly, the people who are part of the Friends are committed to the project. They all have fairly high profiles, and they are enthusiastic and dedicated and have many ideas already. So I guess I would say, taking the optimistic look, that we are very hopeful that they will be able to raise the money.

Mr. Maloway: I would like a little better explanation than that. We have \$1.3 million after the old owner walked away from this problem and left the city in the lurch for \$400,000, left a big mess for the community to solve. The fund right now has only \$1.3 million, and to be sustainable it has to go to \$5 million. I would like to know just how they are going to do it. Are they going to have garage sales? Are we going to have bake sales? Just what is the plan here to get it from \$1.3 million to \$5 million?

Mrs. Render: The Friends of the Elmwood Cemetery will be hiring a professional fundraiser. I do not think bake sales are necessarily on their agenda. This will be a professionally run campaign.

Mr. Maloway: Could the minister tell us then how much fundraising has been done at this point?

Mrs. Render: The Friends are still in the planning stages. Although I will add that there have been many calls to the Friends already asking questions, so things are in gear.

* (1520)

Mr. Maloway: I guess that is a really good question. I would like to know who is keeping track of the Friends, like who is overseeing the Friends to see whether their business plan is reasonable and whether it is reasonable to assume that they can achieve this goal?

Mrs. Render: Mr. Chair, I think we have got to where the member needs to remember that these are prominent people, one of them, of course, being the former mayor Winnipeg and another with the Sill Foundation. They will be providing an audited annual statement. They have

charitable status with Revenue Canada. Both the province and the city have reviewed their business plan. They have a three-year business plan that has been reviewed. They will also be reporting on a regular basis, on a quarterly basis, so that there will be a monitoring of their activities and the status of their fundraising.

Mr. Maloway: Who are they reporting to?

Mrs. Render: They will be reporting to the province, to this department and to the City of Winnipeg.

Mr. Maloway: The minister said this department; does she mean the Public Utilities Board?

Mrs. Render: No. The former minister met on a regular basis with the Friends, and I intend to maintain that contact.

Mr. Maloway: Can the minister tell us who the fundraising company is that will be doing the fundraising for the Friends?

Mrs. Render: I do not have that information yet.

Mr. Maloway: Can the minister tell us the nature of the fundraising that they will do?

Mrs. Render: I do not think I can answer that because, to my knowledge, they are still in the planning stages.

Mr. Maloway: It is my understanding though that the system of records over there is all on paper, that it would be quite time consuming to go through and come up with a list of people who could be approached, that current addresses for people are just not available. Because it is such an old cemetery, the records, once again, are very old. A lot of the people who could be approached are no longer living in the area. Many are no longer alive. Just how big a well do we have here to draw from?

Mrs. Render: The member is perfectly correct. I do not think the Friends are under any illusions as to the enormity of the task that they have undertaken. The \$5 million is a very substantial goal, and many of the families with people in the cemetery are not necessarily right here in

Winnipeg. The Friends do anticipate a three-year campaign with approximately the first nine months spent in researching the records, completing the campaign plan and securing significant lead donors.

As I mentioned earlier, they have already received numerous inquiries. They have received offers of assistance, both in kind and by way of cash support. In fact, I believe they have even received phone calls. I just do not remember the country, but they have even received inquiries from either Ireland or Scotland, somewhere in the British Isles, I do not recall now, relatives of somebody who is buried. So this is not just a Winnipeg fundraising kind of an effort. It probably is national, and perhaps by the end of the planning stage it will be an international fundraising concern.

Mr. Maloway: In fact, that is true. I did get a letter from somebody from, I think it was Dublin, Ireland, who was visiting in Winnipeg. At the time I sent out a letter last year to every single household in the Elmwood constituency, and I got quite a positive response from people. At that time we were updating them as to what the current state of affairs were, because at that point in time we really did not know whether all the money—the perpetual care fund was not at that point turned over to the province. There was some concern about whether everything was in order with the perpetual care funds. People were quite concerned in the area. So the letter drew a very good response from the area and, in fact, a letter from Ireland.

I wish them well. It is just that I do not know how reasonable and realistic it is, given the state of the records and what they have to work with, to achieve these ends. But if the minister is assuring me now that they have put the plannings in place, that they have put the capable fundraising effort in place and that they have a reasonable chance to get this \$5 million, then I guess I will have to take her at her word and hope that she is right in her assessment.

So I would like the minister to expand on that whole area and assure the people in my constituency that she is on top of this issue and that she has confidence that this goal is going to be met.

Mrs. Render: Mr. Chair, as I said before, nobody can guarantee anything. I think what I stated before, we have prominent people who are heading this up. They came forward on their own. As the member knows, when you have people coming forward on their own and not being coerced into something, they usually bring with them a dedication and an enthusiasm that does not always happen in other circumstances. They have their own reputations that, I am sure, will keep in mind.

So, once again, there is a business plan in place. They have a three-year business plan. There is going to be quarterly reporting to both the city and the province, and there will be an audited annual statement. They have charitable status from Revenue Canada. As I say, we have the former mayor, we have a member of the Sill Foundation, and I think we have to assume that they are going to do their very best—because they are dedicated Winnipeggers—to raise the funds.

* (1530)

Mr. Maloway: Mr. Chairman, one of the problems here is the question as to whether or not the perpetual care fund has enough money in it and whether or not on presold plans, funeral plans, that perhaps the contribution level should be raised to a higher level by regulation. I understand this would not affect Elmwood Cemetery because there is really no new activity there, but in the other—I believe it is 14 cemeteries. I believe that is the number; maybe it is not that number, but with the other cemeteries, that they are currently active cemeteries selling plots, we may find 10, 15 years from now that not enough money is being put aside. So how can the minister assure us that that, in fact, is the case?

Mrs. Render: Mr. Chair, I guess I would say that we have to remember that the Elmwood Cemetery is probably the exception to the rule. It is unique. It is a very old cemetery. It is landlocked. As the member pointed out, there is not too much activity going on, not that there is too much activity going on in any cemetery. Most of the other cemeteries are more modern. The current cemeteries are more modern. They have less maintenance. The tombstones are flat. It makes a difference as to the care of the

cemetery, what kind of monuments that you have. I guess there has been sort of a change in more people are being asked to be cremated, so there is somewhat of a change.

But to get back to the member's concern on the perpetual care costs, the question of the level of perpetual care deposits to trust in order to ensure the long-term viability of cemeteries is something that PUB is concerned about, that I am concerned about. We will be looking at it, but it is again not something that we can make a snap judgment call. There has to be a very comprehensive review with the industry and with the public. It will require a fairly detailed examination.

Mr. Maloway: I have asked this question for several years now. The previous ministers all said they were looking at this whole idea of raising. We are talking about a regulation here. This is not legislation, I do not believe, that is required to be changed. The minister can simply decide that the old level is not enough to be put aside and can increase by regulation. So surely by now with this huge problem on our hands, surely by now the department would have got the ball moving here and jumped into this thing and got in and checked the other cemeteries to find out whether or not they are actuarially sound and that there is enough money being put away into the perpetual care fund.

What we had here in Elmwood was a fundamental trust being broken. We had a cemetery owner that was enriching himself for a number of years and ended up basically walking away from the problem, leaving the city \$400,000 of taxes being owed, was absolutely totally irresponsible in the last few years, refused to cooperate with the authorities here in Winnipeg, refused to pay his tax bills. No guarantee that he did not pocket substantial amounts of money. We have no guarantee of that, and nobody here knows what is really going on because every five years he went before the judge and got his accounts passed. We have no idea. Unless you are going to hire a forensic accountant at tremendous expense—it would probably cost more for the forensic accountant than what you could possibly get out of this thing. It is probably a nonstarter.

Clearly, we can accept that we have been bamboozled here in this one and that we failed miserably to solve this problem. Surely we can get in front of the problem and take a look at the other cemeteries that could possibly go down this road. Clearly, we want to establish whether a sufficient percentage is being put aside. Clearly, the minister has a more definite answer than the one that she is trying to sell here today.

Mrs. Render: The Public Utilities Board is not aware of any other similar problems.

Mr. Maloway: What do you mean, you are not aware of any similar problems? You have the Loewen group, one of the largest funeral groups in the world probably gone into receivership in the last month or two. There, I do not know how many cemeteries they have in Manitoba. But clearly there is some turmoil in the industry and your department should be on top of this whole thing so that we do not find ourselves with all sorts of financial mismanagement and financial troubles left for the province and the public to solve.

Mrs. Render: I think we are mixing apples and oranges here. The problems that Loewen is experiencing is the result of merger and take-over, not problems with a perpetual care fund.

Mr. Maloway: Can the minister tell us then if she can assure us that all of the other cemeteries in Manitoba are operating correctly at this point?

Mrs. Render: Yes, as far as PUB knows, all cemeteries are in compliance with the existing rules.

* (1540)

Mr. Maloway: Is it possible, though, given the proposed new changes in the rules, that the PUB will find that there are some problems that it previously had not noticed under the old system?

Mrs. Render: Mr. Chair, I think the steps that we are taking right now will enable the Public Utilities Board to be more active, to perhaps be a little more proactive.

Mr. Maloway: Is the minister telling us then that, as far as she knows, the effects of the

Loewen group receivership have no effect to Manitoba as a result of this receivership?

Mrs. Render: The perpetual care money, those funds are held in trust. They are protected.

Mr. Maloway: I wanted to deal with the issue of the moving of the graves in Elmwood Cemetery. Are there any more anticipated moves of graves in Elmwood Cemetery? The last couple of years, the minister will know, there have been at least, I think on two or more occasions, cases where graves had to be moved because of instability in the riverbank, and that was effected and was done, I believe, cost-shared by the province and the City of Winnipeg. I just wondered what the current status was of that and whether there were, in fact, any more graves that had to be moved.

Mrs. Render: Again, the member is very knowledgeable in this area and as he knows January, before the thaw, before the spring thaw, this will be looked at to review to see whether anything has to be done.

Mr. Maloway: I wanted to deal with a number of other subjects today under the Public Utilities Board, but there is a general problem the government has been dealing with and society has been dealing with that is sort of peculiar to most of the areas of regulation under the board, and that is the Y2K issue, and I know the member for the PUB is here. So I do want to deal with each of MPIC, Hydro separately, but the Y2K issues come up in the chairman's remarks in their annual report. Perhaps we could start dealing with Y2K issues here, and then we could deal with the areas that I miss in the individual corporations and then, of course, in Finance at the end of the day.

Mrs. Render: The board certainly has monitored the developments in this area and has received reports and assurances of readiness as the member, I know, has read in the annual report. Specifically, the board has inquired of Manitoba Hydro, Centra Gas Manitoba, Stittco Utilities, Gladstone Austin Natural Gas Co-op Limited and has received confirmations of Y2K readiness, primarily as it pertains to safe and reliable service. Members may have seen in the Free Press in April that Manitoba Hydro and

other electric utilities have performed some dress rehearsals, and things went very well.

Mr. Maloway: I would like to ask the minister, then, whether they have, similar to the government department, quarterly Y2K reports that the board gets from the regulated companies. How are you dealing with the Y2K issue with your regulated companies?

Mrs. Render: Each of the companies does report to PUB. PUB does not conduct a specific technical examination, I guess you could call it, but my understanding is that, as each of the companies reports in, it is able to report that it has passed specific benchmarks. So that gives PUB a sense as to where each of the companies is in its Y2K readiness.

* (1550)

Mr. Maloway: We know that the government itself has quarterly reports given to the deputy ministers. They evidently meet and discuss the matter, and there is some sort of a written report that comes out of it. We know that the Securities Commission has reports. We were told the other day. I think they are quarterly because, as a matter of fact, the chairman of the Securities Commission could not give us an update as to what was happening with the Y2K issue in Manitoba companies because the deadline for submitting the reports was the 15th of June, and we were asking these questions on the 16th or 17th, so the deadline for reports had just come by. I had asked him at that time for his reports from three months ago, which would be, of course, three months out of date, and he said that he would endeavour to get that information. I think the minister is currently working on that to give us the report from three months ago.

So, you see, we have a structure here. The Securities Commission has a structure for receiving Y2K reports from the companies; the government itself has a structure whereby it briefs the deputy ministers every quarter. I want to know what the PUB is doing. Does it expect quarterly reports from its regulated companies? Does it expect monthly reports? Just what is the procedure?

Mrs. Render: Each of the utilities has its own structure. Just as Manitoba government or just

as Manitoba Securities Commission has its own structure, so too does each of the utilities have its own structure.

Mr. Maloway: Is the PUB confident that the regulated companies will be Y2K compliant by the end of the year?

Mrs. Render: The PUB has been given assurances that they will be ready.

Mr. Maloway: It does not make sense to me. The government has quarterly reports, quarterly meetings with deputy ministers. The Securities Commission has quarterly reportings from the companies in Manitoba. The TSE has a reporting requirement in its annual reports on the Stock Exchange. There has to be some sort of a procedure set down by the PUB rather than just saying that they just report when they feel like it, because that is what the minister is telling me. Whenever the gas company feels that it wants to report something, it does, and if it does not feel like reporting it, it does not report it.

Surely there must be a set procedure here, a quarterly requirement, a monthly requirement, something more than just, you know, if they feel like doing it, they will do it, and if they do not feel like doing it, they will not do it.

Mrs. Render: I think the member has answered his own question. He referenced the Manitoba Securities Commission, he referenced the Toronto Stock Exchange as having their own structure, and that is exactly what I said. Manitoba Hydro, Centra Gas, each of these companies has its own internal set of guidelines as to when they conduct particular tests, and they report to The Public Utilities Board. So when the member says from time to time on the PUB, that is not to say that each of the companies is not doing things on a very regular deadline kind of a structure.

Mr. Maloway: I want to deal with the MPIC in a number of areas, but one of them, the first one we can deal with, if you like, is the Y2K issue over at MPI. I would like to ask the minister what the status is of the Y2K. I understand that they have a new system that is being brought in for the claims system. I think that is just operational or becoming operational as we

speak, but I would like to ask some questions about Y2K.

I understand, and I may be wrong, but they spent a tremendous amount of money refurbishing their old system to make it Y2K compliant, just in case the new system did not work properly. I mean, there may be some solid reasons for doing that, but the question is why would you spend money making your old system Y2K compliant if, in fact, you are buying a brand new system, installing it six months before the year-end?

So perhaps the minister could take some time and get a very thorough answer for this question.

Mrs. Render: As the member, no doubt, has turned to the page in the annual report, page 32, he can see an outline of the Y2K area, but if he has very specific questions, those are questions that should be directed to the Minister responsible for MPI (Mrs. McIntosh).

Mr. Maloway: The PUB regulates MPIC and that, I guess, leads me to another observation. In fact, this government has continued to pride itself over the last 11 years of allowing the PUB to regulate MPIC and thus take it out of the political realm, when, in fact, it is very much in the political realm. It is very much in the political realm because the government appoints the board members.

They are political appointees, very similar to the appointees whom we talked about at the beginning of the session today, that they are Conservatives and Conservative donors, by and large. The government appoints them for their loyalty, not necessarily their expertise, and the government has been able to argue for the last 10 years—

Point of Order

Mrs. Render: I take exception to the fact that the member for Elmwood is implying that the members of PUB do not have the necessary expertise.

Mr. Chairperson: I do not believe that the honourable minister has a point of order.

However, I would ask all honourable members of the committee to pick and choose their words carefully.

* * *

Mr. Maloway: I was not talking about the PUB lacking the expertise. I was talking about the members of the MPIC board, like the members of the PUB board, being politically appointed. The government's argument over the last 11 years is that they, in fact, have a hands-off approach, that they, in fact, do not direct the operation of the corporation, in the case of MPIC, and that the corporation is run on a purely business basis. If that was the case, of course, we would not see some of the decision making that we have over at the corporation.

I want to ask the minister some questions about the MPIC. Now the MPIC was set up in 1971, 1972 to run as a break-even company. It is a company that does not have to pay shareholders, unlike private insurance companies. By law it cannot divert money into general revenues. So the Minister of Finance cannot get his hands on excess revenue over at the MPIC. That was the basis upon which it was set up, so that it does not need a huge amount of retained earnings.

* (1600)

So the question is what is an appropriate figure for retained earnings at the MPIC? For many, many years, 15 percent of earned premiums was the generally accepted method for determining what the retained earnings should be. Now, at 15 percent of earned premiums, based on last year's MPIC annual report, the corporation should have around \$75 million required to be in the reserves. What it has is \$64 million more than that. So what did the corporation do? The corporation simply had a meeting one day and decided to change the formula in an effort to basically hide these extra reserves. So it is currently overreserved by \$64 million.

Now, we know the PUB has had a problem with the reserving at the corporation for the last few years. The PUB has admitted that there is a problem there, and they have tried to work out a solution with Autopac. For example, even on

page 33 of the annual report, there is a statement that the board found there are deficiencies in the corporation's methodology used in arriving at the new target levels, and that the corporation continued to use the existing 15 percent of premiums written. So that is the point. I am trying to get into this whole area of what is involved with the PUB and the MPIC and their determination of what is an adequate level of retained earnings in the corporation.

Mrs. Render: I am somewhat at sea as to just where the member is coming from. PUB is independent. PUB regulates only the rates. PUB reviews the rates, and it is not up to the minister to tell PUB what to do. So I am not too sure just where the questioning is coming from.

Mr. Maloway: I think the point here is that this government uses the corporation according to the election cycle in Manitoba. I draw the minister's attention to page 37, Figure 11. I would like her to explain that graph to me.

Mrs. Render: Again I am at a loss with the member's question. The graph is clear. One is the target and one is the actual, and I do not know what more I am supposed to say. These are the figures. Again I want to reiterate PUB is independent, and it is not up to the minister to be telling PUB what to do. I just want to remind the member that PUB regulates only the rates.

MPI comes before PUB when it wants to raise or lower the rates, and PUB reviews and then makes a judgment call. That is the purpose for going before PUB. So this is simply a graph which gives the target figure and the actual figure.

Mr. Maloway: Perhaps then I should explain the graph, because the actual is the figure that we should be looking at here. One will see that 1995, 1996, the graph sort of almost hit the bottom of the page. Coincidentally, right in the middle of that, between 1995 and '96, guess what? There was a provincial election. So that is the year in which the government reduced the rates just in time for the provincial election and flushed out their retained earnings and then hit rock bottom in 1996 and now is in the process of building up their reserves. Guess what? Just in time for the next election.

Mrs. Render: I will just simply reiterate: whenever MPI wishes to adjust the rates, it goes before PUB. I do not remember that year. Maybe it was a bad winter, I do not know. But once again it goes before PUB for any changes in rates.

Mr. Maloway: The new method that the Conservative government used was supposed to correct all the perceived problems with the old system. The old argument was that the cabinet set the rates. The old argument was that it was run according to the election cycles. Well, I have news for you, nothing has changed. It is the same, old system. The same, old system is in place. It is just run in a little more sophisticated fashion.

You put it over to the PUB, which is run by Conservative appointments, and the MPIC itself is run by a Conservative-appointed board. Tell me, what is the difference? There is really no difference here. The political operators still run the show. This graph tells the tale. You cannot hide the fact that between elections the retained earnings drive themselves up, and then when the election comes around they flush out the returned elections to buy the public's support and buy the public's votes. That is all I am saying, that you should not put graphs in your little book here that basically tell the true story if you do not want the true story to be told.

You can play around all you want with the accounting at the MPIC, which you have done. You can change the retained earnings and rate reserve formulas if you want to hide your excess reserves for that year, but the bottom line is that you are running this corporation according to the election cycle. Why do you not just admit it?

* (1610)

Mrs. Render: I was just looking at the line. I have to open my book back up to that page again. You will see that the target line is a fairly flat line. It is the stabilization line. Again, I think the member has maybe answered his own question again. He said that he is suggesting the rates are put in place to coincide with the election year and if we do not want people to know what we are doing we should not put these graphs in. I say to the member that the graphs

are there because MPI has absolutely nothing to hide. I will just reiterate one more time that PUB reviews the rates.

Mr. Maloway: The minister makes a mistake going back to this graph, because if you want to look at the target, the target is flat. That is right. The graph is flat. That is supposed to be where we are headed. With all this regulation and all these professionals managing the corporation, managing the PUB and the huge, foot-thick stacks of documents we get every year for the rate process, then why are these two lines not exactly parallel to one another? If this system runs so well, if this corporation runs itself so well, if this PUB runs itself so well, then those lines should be roughly parallel with one another. The RSR target and the RSR actual should be roughly the same, should they not?

I have explained to you why it is not the case. It is not the case because while in 1995 your target was, say, \$50 million, what you ended up doing is flushing the reserves down to a minus figure. What in the world were you thinking at that time? I will tell you what you were thinking, you were coming up to an election. That is what you were coming up to. These graphs should be parallel. This graph, the actual, should follow the target. If it is 15 percent of earned premiums that you are looking for, then all you should be able to do is you should be able to hit that target every year. You might drop a little bit, some years you will be over, but your graph over 20 years should be slightly above or slightly below. You increase them slightly, you decrease the rate slightly, but you should not have these spikes.

Why do you have the spikes? I will tell you why they have the spikes. You have the spikes every four years, right along the election time. It is about time the government simply got off the pot and admitted it and quit hiding behind the PUB skirts and saying, well, you know, it is out of our hands, it is the PUB.

It is not the PUB. This thing is run according to the election cycle. So why do you not just admit it?

Mrs. Render: Mr. Chair, I think the member is trying to flog a dead horse here. I do not have a

weather forecast or a weather chart in front of me, but it may very well be that there was a year of heavy ice storms. Do not forget rates go up and down depending upon various conditions. Certainly, winter conditions are one aspect. I can remember one summer there was a hailstorm in the summer, and that impacted on the rates. For the member to sit here and lambaste PUB and totally disregard weather factors which have a huge impact on the reserves is foolish.

Mr. Maloway: Mr. Chairman, the minister should know that she is walking on a very thin reed on that one because the reality is, and she knows this very well, that the corporation reinsures. That is the whole key. The crux of the whole insurance business is that insurance companies only save a portion of the premium. They reinsure. They buy reinsurance for exactly what she is talking about: for hailstorms, for windstorms and other catastrophes. That is why the minister will know that the MPIC's books can look pretty good, even if it has gone through a rash of storms because the reality of it is that they only pay a certain percentage. They have limitations as to how much they will pay.

So they can have the biggest hailstorm or biggest snowstorm in the history of the world, and they will still only pay out a certain amount of money. They insure themselves against catastrophic losses. So you cannot hang your hat on bad weather and snowstorms and hailstorms and other kinds of issues to explain this one away. It just will not work.

Mrs. Render: Once again, I know I am sounding like a stuck record, but the PUB is charged with the responsibility of looking at all factors in the setting of rates. So, if the member is calling into question the integrity or the expertise of PUB, then maybe he should say that.

Mr. Maloway: I am simply asking the minister to recognize what is true, and that is that the corporation is run according to the election cycle. The fact of the matter is the minister knows that, in the insurance business, insurance companies work on the basis of predictability and they reinsure everything above a certain amount. So we have a situation that, if there is a huge snowstorm or there is a windstorm or a

hailstorm, the corporation is not bankrupting itself because of a storm. What it does is it buys reinsurance.

Now, the minister will know that, before she was elected, back in the late '80s, the corporation did run into trouble with the previous governments because it got into the reinsurance business itself as a reinsurer. So by way of explanation, rather than just buying reinsurance which every insurance does, every insurance company buys reinsurance to reinsure the loss beyond a certain amount of money that it knows it can afford to spend, every company does that. But not every company sells reinsurance. What happened was MPIC started to sell reinsurance.

The result was, when it sold reinsurance, the companies that were buying it were companies, for example, that would be in Florida or other jurisdictions around the world, so that when there was a meltdown in Bhopal, India, or when there was a big storm in Florida, the MPIC had purchased reinsurance so MPIC got stuck with a huge loss, right? And that is why the government got out of the reinsurance business because there were long-tail liability losses that ended up costing the corporation a lot of money.

So it got out of that field. It has not been in the reinsurance business for quite a few years. It has got itself a very predictable pattern, it basically buys reinsurance. It does not sell reinsurance anymore. It had a bad experience with that, so it buys reinsurance. So the claims experience and stuff is a predictable thing, so the minister cannot be talking about hailstorms and so on as being the cause of this fluctuating graph. It is just not true.

Mrs. Render: As I have said quite a few times already, PUB is the body to which MPI goes to when there is a change in the rates. I have full confidence in the Public Utilities Board. If you have specific questions on the operations of MPI, then I would suggest to the member that he ask the Minister responsible for MPI (Mrs. McIntosh).

Mr. Maloway: I am trying to deal with the annual report of the PUB. That is what we are dealing with here today. And the PUB annual report specifically deals and has concerns about

the deficiencies in the corporation. It is right here. It is right here in black and white, page 33 of the annual report. What do you mean you cannot answer questions about your annual report? Is it exactly what you are here for.

Mrs. Render: I do not think the member is listening. Yes, I can answer certain questions. On page 33, the annual report does state that PUB found that there were certain deficiencies in the corporation's methodology used in arriving at the new target levels. I could go on. If he has questions on that, then he should speak to the Minister responsible for MPI (Mrs. McIntosh). PUB, which reports to this particular minister, is the body that MPI goes to when it wants to make a change in the rates. If the member has questions about the operation and why certain things are done in a certain fashion, then he should ask the Minister responsible for MPI. PUB looks at all conditions and makes a determination on the rates.

* (1620)

Mr. David Faursschou, Acting Chairperson, in the Chair

Mr. Maloway: The PUB has been concerned for a number of years about the rate reserve levels of the MPIC. I would like to ask the minister: is the PUB currently happy with the existing method of establishing the RSR, or is it happy with the old system of establishing RSR?

Mrs. Render: I really cannot add anything more than what is stated here in the annual report. As the member knows, the whole process is open to the public.

Mr. Maloway: Surely the board has had a concern about the RSR levels at MPIC for some time. The board was concerned that the rate reserve was going to exceed its levels of 15 percent of earned premiums, and, in fact, it ordered a reduction last year in the amount collected for the RSR. But the board of the MPIC changed the accounting method, so that, rather than being 15 percent of earned premiums, which would be around \$75 million, it changed the formula so that now it can justify holding, say, upwards of \$110 million. I want to know: did the board approve of that change in the method of accumulating the RSR?

Mrs. Render: The annual report that the member and I both have in front of us is the last word on that particular issue. MPI, I believe, is going before the board in September. Those kinds of questions, I am sure, will be raised by the board at that particular time.

Mr. Maloway: I do not know why the PUB is under the Consumers Affairs department, then, if we are not allowed to ask any questions about the annual report. What kind of questions do you want to be asked about this report?

Mrs. Render: I think the member is looking for questions on the operations, or the whys and the hows, of MPI, and those questions should be asked of the minister responsible. PUB is responsible for setting the rates. So this particular minister is responsible for PUB, and this minister is not responsible for MPI.

Mr. Maloway: Precisely, Mr. Chairman, that is what I am asking. The PUB has a different view of the issues than the MPIC does. Even though, as I said, they are politically appointed boards, the fact of the matter is that there are some disagreements between them. The MPIC wants to do things a certain way. Whether it is a jurisdiction issue or whether it is an internal method they are dealing with, they want to do it a certain way. The PUB has its own set of ideas. They have to resolve these issues. What I am asking is from the PUB's point of view as to whether or not it feels that the current regime that is in place is the acceptable one or whether the older system is, in fact, the system that is supposed to be used.

Mrs. Render: As I already stated, this is the board's position. When this comes before PUB in September, if someone raises that issue, the board will make a determination. I cannot second-guess.

Mr. Maloway: So does the PUB agree with the current method for determining the RSR at the MPIC?

Mrs. Render: Again, Mr. Chair, I will repeat what is here in the annual report. The board found that there were certain deficiencies in the corporation's methodology. Again, I think the member all along has been trying to suggest that

the rates are set in a certain negative fashion. He has a negative twist there, but he himself has admitted that it appears that the board might find certain deficiencies. So I think that answers the question right there that the PUB is not afraid of pointing out that there were certain deficiencies in the corporation's methodology.

Mr. Maloway: Mr. Chairman, the minister, obviously, is not prepared to tell me what the PUB thinks is the acceptable method of determining the RSR. I mean, this is a big issue with these people. They have their own ideas, and MPIC has its own ideas. I would like to know why they cannot accept the fact that 15 percent of earned premiums was good for 20-some years. Why in the dead of night just one year ago did the corporation change its methodology to hide the retained earnings that it has right now? Why did it do that? Surely, there was a reason why the 15 percent, after all these years, was no longer an acceptable target. What was the reason for that? I am just trying to find out. That is just a simple question.

Mrs. Render: Again, I repeat the member should ask the minister responsible for the corporation. I also want to draw the member's attention to the last sentence in that paragraph on page 33, and I am quoting from the annual report: "The Board also directed the Corporation to provide an updated report at the next GRA"—general rate application—"on the appropriateness of the RSR target, including comments on any proposed modifications to the revised target presented at this hearing, as well as options for the eventual removal of the RSR adjustment."

Mr. Maloway: Could the minister provide us with a copy of that report?

Mrs. Render: Again, I just want to draw attention to the words "an updated report at the next GRA." So that report will be available at the next hearing.

*(1630)

Mr. Maloway: Mr. Chairman, I would like to ask the minister about the PUB's desire, wish, order, if you will, asking the MPIC to cut its costs. I think that is something that most people would agree with, that the corporation should be

well run, should not be wasting money. I think all of us, as politicians, would agree, and taxpayers would agree, that it is important to run corporations, whether it is MPIC, Hydro, any other corporation the government runs, as efficiently as possible.

So I would like to ask, with that in mind, how is the corporation fulfilling this order, this rule, this desire to reduce costs when it has given a contract for towing to a company that is a million dollars higher? The highest-bidding company, Dr. Hook, submitted a bid of \$3.2 million, a million dollars more than the lowest bidder, Grease Lightning Hookup. How is that in keeping with the board's desire for the MPIC to reduce costs, when the corporation turns around and gives a towing contract to the highest bidder, a highest bidder by a million dollars?

Mrs. Render: Mr. Chair, again, that is a question for the Minister responsible for MPI (Mrs. McIntosh).

Mr. Maloway: It is a question for the Minister responsible for the PUB, because the PUB has the authority to deal with MPIC and has told the MPIC that it wants to see an efficiently run corporation. It wants to see costs contained. Now, I ask you how it is, is this the kind of cost containment that we are looking at with this government when you have a bidding system set up and the winning bidder, Dr. Hook, happens to be the most expensive bidder by a million dollars? Is that your idea of cost containment?

Mrs. Render: Once again, I cannot direct or tell PUB what to do, what to investigate. If this is an issue that comes up at a hearing, then that is the place.

Mr. Maloway: I would like to ask the minister then for her personal comments. Would she agree that it is not good practice, assuming that you have a tendering system in place, to be accepting a tow truck company operator's bid when it is a million dollars more than the lowest bidder? Is that not a bad practice and an example of inefficiencies that should be dealt with?

Mr. Chairperson in the Chair

Mrs. Render: The member's questions are really not on PUB, so they are simply not relevant.

Mr. Maloway: Another issue that has been brought to my attention is that the MPIC— [interjection]

Mr. Chairperson: Is it the wish of the committee to take a five-minute break? [agreed]

The committee recessed at 4:33 p.m.

After Recess

The committee resumed at 4:46 p.m.

Mr. Chairperson: Order, please. Will the Committee of Supply please come to order. We will just go to the honourable member for Elmwood.

Mr. Maloway: Mr. Chairman, I was really asking the minister whether, in light of this towing contract controversy, whether she could refer this to the PUB then to be part of their deliberations and concerns for the next go-around that she is talking about. She indicates that they will be dealing with the hearings of the PUB as far as MPIC is concerned, and I would like her to bring this to the attention of the PUB so that when they draw the MPIC into these hearings, they deal with this issue as an example of where is this cost containment provision that they are interested in.

Is this evidence of how they are trying to successfully contain their costs when they accept a tow truck bid that is a million dollars higher than this other bidder? Would she bring this up to the PUB and make certain we get some answers as to whether this contract question will be investigated to determine whether or not the MPIC may be spending a little more money than they should be on this contract?

Mrs. Render: I do not know that it would be appropriate for me to be telling PUB what to investigate. However, I do suggest that if the member wants this investigated, he is very free to bring this matter up himself.

* (1650)

Mr. Maloway: On October 14, 1998, Mr. Ron Stenning, who is the co-ordinator of the Manitoba affiliated rental vehicle group, I believe at 104 Pembina Highway, and is the owner of Executive Low Cost Rent-A-Car sent a letter to Mr. McCrae, Minister of MPIC, in which he said—Dear Sir: This letter is to request information regarding a deal that we have heard is being negotiated regarding the payment of monies by MPIC to rental companies.

The information has been received through the grapevine in a few telephone calls to various persons within MPIC. Each call allows us a fragmented piece of information but nothing conclusive. It would appear an exclusive deal is in the process with the seven national u-drive companies that could seriously affect the ability of the local u-drive companies to stay in business and could be construed as a restriction of trade. What is incredible is that we have not been privy to any of the negotiations which will affect our businesses and also the ability of Manitobans to rent vehicles of their choice and financial capabilities. We consider this to be discrimination against local business. It is our request that before negotiations continue that we be part of the process. We would be pleased to meet with you at your convenience.

And he says where he can be reached.

Now, we have another letter March 24, 1999, to Honourable Linda McIntosh who is now the new minister for MPIC, and this is from Rent-A-Wreck which I think members will be familiar with. It is regarding the Manitoba car and truck rental association and their Autopac constraint of trade practices. It is written by a Mr. A.D. Tony Sonsata [phonetic], president and CEO, I guess, and he is from Alberta, but I guess they have franchises or they have a company in Manitoba.

A very short letter, he says: You are no doubt aware of the cosy little club formed by Autopac and the new vehicle rental companies in Manitoba whereby the club members get all of the Autopac business and set the rules of the age of vehicles that can be rented. I instructed our franchisee to join. So these people I guess joined in this little cosy club he is talking about, and

after much effort we were able to gain membership only to find out that the other club members were not only trying to restrict the membership but trade as well. To be a member we have to conform to the rules they set operating the vehicles they say and charge the high prices that they charge.

Evidently this little club of seven—by the way, which includes Budget and one Bob Kozminski who, as we know, is a very well-known and famous Conservative fundraiser—is evidently charging more for these car rentals than what some of these little guys have been charging. So, in fact, they are being forced to join a club and charge higher rates than they would normally charge. This is what he is alleging here.

He says: We refuse to comply with what we feel is an illegal activity, and as a consequence of this noncompetitive arrangement, our franchise is suffering irreparable harm. If I do not hear from you promptly upon receipt of the letter that you will take immediate action to level the playing field for all car rental companies, stop illegal activity of the club and Autopac, we will take all legal action available to us. This has gone too far for your government to bury its head in the sand. We demand a level playing field where we can compete fairly with our competitors.

Once again the Public Utilities Board is concerned about cost overruns and cost management at the corporation. Here is an example of where not only it appears as though these seven rental companies are colluding with one another, and I can understand them maybe colluding to reduce the cost to MPIC, but the understanding is they are together in their little group and the cost to MPIC is higher. Now I do not know that this is true or not true. All I am doing is reading letters that I have got on file regarding this issue. Since I cannot seem to get any answers from this for these people anywhere else, I was hoping the PUB could show some interest in this issue and tell us why this is happening and whether they will step in and ask some questions about this.

Point of Order

Mr. Jack Penner (Emerson): Mr. Chairman, I have been sitting listening to the question and

the direction of the question. I find it rather interesting considering that the honourable member, who was at committee just less than a week ago when MPIC appeared before committee, could have asked all those questions of the Manitoba Public Insurance Corporation. I think that would be the appropriate place to put these questions, because they would certainly have the answers.

Mr. Chairperson: I believe that the honourable member for Emerson does not have a point of order, but it is more like a point of information.

* * *

Mrs. Render: As I have said quite a few times already this afternoon, if the member has these kinds of questions he should direct them to the Minister responsible for MPI (Mrs. McIntosh). If he is suggesting that there is a defective tendering process, then he can bring it before PUB. He has two forums in which he can get the answers to the questions that he has been asking for the last hour, and they are not this forum right here. He can go to the Minister responsible for MPI and he can go and appear at a hearing of MPI when they go to the board.

Mr. Maloway: Certainly that will happen if the government ever calls another meeting of the MPIC.

Mrs. Render: I believe that the member had an opportunity at committee within the last month, so for the member to suggest that the government does not call this particular committee is incorrect.

Mr. Maloway: This issue will be taken up with the committee. I can assure the minister of that, but it is not just enough to bring the issue up in one forum, that being writing letters to the minister. You can write letters to ministers of this government until you are black and blue, and you will not necessarily get any action.

Sometimes it does serve a very valuable purpose to work at a problem through several avenues, and the PUB is certainly an avenue in this case because the PUB is responsible for regulations. This corporation produces huge two-foot-thick binders of information and takes

them before the PUB, and they go through a whole process of determining the rates through the PUB process, and as part of that process the PUB asks for an efficiently run corporation and cost containment. There have been references in the past. They have made several references to the desire to reduce this cost and reduce that cost over at the MPIC, and then we turn around and we find out that they issue a towing contract in which the successful bidder bids \$1 million higher than another one of the bidders.

I ask: is that an example of good cost containment and efficient running of a corporation? Then we find out the rental car people write us letters, and they say that the corporation has got itself a seven-member group. I could understand if there was a seven-member group with the intention to get lower-priced rental cars, but evidently that is not what is happening. My information is that they have formed a little group, and the price of the rental cars has actually gone up. The people that are not in the group, the four or five guys, executive low cost and the Rent-A-Wreck people and several others here, they are being cut out of business, so these are practices that the minister as Minister of Consumer Affairs should be interested in, the Public Utilities Board as a regulator should be interested in. All I am asking is that they use their good offices to bring this up with the minister, with the corporation, to find out what is going on.

If nothing is going on, well, then we will find that out. If something is going on, then we want to get to the bottom of it and solve it. I think it is in the interests of the member for Emerson (Mr. Penner), as well, to want to get on top of this issue and make certain that the corporation is run as efficiently as possible, and that if, in fact, they are spending a million dollars more than they should in tow truck contracts, then that would want to be addressed. If they are cutting little guys out of the car rental business when they have been doing this for many, many years and they are putting these little guys out of business, I think the member for Emerson would want to see that stopped. I think we all would want to have that looked at.

So there is nothing wrong with the questions being asked.

* (1700)

Point of Order

Mr. Penner: Mr. Chairman, I appeal to you for the second time on this issue. I have listened very diligently about the questions, and I am not at all convinced that the questions that this member is raising are pertinent to the department at hand and the issues we are dealing with.

I would suggest to you, Mr. Chairman, that you call the member to order and ask him to direct his questions to the pertinent minister.

There is an appropriate place for the questioning of Manitoba Public Insurance Corporation. We do call public hearings and public committee and ask Manitoba Public Insurance Corporation to come before that committee to ask, to allow members opposite and government members, all the questions that they choose to. This Manitoba Public Insurance Corporation has over the last month appeared before the government committee twice, and I think I only saw this member there for a few minutes once. I would suggest to you that you call this member to order and ask him to ask the question that he is asking at the appropriate time and to the appropriate minister and at the appropriate committee.

Mr. Chairperson: I would ask the member for Elmwood to consider redirecting his questions on this part he was talking about as far as the Rent-A-Wreck was concerned. That I do not believe was in the PUB report. Now, the rest of it, as far as his questions were concerned, there is a part of the PUB report that does take up some with the MPIC. He can ask those questions and the minister can answer them if she wishes, if they are relevant, or if she feels they are relevant.

* * *

Mr. Maloway: That is really all I was going to suggest, that the minister in the past, when she has not had readily available answers to questions has simply said, and all ministers have, that we will get this information and we will provide it to the members.

As a matter of fact, this not a shining example of responsibility, but the previous minister, who was quite forthright in many ways, and I certainly made reference of that in the past, but I did see him the other day and did remind him that he was not exactly perfect, that he provided information to me that he promised last year. I happen to have it with me right now. I asked him in committee about this time last year and I got all the information. Here it is. But I got it January 7, 1999. I would not call it exactly timely, but certainly it was very, very thorough. I expect this minister to if she does not have the information.

I appreciate that the PUB is a very involved process and that they have areas of specialty over there. There may be one member that is a little more up on the MPIC and there would be another member that is a little more up on the gas company and another member may be a little more up on Hydro. I know we do not want to take three days and bring the specialist in Autopac over here for one day and then the next day we could bring the Hydro specialist and the next day we could bring the gas company specialist. We can do that. It is not a problem. We can do that.

I recognize that we are not necessarily going to have the specialist here who can give us all the detailed answers all the time. When that happens, I expect that the minister will give the best answer she can and that she can endeavour to get back to me with the answer and hopefully it will not be January 7 like the last minister, right?

I know there is a pattern here, and I have seen it over the years, that ministers take these questions as notice. They make certain that when there is no possibility of any, you know, when the election is over, I will get the information in 2003 or 2005. So if we want to do things that way, I can make half-hour questions and use up the time, but that is not what I am intending or wanting to do here. I am aware that the MPIC had its hearing. I was at the hearing, I asked questions there, and I will go to the next hearing and I will ask questions there, too.

But I am certainly going to ask questions, some of the same questions here, because there

certainly is a tie-in. I want to find some commitment here that there is a recognition of a problem, there is going to be a desire to ask some questions. That is all I am asking is: are you prepared to ask some questions of the PUB to get to the bottom of this possible travesty here with these car companies and with this towing company?

Mrs. Render: Mr. Chair, as I said earlier, it is not up to the minister responsible for PUB to tell PUB what to investigate. The hearings are a public process. The member opposite has the ability to take forward any of his concerns. I know that the chairman of PUB will read the written record of Hansard, and he will be aware of some of the member's comments. But I do not believe it is appropriate for me to be telling PUB what to investigate.

So I suggest to the member that if this is important to him, that he bring it up. If he has questions, if he thinks that there is an incorrect tendering system in place, then he has a duty to bring that forward. But I will remind him again, for probably the 10th time this afternoon, that he has two other forums that he can be bringing these questions to, and it is not this particular one.

Mr. Maloway: Mr. Chairman, I would like to ask the minister a question or two about the CLEAR system. Given that the chairman or the chief executive officer of the corporation last year sometime had the first meeting ever I think with the car companies—and it was definitely a good idea—but the CLEAR system is designed to I think anyway, one of the reasons for it is to force car manufacturers to build in better safety methods into automobile production. I do not think anybody here would disagree with that.

I would like to ask whether or not this CLEAR system has produced any evidence of improved car safety since its imposition.

Mrs. Render: Mr. Chair, again, this is not a question to be asked at this particular time. If you want to ask whether or not particular systems, in this instance whether or not the cost—well, I am not even going to get into the CLEAR system. This is a question that you should be asking the Minister responsible for MPI (Mrs.

McIntosh). PUB sets the rates. I want to remind the member that that is the role of PUB. It is not the role of this particular minister to comment on whether or not certain operations of MPI are working or not. That is up to PUB to make a determination.

But if you have specific questions, those questions should be directed either to the minister or at a hearing if you feel that there are faults.

Mr. Maloway: Mr. Chairman, I fail to see what the role of the PUB is in doing the regulating, other than getting the government off the hook on the question of the rates if, in fact, they are not in a position to ask any questions about systems such as CLEAR, which is a system which, by the way, was a first in North America I believe to be tried here in Manitoba, right here in Manitoba. It is a system that is being phased in. I think it is probably in year three of a five-year phase-in program, and the design is that it is tied to the accidents or the theft costs associated with automobile losses so that they can determine that a certain type of vehicle, if it is subject or prone to theft or subject or prone to excessive damage in a collision, that, in fact, the owners of those vehicles will pay higher rates.

The long-term purpose, I think, and gain to the public in this process is that the car companies will have pressure put on them, that if they keep building vehicles that cost excessive amounts to repair and if they keep building vehicles that are very easy to steal, then the insurance rates will go through the roof, and people will not be able to afford to drive these vehicles, and they will stop buying them. And as a result, the car companies will stop producing them.

* (1710)

So there is a pressure and a desire there on the part of this system to force the car companies to produce cars that cannot be stolen, or cannot be stolen that easily, to reduce theft claims and cars that do not have large claims costs when they get into accidents. As a result of that, if you buy a car that does not have large repair costs and is not easily stolen, then you should thereby benefit by a much reduced premium for your insurance.

Now, that is what CLEAR is all about. We are in the middle of that, and it is the crux of the entire system. This is the crux of the entire Autopac system as we see it right now. So all I am asking is: where is the evidence that this system has fostered any sort of acceptance in the market out there? In other words, is there anybody other than Manitoba who is in on the system? Right? Are we the only people, are we still the pioneers, or is there, as I have read, some evidence that this system is catching on, that other jurisdictions are, in fact, adopting the system and that the system is, in fact, putting pressure on car companies to build safer cars? Now, do you have any evidence of this, or are you just simply blindly going along, expecting or hoping that in fact this new system produces results?

I mean, it should. It is designed to produce results. But is there any evidence that it is, in fact, reducing any?

Point of Order

Mr. Penner: Listening to this, I am actually now quite convinced, Mr. Chairman, that the honourable member opposite is confused. I think he does not realize the committee that he is sitting in. If he does realize the committee that he is sitting in, I would suggest to you that you call him to order and ask him again to direct his questions to the correct organization, the correct minister and at a correct committee hearing.

Mr. Chairperson: The honourable member for Elmwood, on the same point of order.

Mr. Maloway: On the same point of order, I would expect, given the member's performance in the last half hour, that when we go through other sections of this report, when we get into the gas company, when we get into the Hydro company, as we go through the report, we are going to have the same frivolous points of order about it not being within the scope of the minister or the PUB or it can be dealt with somewhere else or not dealt with at all, right?

If the member wants to just simply slow down the proceedings and cause more acrimony, that is fine. I am quite willing to rev things up a little bit, and we can have a more exciting time

and we will have a longer time. If you want to do that, I am certainly willing to do it.

Mr. Chairperson: I want to read for the committee. It states here: Activity Identification. It has—being the PUB—regulatory authority under The Crown Corporations Public Review and Accountability Act of Manitoba Hydro and Manitoba Public Insurance Corporation.

I ask the member for Elmwood (Mr. Maloway), because I am ruling that the member for Emerson (Mr. Penner) does have a point of order, to direct his questions, the last questions that he was asking, to the committee or the Minister responsible for MPIC (Mrs. McIntosh).

* * *

Mrs. Render: Let me try once more. I see that the member for Elmwood is becoming frustrated. I think what the member for Elmwood must remember is that you are asking questions of this particular minister that you want explanations of various practices of MPI. Those questions should not be directed to this minister. I cannot answer for MPI. Those questions are questions that must go before the minister of MPI. Well, they can go either before the minister of MPI or they can go to the PUB at a PUB hearing. The process is public, and the member has full opportunity of appearing and asking those questions.

I am not the Minister responsible for MPI. I cannot give explanations of MPI's programs of whether something is good or something is bad. So the member should realize that his questions are out of scope of this particular committee, of this particular set of Estimates.

Mr. Maloway: The annual report that is produced by the Public Utilities Board deals with MPIC as one section. It deals with Manitoba Hydro as another section. Are you telling me that if we switch—which we can do—from MPIC right now and start dealing with Manitoba Hydro that we are going to have the same rules of order that say I cannot ask about Hydro because there is a Minister responsible for Hydro, and it is out of scope. Are you saying that when I get into the section on this report dealing with the gas company, that I cannot ask

questions about the gas company because there is not jurisdiction? Then what the hell is this report all about? Why are we having a report then?

Let me go further. Let me start at the beginning and take you through nice and slow. Are you telling me that we cannot ask any questions—well, we did ask questions about the board, about all the political appointments, all of the old Conservative donors—

Mrs. Render: And I answered every one of them.

Mr. Maloway: —and ex-Conservative candidates running, and you did.

Point of Order

Mrs. Render: A point of order, Mr. Chair, the member just said what I have been trying to say. That particular question was what I can answer, the appointments to the Public Utilities Board. I am responsible for PUB. I am not responsible for Manitoba Hydro. I am not responsible for MPI. I am not responsible for any of the other utilities that PUB is regulating. PUB regulates. It sets the rates, and the questions that the member is attempting to try to ask me are to do with the practices of a particular corporation, and those questions should be asked of the minister responsible for the corporation.

* (1720)

Mr. Chairperson: On the honourable minister's point of order, I would rule that the minister did not have a point of order but I want to thank her for her explanation.

* * *

Mr. Maloway: To follow on here, I have questions regarding the Centra Gas Manitoba Inc. So I anticipate that when we get to there, we are going to have the same silly interventions about this is not under the jurisdiction of the minister. Then when we get over to dealing with Centra Gas orders, I expect that that will be the response. When we get to the Gladstone Austin Natural Gas Co-Op, clearly I think an area that I could ask questions about, are we going to be

allowed to ask questions about the PUB report in that area? Are we going to be prevented from asking questions about the gas brokers? I mean, the gas brokers—

Mr. Chairperson: Order, please. I want to try to clear this up as best I can, and then we will proceed from there. I would suggest to the honourable member for Elmwood that it is appropriate to be asking questions about regulatory functions of the PUB with relation to MPIC, but the questions of the day-to-day operations of the corporation are probably best left to the minister responsible or to the corporation responsible. Are we clear now?

Mr. Maloway: Mr. Chairman, let us deal with page 18 of the report. Let us deal with the natural gas brokers then and see how far we can take that. Let us find out about the natural gas brokers. There is a reference to inquiries and complaints and the whole issue of the natural gas brokers, and I would like to know from the PUB just what is happening with the whole area of the natural gas broker business.

Mrs. Render: Mr. Chair, I have been advised that there is a hearing scheduled for September to deal with further changes between Centra Gas and the brokers and customers.

Mr. Maloway: Mr. Chairman, what sorts of complaints has the PUB received as far as the gas brokers are concerned?

Mrs. Render: Mr. Chair, I have been advised that there have been complaints about how some of the brokers are presenting themselves, how they are marketing their product, I guess you could say, door to door or by mail.

Mr. David Faurshou, Acting Chairperson, in the Chair

Mr. Maloway: Mr. Chairman, do we have a breakdown of how many complaints there are? Are they broken down by the types of complaints?

Mrs. Render: We do not have a number available at our fingertips, but when calls come in, when complaints come in, PUB does try to solve the problem and put the customer and the broker together to resolve things.

Mr. Maloway: Are we talking about dozens of complaints here or hundreds of complaints?

Mrs. Render: I have been advised that over the last number of years, it has probably been more than a couple of hundred.

Mr. Maloway: Is there some indication that, say, one or two companies have the majority of these complaints and others have been complaint free over that period of time?

Mrs. Render: Yes, there have been more complaints against some companies than others.

Mr. Maloway: Mr. Chairman, I am waiting for an answer. I am looking for the percentage of successful resolution of these complaints. Are we looking at 90 percent resolution? Are we looking at 50-50 resolution? What is the level of resolution of these complaints regarding the gas brokers?

Mr. Chairperson in the Chair

Mrs. Render: There is a high level of resolution, as the member I am sure can understand. It is in the company's best interests to resolve problems. Quite often it is a misunderstanding. So again, once broker and customer are put together, it is usually that the problem is resolved.

Mr. Maloway: The door-to-door salespeople for the brokers, are they registered at all?

Mrs. Render: The brokers themselves apply and are registered with PUB.

* (1730)

Mr. Maloway: Are each of the salespeople that are hired by the brokers individually registered?

Mrs. Render: The specific agents themselves are not registered.

Mr. Maloway: I do not know whether it is still continuing at the level it was before, but three or four years ago there was a lot of activity in this area with people going door to door. There were suggestions of deceptive selling practices on the part of the brokers or the people who were going

door to door in that people were led to believe that there was going to be a substantial reduction in their price of gas. In fact, at the end of the year a lot of them found that they were getting a dollar a month or some minimum, minuscule amount of a reduction.

I am just wondering whether that was an accurate sense and whether or not that has, in fact, abated at this time.

Mrs. Render: I think the question is probably best answered by saying that sometimes customers have maybe a too-high expectation, or there is a misunderstanding of what their particular contract is, of what their contract actually says, so the rebate really depends upon the contract. Whether there was misrepresentation or whether there was a misunderstanding, or whether the customer thought that he or she was entitled to something really depended upon the particular contract. In other words, one customer might get back X percentage and another customer might think that they should get back the same but it would depend upon the specific contract, what the rebate would be.

Mr. Maloway: Would these transactions not come under The Business Practices Act?

Mrs. Render: At the time of the registration of the broker, the brokers submit the format of the contract to PUB, so then if there is a dispute at some later point then PUB would step in.

Mr. Maloway: I am thinking of the deceptive practices that have been alleged against some of the salesmen. I am not talking about the brokers here. I am talking about the salesmen out on the streets. There have been press reports since 1991, I think, when this system started of some people being a little overzealous and using trickery to convince older people to join up with the broker and the promises of big reductions when, in fact, the reductions were a dollar a month and not what the homeowner thought it was going to be.

We have read several news reports about it. We have had several complaints about it. It is basically unfulfilled expectations; that is what it boils down to. It is a case of a homeowner not getting as much money as they were promised

by what they see as the overzealous salesperson that is there to trick them into joining the scheme. Beauty is in the eye of the beholder. I am sure in some cases it is not that case at all. I can see that, if you are doing door-to-door sales, you do not have the unlimited amount of time to explain things. I am sure some of these people are not the most highly trained individuals in town. So I can see them grabbing a homeowner and maybe not knowing all the facts but certainly not giving all the facts to conclude the deal as quickly as possible and get on to the next home.

*(1740)

These people have been going door to door for several years now. The question is whether the BPA has any application in the case where there is more than one of the broker's salespeople are consistently receiving complaints. Does it have any application? If not, how are you dealing with the complaints?

Mrs. Render: I think the question was: what happens with perhaps a little old lady who has signed a contract and then found that it is not quite what she wants essentially? If a complaint comes in, PUB contacts the broker. The broker would know who is on that particular route, would call that particular salesman in, take a look at the contract to see what the contract says.

The member probably knows that there is a 10-day cancellation clause, but certainly there are instances where 10 days or more—if the broker feels that perhaps the salesman has taken advantage of the customer, will allow the customer to break the contract.

So there is recourse for the customer who feels that they have not been treated properly. Perhaps the member has another question.

Mr. Maloway: Well, because it has been I believe 1991 that we started this program, I would like to know whether it has been a successful program, how much money it has saved consumers, just basically what your observations are on the success of this program, whether it was a good program to be getting involved in in the first place and where it is headed.

Mrs. Render: Mr. Chair, we do not have numbers, so it is hard to give a specific answer to your question. I guess it comes down to the basis of whether the broker can buy the gas cheaper from Alberta and undercut Centra Gas and, of course, pass that saving on to the customer.

Mr. Maloway: Mr. Chairman, page 5 of the annual report indicates clearly that "As a result of such deregulation the price of natural gas decreased substantially, and savings were passed on to consumers in Manitoba." So I was just trying to find out what the quantum of the savings were and whether any calculations had been done to see what the savings were.

Mrs. Render: Mr. Chair, again I am advised that I just cannot give you a figure right now, but we can check back and bring back an approximation, you know, give the member some sense.

Mr. Maloway: I would like to ask then, on balance, was it a good move to proceed with this in spite of the rough and rocky road it had at certain points? Was it a good initiative to take and did it achieve the desired results?

Mrs. Render: Usually competition means better rates for the customer. It appears that this is good, but I think it is too soon to say one way or the other whether things will continue in the way they have.

There have been no difficulties so far, so as I say it is a little too early to make a judgment call yet.

Mr. Maloway: Does the minister see an increase then in the number of direct purchase accounts or a decrease over the next, say, five years?

Mrs. Render: I guess it is like any commodity. It depends how competitive the broker wants to be, how active the broker wants to be.

* (1750)

Mr. Maloway: I believe the brokers are being forced now to return—I may be wrong here. I think it was \$7 million, and it is currently being

discussed. I wonder what the status of that whole proposition is at right now.

Mrs. Render: Mr. Chair, yes, the brokers had to make the refund to Centra.

Mr. Maloway: The question is has that been done?

Mrs. Render: The decision was just last week.

Mr. Maloway: Mr. Chairman, has the \$7 million been recovered?

Mrs. Render: I have been advised that Centra will send its bill to the brokers and the brokers will—it is a court decision; the brokers must comply. PUB does not know the status. As I say, it is very recent. The decision was just last week.

Mr. Maloway: I understood the brokers were fighting it but I wondered how they could do that.

Mrs. Render: Yes, the member is correct. The brokers did fight it, but they lost it in the Court of Appeal, and that was the decision that came down just last week. That is why we cannot tell you whether the money has actually been returned because the decision just came down, so I suspect it is too soon.

Mr. Maloway: Evidently, there are approximately 62,000 accounts under direct purchase. I was just interested in knowing what the total number of accounts there are to give us an idea of what the potential is for the brokers. If there are 62,484, according to the report, that is out of a total of how many accounts in the province? I guess it would be fluctuating too because there are new pipelines being built and accounts being set up as the gas distribution system is furthered.

Mrs. Render: There are about 240,000 Centra Gas customers in a combination of residential and large commercial customers, Simplot, the university.

Mr. Maloway: So that is 240,000 for Centra and then another 62 through the brokers?

Mrs. Render: No, that is the whole picture. The 62,000-odd are the brokers.

Mr. Maloway: I would like to ask the minister some questions about forbearance, and the government made the move in, I guess it was what, 1995, 1996, when the legislation was passed. I would just like to know what is happening in that area. What was the end result of us passing that legislation?

Mrs. Render: It remains a tool in the hands of the board to determine when it wants to, to use the word "forbear," from being a regulator. If there is sufficient competition to make the market work to the good of the customer, then it does not have to.

I has just been drawn to my attention that on page 5, there is an explanatory paragraph: "The Board stated in its Order that by identifying areas where the competitive market can establish itself successfully, there should be a withdrawal regulation coupled with established guidelines and policies set in place to facilitate the transition to a competitive market place. The Board also stated that any structural or regulatory changes in the natural gas industry in Manitoba must advance the interests of the consumers and not be exclusively for the individual economic interest of market participants."

Mr. Chairperson: Order, please. The time being six o'clock, committee rise.

HIGHWAYS AND TRANSPORTATION

Mr. Chairperson (Marcel Laurendeau): Would the Committee of Supply come to order, please. This section of the Committee of Supply will be dealing with the Estimates of the Department of Highways and Transportation. Would the minister's staff please enter the Chamber at this time.

The honourable member for Flin Flon might want to repeat his question from last night.

Mr. Gerard Jennissen (Flin Flon): It was the last question or series of questions of the day. I believe one was related to information on the Aides 2 that I would get in writing at some point, I believe. The very last one I believe was amortization of—I am not sure how it was worded exactly, but it had not appeared in

previous budgets at least five years ago, four years ago, three years ago.

Hon. Darren Praznik (Minister of Highways and Transportation): If the member will allow, I think I would like my deputy just to—it is a technical question on the budgetary procedures. If the member will allow me, I will get my deputy to provide him with the answer.

Mr. Chairperson: Is there leave for the deputy to answer the question? [agreed] In that case we are going to turn one mike around. It will be the Premier's mike that will be on.

Mr. Andrew Horosko (Deputy Minister, Highways and Transportation): The province is implementing a new accounting policy for tangible capital assets, and in fact this is the first year that it is being implemented. The capital assets is being implemented along the lines of the standards issued by the Canadian Institute of Chartered Accountants. These standards require that expenditures and tangible assets be amortized over the useful life of the asset, recognizing that amortization in this way allocates the cost of the capital asset basically as it is being consumed.

Mr. Jennissen: On a theoretical level I am enlightened, but I thank the deputy minister for that answer. I cannot pretend that I understand the exact nature of that—

Mr. Praznik: That is why I had him answer.

Mr. Jennissen: That is why the minister had the deputy minister—well, we know Deputy Minister Horosko is a very intelligent man, but could he perhaps maybe simplify it a little bit for me?

Mr. Praznik: I would agree wholeheartedly with my critic that I think the deputy minister should simplify it so both of us elected members can fully grasp the meaning and significance of his remarks.

Mr. Jennissen: I am not sure if we want to go that route. I mean, it may show the calibre of intelligence of elected members, but I am sure it was not meant in a negative way.

Mr. Praznik: No, it was in jest.

Mr. Chairperson: The deputy minister, to clarify his answer.

Mr. Horosko: If I may, it is the first year that we have implemented where we are recognizing the expensing of an asset over its useful life rather than when you buy it. Before, taking capital equipment as an example, if we purchased a grader, it would be expensed in the year that we purchased it. Now, under the new standards, we recognize a useful life for the grader, and we depreciate the grader on an amortized basis. What we are now showing is the annual amortized basis for that piece of equipment, and it is like for all of our tangible assets.

Mr. Jennissen: Yes, indeed, that made a lot of sense. I would like to, before we get into the booklet, the actual Estimates, ask a few more questions which relate to some of the material we discussed yesterday. I would like to return briefly to VIA Rail. We talked about passenger service and the poor quality of the passenger service. One thing I neglected to mention to the minister, and I am sure he is aware of it, but I will mention it now, is that some of those very small communities along the Bay Line, and I am thinking Thicket Portage, Pikwitonei and others and also Pukatawagan on the Sherridon line—those communities have problems with VIA hauling other goods, fish, for example, in Pukatawagan. Fishing is a very important industry for Pukatawagan, and as far as I know, VIA does nothing to make it easy for fishermen to haul fish. I am not sure if refrigerated cars are needed or whatever, but I am sure that, if VIA was really creative and wanted to be useful to the people of northern Manitoba who wanted to develop markets, it cannot just be passenger rail, there has to be a mixture of things.

For example, if I go to Pukatawagan again, there are basically two types of trains: an ore train that goes to Hudson Bay Mining and Smelting in Flin Flon, and a passenger train. Now how do you get your fish out? I know there are baggage cars and so on, but what I am saying is that VIA Rail should specialize a lot more in hauling commodities, particularly perishable commodities like fish. It may not be

huge amounts, but they are very valuable to the small communities that this particular rail line serves. I would like the minister's point of view on this.

Mr. Praznik: The member asks an excellent question, and it underlines the point that I made yesterday, that for those of us who have had experience on northern railroads, whether it be local MLAs or former ministers of Northern Affairs, in those capacities we have seen the service level offered by the railroad, I should say the Canadian National and VIA, has been nowhere near adequate. In fact, even just travelling or meeting with people in those areas, you realize there are opportunities, and opportunities for the railroad to make money in moving freight, and there are potential customers, and why is that not working out?

* (1450)

I mean, adding an extra car to a train and arranging it so that you can take a full car and charging your costs plus your reasonable mark-up on it I am sure would work for everybody involved, but it just has not been done. And again my experience was, I know, one time having a delegation of parliamentarians from Europe coming through this area and their having an interest in taking a VIA train to Churchill, and trying to book it, it was like talking to a wall about the potential of putting on an extra car, even though there were enough passengers for one, an extra sleeping car—paying passengers from across the ocean. So just got nowhere with the VIA Rail people.

So what I would suggest that he do as local MLA, because there is an issue here, is that I would very much encourage him now to speak with people at OmniTRAX and the Hudson Bay Railway because I know that they are in the position of looking at how they are going to deal with the passenger service. As I said yesterday, in the discussions I have had with them in my previous life as a Northern Affairs minister, they wanted to concentrate first on taking over the line, dealing with the grain business, looking at other commercial freight that they could be bringing in. Eventually, they would be comfortable enough to examine what they wanted to do with the passenger service.

I would be delighted if the member would take the opportunity to contact their offices and arrange a meeting. In fact, my staff may even help facilitate that if that is necessary, and I think take those kinds of local issues, because when I meet with them, I convey them. I think that, as a local MLA, he should be doing that, which, I know, the member does in serving his constituents, and would like to do. I think we have to continue to speak to the new owners and encourage them to be taking over that passenger service and improving it—I think it is probably in their long-term plan—and being a conduit between the potential customers and potential suppliers.

Between the member and me, I think we could hammer away at VIA till the cows come home and to no avail. The real issue is to deal, I believe, with the OmniTRAX people, with the Hudson Bay rail company, who, I think, would be probably very interested in, as they take over the passenger rail service, should they decide to do that, solving this particular problem, which, to the member, I am sure, and to me, does not look like a very difficult problem to solve. Probably a little economic opportunity for the railroad to carry more freight, if you have a company that is interested in doing that. I believe that OmniTRAX, Hudson Bay Railway are, that VIA probably is not. So maybe we should be both spending our efforts encouraging OmniTRAX to be examining the rail service on their line with the purpose of taking over that service from VIA, expanding it and developing it into a very viable and expanded commercial tourist service end of their business.

Mr. Jennissen: That is a very good suggestion, and I look forward to lobbying together with the minister on that to make VIA a little bit more responsive to the needs of northern Manitoba. I think as well, if we are going to have meetings, it might be useful to have as many stakeholders at those meetings as possible, not just OmniTRAX or the minister and myself or his staff but also Chief Shirley Castel from Pukatawagan, some of the councillors, some of the mayors of the Bay Line communities and so on. I think together we could probably hammer out a pretty good blueprint of the direction we would like to go. Now, of course, if VIA refuses to play with us regardless of what we do, then

that is another kettle of fish, but we will cross that bridge when we get there. Surely we could also enlist the aid of the M.P. of the region, Bev Desjarlais, to put a little pressure on VIA Rail.

I would like to go now to another issue we did raise yesterday. I would like to clear up some of those issues we dealt with yesterday or perhaps even the day before, and that was the Nunavut road. Apart from the Nunavut road, we had at one point also discussed a ring road which would have tremendous tourist potential for northwestern Manitoba. That road would go from Thompson, Leaf Rapids, Lynn Lake, Fox Lake, eventually past Granville Lake to Pukatawagan to Flin Flon. That would be utterly desirable but extremely expensive. I know we have talked about it many times before. At some point in the future, I think in a larger vision, we are going to have to look at that again.

I am not trying to resurrect that, which some call just a pipe dream, but there might be a cheaper—I will not call it an alternative, but it is something that has been raised with me by some of the people in Lynn Lake, particularly Alex Verbo, the economic development person in Lynn Lake, and that is connecting that end of 391 with Saskatchewan so that instead of going south back to Flin Flon, we would be heading into Saskatchewan. It would be much shorter, and perhaps the Saskatchewan government, because most of it would be in Saskatchewan, would certainly contribute an enormous amount of money to that, I hope, if they have that kind of money. It would be another way to say that this is not just a dead-end road, but it goes in a circle. Unfortunately, the circle would not be completed in Manitoba as we would like, but it would certainly for the people of Lynn Lake, Leaf Rapids and that region. They could complete the circle in the Saskatchewan portion of it. Have we done any kind of exploration, or have we had any kind of exploratory talks with Saskatchewan on the feasibility of that?

Mr. Praznik: Mr. Chair, I appreciate and I am always a believer in communities dreaming as to what their potential development opportunities are in the long run, because sometimes the stars cross and they happen. One should never stop dreaming or looking at these options. The difficulty is that the cost of such a road in that

kind of really virgin terrain would be very, very expensive, and the economics, just like a Nunavut road, are hard-pressed against it. Even looking at our colleagues in Saskatchewan, when you look at their highway budget and the miles of road that they have to care for, in discussions I have had with Judy Bradley, their minister, they are as, if not more, cash-strapped than us for maintaining their existing road system. So, before we would endeavour to look at a completion of that ring, there would be other priorities.

I also share with him, as well, that if one looks at the map in terms of accessing northern Manitoba, there is a very large piece of northern Manitoba here which is only serviced by the winter road system. One of the projects in which we have included some money for the feasibility studies in this year's budget is the northeastern road. That is coming together not because we are just saying we are going to invest the money to build that road, but because there are a number of partners for which the economics of that road are starting to become feasible. For example, the Pine Falls Paper Company is looking at doing a fairly significant expansion in its operation which would include the creation of up to three sawmills to better use a diversified forest to be producing lumber, using the chips for paper as opposed to their current practice of chipping whole logs. They are looking at an almost \$200-million potential expansion of their mill, the addition of a further paper machine. That creates a very potential user.

Manitoba Hydro has reached the point where any further development of northern hydroelectric capacity—if we look at a plant like Conawapa, and I have had the privilege of touring that site, Conawapa is probably one of the most environmentally friendly hydroelectric projects to develop, simply because very little flooding comes with that project. To build that project, and as the demand for power in North America increases and our market opportunities grow, if that dam becomes a possibility, we will require, as a province, a third bipole line to bring that power south to market. Quite frankly, as a security measure, having two bipoles coming through the Interlake, we saw what happened during that big windstorm a couple of years ago

when we lost both bipoles, the place I would advocate for is that third bipole to come on the east side of the lake, again, as a security measure against losing all bipole capacity through one storm. So Manitoba Hydro has an interest in a roadway that would service a bipole construction and maintenance project.

The First Nations communities, although they have some very legitimate concerns about how they would benefit from a road, ensuring that they maximize their potential from one, ultimately there are a host of communities there that have no all-year road access. That, with the issues that they have raised to work out, becomes a very desirable project, and a federal government, which is spending significant money in resupply today for those communities, would see that eased with an all-weather road and result in savings that could help pay for one, just as we used that same principle in bringing electricity to the number of communities in the northeast hydroelectric line that we put in some years ago which the member is familiar with.

So what we see happening in that are a number of economic factors coming together that are starting to say: this road now may be feasible. We are not there yet. We are not in the ground on it yet, but we are certainly moving in that direction. I would say to the member that the same kind of forces have to come together to see this Flin Flon-Lynn Lake link happen, some significant exploration or mining development, you know, some significant things happening in that area that start to change the issues around it.

I appreciate that one of the factors is already there, the supplying of a number of communities that are not serviced by a road, like Brochet, Lac Brochet, others. So there are some of those factors. Some more have to develop. I would say to him, as the local member, just as with this northeastern road—it is not in my constituency; it is in the district of the member for Rupertsland (Mr. Robinson), but certainly in my corner of the province—we should both, with respect to these, be diligently looking for the kind of forces that can come together to make a project like that possible. So I would not discourage him.

* (1500)

I think once we see some of those forces come together—those forces may be ones not even within our jurisdiction. They may, in fact, be forces of things happening in northeastern Saskatchewan that may see their need to develop a road network farther north that we could link to. Surely to goodness if they were getting pretty close to the Manitoba border around Lynn Lake, it would not be a far stretch to say we would certainly look at completing that linkage. It would make eminently good sense.

So I would suggest to him in his work as a local MLA that he may want to do some groundwork. I would even be prepared to provide a letter of introduction to him, indicating that he has my support in talking with some of the communities in eastern Saskatchewan that border to get a lay of the land as to what is happening there. I would be most supportive of him doing that, and the member and I have always had a good working relationship, because it is so much a local issue to the Flin Flon constituency. I would be prepared to provide a letter of support, introduction, et cetera, saying that we are working on this and that he is doing it, not just as a local MLA, but certainly with the concurrence and support of the Ministry of Highways.

If we are able to see those forces come together, then we certainly would be prepared to look at the kind of feasibility study process that we are now looking for in the northeast. So the same criteria and standards that I am using in northeastern Manitoba, I would be very pleased to apply to this part of northwestern Manitoba. As the local member, we would be most pleased to work with him in doing some of the preliminary groundwork to keep advancing this project.

The last point I make is never give up hope on it, because 10 years ago the discussion of a northeast road moving up towards, you know, Berens River and Poplar River and eventually to Island Lake, when I first raised it, I would not say laughed at, but it was like "pipe dream city." I am in Health for two years, immersed in those issues, I come back to an economic development portfolio, and I am finding that this road is moved to the point where we are now looking at conceptual design and assessment of it. So in a

very short period of time forces did come together that took what was just a dream and started to maybe put some reality around it that at least leads to the next stage. I think that is probably exactly the case here.

I do tell one that did not work out so well at this stage was the linkage of Lac du Bonnet to Red Lake in Ontario, and although the former Rae government when the New Democrats there were in opposition had promised the local mayor, I suspect after a great deal of lobbying on his part at an NDP convention, I think the New Democrats passed a resolution supporting the project. When they were in government I think they realized the great cost of putting a road from Red Lake to the Manitoba border where we already have a road at Werner Lake and opted for the completion of the Kenora by-pass project. I understand those kinds of priorities and usage, the kind of economic demands that would have, or economic opportunities that would have resulted in that road linkage being done by Ontario just quite frankly did not exist, but the idea is still alive. We keep it alive and someday, who knows, we may find some significant mineral deposits east of Werner Lake, and that might result in eventually that road linkage being done. So I think the member sees where I am coming from, and I am prepared if he just gives the signal we will do the letter and we will support him in doing the groundwork area as a local MLA.

Mr. Jennissen: Well, I thank the minister for that, and I think maybe a good place to start would be if his department or staff in his department would contact Mr. Alex Verbo, who is the economic development officer in Lynn Lake. He has done quite a bit of groundwork on this already and has quite a bit of information and perhaps we could push that thrust, that exploratory thrust, in developing plans that could eventually lead to such a road. I would really welcome that.

I also note, and I am sure the minister is fully aware of it, that some of those impossible dreams of the past actually came true, and in fact the minister had referenced the Alaska Highway. You know, that was necessitated for military reasons, but when you take a look at our neighbouring provinces of Saskatchewan and

Alberta, those road networks really do go far north. In the case of Alberta, it is Fort McMurray, I believe and perhaps even further north. Now again, maybe it was tar sands or the oil sands that necessitated that. La Ronge and points even further north in Saskatchewan, again perhaps even uranium mining or minerals or logging or whatever the thrust was, it is theoretically possible. It is being done in other provinces and has been done. I know it is not immediately on the drawing board, but I am saying we cannot forget about it and I thank the minister for at least saying, let us keep the dream alive. It may be impossible today but it may not be tomorrow.

I would like to switch now and finish up a few things before we really get into the Estimates booklet, and one of the questions I have, looking at some of the earlier Estimates, going back actually to 1986-87, I noticed that salary years, I presume that was the term used, SY was approximately \$2,590-point-something and today when we are talking FTEs which I assume or hope are roughly equivalent, that is 1999-2000, the number is \$2,190. If you subtract the lower number from the higher, you come up with minus \$400, which then would mean since 1986-87, roughly 12 years we have lost 400 jobs. Is that correct? And is that attributable purely to technology and computers and so on, or is it an erosion that is too much too fast? I know it has halted now but it certainly concerns me that it is a lot of jobs less than we used to have.

Mr. Praznik: But, Mr. Chair, as the member appreciates, as a new minister coming into his portfolio—I have only been here a few months—those changes in our staffing complement have occurred over a number of years. I think they may have been discussed in previous Estimates. If the member would indulge me again the small privilege with leave, Mr. Horosko could probably go through that with him and just rather than have him tell me and me explain it to the member, which takes more time. Also, I think in the interest of accuracy, it will be much more clear. Then I will deal with the policy issues that may come out of that.

Mr. Chairperson: Is there leave for the deputy minister to answer that question? [agreed]

Mr. Horosko: There are quite a number of items that have occurred since 1986-87 to the present that have affected the change in manpower. I have only been here since '92, but a large part of that came since '92 as well. There have been reorganizations. Our land surveys unit, which was in the Highways department, was reorganized and moved to Natural Resources. Air Services, which was in the Department of Highways—I do not have the numbers—that was a fair chunk of staff years or full-time equivalents, which is the FTEs, moved from our department to Government Services.

There have been, as you have indicated, some changes as a result of technology. We have also reduced some of the numbers of departmental positions that we have had in our construction program. We found that we could deliver the program without having that many full-time equivalents on our books. In fact, they were there, but they did not necessarily have people attached to them.

We have had some reorganizations within the department that have led to greater efficiency and effectiveness. So we have had, as part of the regionalization in '92-93, a significant reduction there. We have gone through a review, taking a look at how we can serve the highway system better. We have had some reductions in the kilometres of highways that we have maintained. We have had the 3,000 kilometres of highways that were given back to the municipal level a number of years ago. So it is an accumulation of all of those items that would lead to the number being 400. Actual staff reductions or layoffs in the department have been fairly minimal. We have had position reductions, but we have not had that many layoffs, certainly not in the hundreds number.

Mr. Jennissen: Would the deputy minister have a rough idea of how many of those 400s would be Engineering Aide 2?

Mr. Horosko: We are trying to come up with a rough estimate, but the rough estimate would be around 75 were Engineering Aide 2. There were over 100 Engineering Aides 2 which we had converted from full time to part time, but a number of those continue to work full time. We feel it is about 75, plus or minus. In the written

information that we will be providing on the Engineering Aides 2, we will have that number detailed definitively for you.

* (1510)

Mr. Jennissen: Yesterday or the day before, the minister talked about all the taxes we collect and gasoline. I presume the motive fuel tax, some \$223 million go to highways. We could argue that, right? The federal portion, which is, what, 10 cents a litre, virtually none of that comes back. When the minister talks about dedicated fuel tax, he is talking about taking that 10 cents from the federal government, if that lucky day should ever happen. Would that be virtually entirely for new projects and building new roads or would this also be for maintenance, because I presume that some tax money can be used in a sexy or in an unsexy way? I think the feds are concerned about it being spent in an unsexy way, it is not appealing for them. Perhaps we would have to address that situation as well.

Mr. Praznik: My deputy advises me that even maintenance after a while becomes sexy, depending on what road you are on. There are a number in the North where I am sure just better maintenance would be welcome.

An Honourable Member: Especially when you are over 50.

Mr. Praznik: My colleague the member for Riel says particularly when you are over 50 that maintenance becomes very sexy.

First of all, the concept that we are talking about, and the member asked some very good questions that lead, I think, and I apologize for the length of my answer, but I think it leads to the really kind of policy questions that need to be resolved in this debate if this is ever going to happen.

In the case of Manitoba, there is about \$147 million raised in gasoline tax. So assuming we maintain the same gas rate, gas tax rate, that \$147 million would allow us to move our capital budget up to the \$180 million to \$200 million per year, which is what we need, I think, for major projects, certainly not new projects in terms of building new roads—that would be some

of it—but doing the kind of projects of upgrading, maintaining, repaving our existing road system that needs to be done. We would have some money in there to improve our regular maintenance program. By the way, when we resurface a road, that is a capital improvement program in our capital budget. That is not a maintenance program. Maintenance is where we do the patching basically.

So we would also want to enhance our maintenance program that allows us to do better dust control on gravel roads, patching where we need it, upgrading some of our, you know, the kind of regular maintenance work we need to do to maintain our road system. There would also be a significant portion, \$20 million, \$30 million, whatever, of that that could go to municipalities that would give them a pool of dollars with which to, I would think, be able to work on their municipal roads that are not residential roads. I think we all have agreed that the residential street that is serving the homeowner, the subdivision road, et cetera, should be borne by local taxation. But the kind of roads that are carrying commerce and trade, the municipal feeder roads that really are collecting off those residential roads and taking them into the highway system or to communities, in the case of the city of Winnipeg, there are TAC. There are major truck routes through the city. Those are roads with a provincial or even national significance in the transportation system.

So that is where I sort of see things where that money would be spent. I think it would give us an adequate amount of money to do a very good job. You could not do it all at once. We would have to probably phase it in over a number of years, because I do not think the feds could give up that revenue realistically overnight, nor could the construction industry gear up to spend it. So it might be a five-, six-year phase-in, but at least we would come to that objective.

Now, what I have advocated is that the national government, as part of this debate, does not need to abandon the tax room or turn over the money. I think, in fact, the member has hit upon it quite correctly. What is politically sexy

to a provincial government may not be to a national government, may not fulfill national objectives in transportation. So I have advocated that I think it is critical the national government still be there as part of the decision-making process in prioritizing with the provinces roadways of national significance. What does that mean? Well, in Manitoba I would envision that to be obviously the Trans-Canada Highway. The Trans-Canada Highway should be a four-lane, divided highway right across the nation.

The Yellowhead route from where it intersects with the Trans-Canada just to the west of Portage la Prairie right probably to Edmonton, the way the traffic is increasing on that road it is certainly a candidate for four laning right through the west as a northern Trans-Canada, in essence, as a major artery of commerce.

Highway 75 has been four laned, but Highway 59 south from Manitoba's perspective would be also a highway I think of national significance in terms of it was also proven in the '97 flood to be above the kind of elevations of that flood of the century, whereas Highway 75 was closed, but 59 south, you know, again is another one of our southern Canada to the U.S. border trade routes that we need to develop to move our commerce into the marketplace, so, again, fundamental.

I have also said roads of national significance are those that would take people from southern Canada to the North, you know, a road like Highway 6 up to Thompson, for example, and branching out from there. Any road that eventually would go to Churchill and Nunavut would be a road, I would believe, of national significance. The highway system that eventually goes to Yellowknife in the Northwest Territories, again, would be a highway of national significance. So the federal government, I believe, has a role to say if we are contributing our gas tax to these pools. How one would have to work it out in dedicating tax would probably be to establish some sort of trust, have certain percentages of call on that trust by different levels of government, some decision-making process, but we would agree to be spending dollars on identifying projects of significance to do over a long period of time.

This is the way at least I kind of conceptually envision it, and that the gas tax would go into that. We would make decisions with our federal partners, whether or not that is adequate, whether it is more than we need, and the gas tax could be adjusted from time to time based on the needs of our transportation system. The benefit to this kind of model is that the national government is there to protect the national interest, that is, to make sure we have a national road network, that we are not balkanized, that we are not 10 separate provinces each doing our own politically sexy thing and find out that we are not connecting our roadways or we are not developing our roadways of national significance.

Secondly, from the consumers' point of view, they know that if the road system needs more money, I think it becomes more acceptable to see an increase of a penny a litre, for example, even if it is on a temporary basis, to pay for a project that needs being done, knowing that it will come off, knowing that that revenue is not going into general revenue supporting other things, that dollars raised on the road system are going back into the road system. If our road system is running well and we are raising more than we need, they could rightfully expect a decrease of a penny or whatever a litre to ensure from that system. But the public, I think, would then be connected as users of the road system, payers of the system, with the decisions that are being made. I certainly would not want to push the national government out of that scenario because they need to be there to guarantee that we the provinces are building a national road system.

So that is kind of the way I envision it, rather than what we have now, which are 10 and three territorial road networks, no federal money, federal collection of tax, off-the-road system with, in most provinces and territories, no contribution back, and really very limited planning in terms of a national road network.

So, Mr. Chair, it is an interesting concept. I hope I have the opportunity to develop it further with partners across the country. Today I am kind of an advocate of it and perhaps thinking a little bit out loud, but we have to get this debate rolling at the national level if we are in fact

going to be able to secure a sustainable future for our road infrastructure.

So those are my thoughts. I apologize for the long answer, but the member is on to a developing topic. By the way, I would appreciate even his thoughts on this because it is certainly now the time to be developing concepts and ideas that we can advance across the country.

* (1520)

Mr. Jennissen: It is very interesting, and in fact if the minister does not mind, today I received a blurb, I guess it is, a little newsletter from the Yellowhead Highway Association. In fact much of what they are saying in this resolution is material you and I have discussed. I would just like to read that last portion perhaps. It is on the national highway system: Now therefore be it resolved that the Yellowhead Highway Association reaffirm its support for a national highways policy, standards and program which includes—and there are seven items here: (a) a co-operative federal-provincial-territorial approach; (b) a system of designated highways; (c) a set of minimum standards for the highways; (d) dedicated long-term funding sources not subject to annual budget decisions; (e) funding sources related to roadway use such as fuel tax; (f) a standard formula for allocation of federal funds to provinces and territories; and, lastly, (g) a standard formula for cost-sharing construction and renovation of the highways to the agreed minimum standards.

So they are not thinking in terms very much different from what we have discussed, I would suggest to the minister.

Mr. Praznik: If I may, I had the honour of speaking to them just a few weeks ago, and the discussions we have had here formed the basis of my speech. What I found was they were delighted to have a Minister of Highways from somewhere in Canada talking about dedicated fuel taxes and that need. I asked them to consider it within their organization and to give us their response. I have not seen that newsletter yet but, again, just seeing how an idea is ripe for consideration. As an advocate of an improved national highway system, our thinking, because no one person owns these ideas, is meshing quite

nice again, and it is part of building the support to get into that national debate. I am not talking just about debate in parliament, but in a real public discussion I think one will find that the majority of Canadians see this as the way to go.

Mr. Jennissen: Just to go back for a moment again to the earlier, larger, vision about northwestern Manitoba and the possible ring road that links Lynn Lake and so on to Flin Flon, I do recall that in the Northern Economic Development Commission, which cost this province \$1 million and I think which has been shelved and largely ignored and has been gathering dust ever since, they did recommend that road. In other words, there have been some good studies done in the past, and the material is there, but it is a little bit like the Aboriginal Justice Inquiry. There are a lot of good recommendations there, but they are not necessarily being implemented. Possibly lack of money is the chief barrier, but there is an election coming up, and we were hoping that maybe some of those grander visions would emerge. Eventually, I think they will have to.

I want to leave that larger debate behind now and ask one quick question before we get into the Estimates booklet. That is, some of my colleagues, more than I, and my colleagues in the city, received letters from people talking about mandatory helmets for people riding bicycles. I do not know how popular that is. Certainly it would not be terribly popular in the North. But I just wonder if the minister has any thoughts on that issue. It certainly is a safety issue.

Mr. Praznik: I notice the member talks about it not being popular in the North. I would tend to concur. There are probably some areas in the province where, even within the city of Winnipeg, it would not be popular, for very practical reasons. For many parents, they just do not have the money to be able to afford the helmets for their four or five children. They just do not have the cash necessarily to buy them. They look at the risk factors of living in a community with very little road traffic. Risk factors are low; cost is high. It is an important issue.

I do not think there is one parent that I have ever met who is not concerned about their children riding bicycles, or as adults riding bicycles and suffering a head injury. As a former Minister of Health, I have dealt with people involved with head injuries, head injuries associations, and I appreciate so fully the risks and the need to prevent head injuries.

Mr. Jack Penner, the Acting Chairperson, in the Chair

In looking at this issue, I am not saying today that I in my own mind, or in government as a policy, have made a decision one way or another on this, but it is something I am looking at as minister. One of the interesting statistics that I have seen internally was that we estimate that about 40 percent of bicycle users are now helmeted, wear helmets. I think it is about 40 percent. In the jurisdictions that have compulsory helmet use, they are at about 65 percent, if I remember correctly. Now one would say, yes, that is a significant increase, but as law makers this is one of the issues that we have to address: is a 65 percent compliance a good rate? It means that 35 percent of users in those jurisdictions are flouting the law. Now maybe they are flouting it because they cannot afford to comply. So I have always been a great believer as a legislator that if we bring in a law we should have the means by which to enforce the law so that we are at, you know, 95 percent or 98 percent or preferably 100 percent compliance. So there is that issue. Is this an effective way to get helmet use up? Well, it is more effective to me what we are doing today. Are there other more effective ways?

Well, one of the challenges I have, I have seen some of the local newspapers in Winnipeg take up this issue. There has been some press coverage and media on it recently. You know, maybe one of the things we should be encouraging—I am going to put this challenge out when I deal with the media on it, perhaps later today or tomorrow; I know I have a reporter who wants to talk to me about it—is maybe we need to see in the case of the city of Winnipeg a newspaper or some public organization take it on themselves to set up a kind of helmet exchange program of some sort, that people whose kids are growing up and the helmets do not fit anymore,

they have outgrown them, can then donate them into the pool, and we can get those helmets out to needy kids, like we do with skates and other things. That might be a very effective tool.

I am thinking in northern Manitoba and poorer communities, and in parts of Winnipeg that are poorer communities, this might be a very good way as well. It really needs a public sponsor to take it on as a cause. So to those media outlets who have been getting into this issue, I am going to put out the challenge to them to be part of the solution with us to maybe sponsoring that kind of helmet exchange on an ongoing basis so that we can collect the helmets that have outgrown kids and get them into the hands of poor kids. Now that might change the numbers as well.

Secondly, let us look at risk and enforcement together. One of the questions that I am kind of debating in my own mind how we do this is perhaps if we do bring in legislation or regulation around this area, perhaps we should look at the highest risk areas first, because they may in fact be the easiest to enforce. I am thinking of cyclists who use provincial trunk highways, busy roadways where the risk of being knocked off your bicycle and suffering a head injury is greatest, perhaps the type of legislation that would say, if you are on a provincial trunk highway, you are cycling, you are required to have a helmet, because that is so much easier to enforce. We have regular police travelling those highways, et cetera, looking for motorists and speeders. This could be a ticketable offence.

In low-risk areas where the risk is much less, I am thinking about certain residential streets and subdivisions, low traffic, low-speed traffic, et cetera. Again, I have not assessed this. I am doing a lot of thinking out loud as a result of the member's question, perhaps a different regime there. But obviously being able to just pass a law without doing some other things and getting only a 65 percent response, my guess is, and again I do not have anything to back this up, but there are a lot of poor families out there who are not providing the helmets for the kids. The kids are still on their bikes, and are the police going to do? Come and arrest them, ticket them,

ticket their parents? Do we have the enforcement capability?

It is a complex issue and one that I am looking at. I am hoping that when we can resolve some of these things and perhaps someone will accept my challenge that I hope to be making through the media to the media to do the helmet exchange, perhaps all of these things can come together and we can make some advance on this.

But it is good practice to be cycling with a helmet. I have two daughters myself. They have helmets. We try to insist that they wear them. Even dad, who just bought a new bike, has to go and buy a helmet as well.

Mr. Jennissen: It is an interesting statistic that in those jurisdictions where bike helmets are mandatory there is only a 65 percent compliance. Just wondering though about seat belt usage, what is the percentage of compliance there? Do we have any figures on that? I know it is much higher, but I am wondering what the exact percentage is.

* (1530)

Mr. Praznik: My staff advise me, we estimate it is probably somewhere close to 90 percent. Again, I think the enforcement perhaps is easier because you are dealing with adults driving a car on public roadways. You have regular checks of police for speeding and other things as part of our road network. Is it as easy to do that with bicycles? That becomes a law enforcement issue and the availability of staff. But seat belts, I remember the old debate around seat belts when it was brought in. Many opposed it. I must admit to you that both my father and I were a little concerned about the infringement on our freedom to buckle up or not. But I can remember, I was in my teenage years at the time, the day it became law, my dad and I looking at each other. We got in the van. We were going somewhere on the farm. We both went over and we buckled up. We did it, and we have done it ever since. My family are pretty avid seat belt users. It has proven to be a good law.

I am not saying this helmet law does not have the potential of doing the same thing.

What concerns me is the 65 percent compliance, use of law enforcement, how do we do it? One difference is, every car has seat belts. Every bicycle is not sold with a helmet. A real practical matter, if we are going to address this, is getting something in place that can see particularly poor families with a large number of kids being able to access conveniently helmets, because it is going to be very hard when you have a 12-, 13-year-old on their bike in the backlane or on the rural road in a small northern community with limited traffic, you know, the RCMP pulling into town and charging some kid a \$50 fine for not wearing a helmet. It is not impossible, but I think we have to do a few things.

My guess is that in the not-too-distant future, this will work its way into our law books, something I am certainly considering. I think it is probably one that is easier to do than say graduated licensing, probably have more affect. How do we deal with that access to bike helmets for kids whose families cannot afford them? That is something I would like to see happen and challenge I want to put out to the media.

Mr. Jennissen: Mr. Chair, I wonder if we could get started on line by line.

The Acting Chairperson (Mr. Penner): Yes, we can, if you allow the Chairman to get out his glasses.

Item 15.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$488,300-pass; (2) Other Expenditures \$89,000-pass.

15.1.(c) Administrative Services (1) Salaries and Employee Benefits \$425,800-pass; (2) Other Expenditures \$264,900-pass.

15.1.(d) Financial Services (1) Salaries and Employee Benefits \$674,900-pass; (2) Other Expenditures \$214,800-pass.

15.1.(e) Human Resource Services (1) Salaries and Employee Benefits \$828,300-pass; (2) Other Expenditures \$337,100-pass.

15.1.(f) Computer Services (1) Salaries and Employee Benefits \$1,791,400—pass; (2) Other Expenditures \$591,300—pass.

15.1.(g) Occupational Health and Safety (1) Salaries and Employee Benefits \$156,100.

Mr. Jennissen: Under the Activity Identification—conducts worksite inspections and environmental monitoring. How many worksite inspections would occur in a year and on a typical year?

Mr. Praznik: Mr. Chair, the member may have a series of questions on specific details of how this works. If he would indulge, again, I will have my staff just provide the factual information, and I will deal with the policy issues. It would just save the up and down.

The Acting Chairperson (Mr. Penner): Is there leave for the staff to provide the information? There is leave, seeing no opposition. Is staff going to provide the information directly?

Floor Comment: Specifically, the number of worksite inspections, I do not have that information available right now, but I could get back to you on that one with the specific number of worksites. We do have Workplace Safety and Health officers in each one of the regions, and part of their ongoing duties is to in fact go to worksites and do inspections to ensure that the training, the flagging is being done to our standards and that the contractors are maintaining the work environment. To give you a specific number of worksite inspections that we have completed in the last year, I do not have that specifically. I would suspect that there are quite a few of them, because that is an ongoing function of the Workplace Safety and Health officer.

Mr. Jennissen: Does this involve dealing with machinery and extremely loud noises and injury to hearing as well? This would be a concern?

Floor Comment: We also do audiometric testing. Last year, we conducted 624 hearing tests for our employees as well as contractors and to check for the hearing impairment.

The Acting Chairperson (Mr. Penner): 15.1. Administration and Finance (g) Occupational Health and Safety (1) Salaries and Employee Benefits \$156,100—pass; (2) Other Expenditures \$65,300—pass.

15.1.(h) French Language Services Secretariat (1) Salaries and Employee Benefits \$187,700—pass; (2) Other Expenditures \$29,800—pass.

15.2. Highways and Transportation Programs (a) Management Services (1) Salaries and Employee Benefits \$371,300.

Mr. Jennissen: I wonder if we could clarify one little footnote there: "Vacant clerical position eliminated due to consolidation of duties." Exactly what does that mean?

Mr. Praznik: It is a very technical matter, I am advised. My deputy is going to just explain it to me. He might as well just explain it to the committee.

The Acting Chairperson (Mr. Penner): I recognize the deputy minister.

Mr. Horosko: What that means is the duties of the clerical position have been assumed by other positions in the staff complement, so the work has gone to the remaining folks there, and this position is eliminated.

Mr. Jennissen: I guess I am at a loss somewhat to explain why that would happen. Was that job not needed then? Surely that person held the job before.

Mr. Horosko: Quite a number of things are constantly changing around the workplace. Again, technology issues, reorganization issues. What we found is that, in looking at trying to make our operation as effective as possible, with those changes and with the reorganization and technology, we could do away with the position at this time. It is not to say that the position was not needed in prior years; it is just that, with advancements in technology and changes in workflow, we have been able to do away with it.

The Acting Chairperson (Mr. Penner): Item 15.2 (a) Management Services (1) Salaries and

Employee Benefits \$371,300—pass; (2) Other Expenditures \$56,000—pass.

15.2.(b) Operations and Contracts (1) Salaries and Employee Benefits \$1,776,200—pass; (2) Other Expenditures \$572,100—pass.

15.2.(c) Bridges and Structures (1) Salaries and Employee Benefits \$2,057,100.

* (1540)

Mr. Jennissen: Regarding bridges and structures, I remember the former minister pointing out how expensive it is to build bridges. They are a significant part of the total budget, and I understand that. The question I have is not perhaps directly related to the Highways department in a sense; it is the flood agreements that the province has struck with various bands across the province. I am at a loss to understand just where that is.

I know in the case of Cross Lake, with the flood agreement, a bridge was promised. I think it was in the courts. I am not sure exactly what the status of that is. I know with regard to South Indian Lake, I do not think the bridge was promised, but certainly a road was promised. Whether that would eventually fall under the jurisdiction of this department with flood money being provided by the government, I do not know how that works.

But, at any rate, not much seems to be happening, and I was just wondering if the minister could give us a little update on bridges that would be needed eventually at South Indian Lake, Cross Lake, for sure, and Norway House, hopefully, at some point as well.

Mr. Praznik: Mr. Chair, I spent, it seemed, a long portion of my political life involved in the Northern Flood Agreement in my days as Minister of Northern Affairs. The Northern Flood Agreement—just by way of a little bit of background to appreciate this—was negotiated, I guess, by the Schreyer government in the late 1970s. It was designed to compensate for damage done to five First Nations communities by the construction of a series of hydroelectric dams, I think the South Indian Lake diversion, et cetera, the Churchill River diversion, the

creation of South Indian Lake reservoir and the like.

The agreement was entered into, actually legally entered into, by the cabinet of Premier Sterling Lyon, following the 1977 election. What came out of it was that particular Northern Flood Agreement had what was called a claim-by-claim process so each community or individual governed by it would put forward a claim. It would be reviewed by Hydro, negotiated; ultimately if an agreement could not be made, go to an arbitrator, and it was a very, very lengthy process. It was based on basically individual claims for damage, either by a community or by individuals.

By the time that we came to power after the 1988 election, it was very evident to the then Minister of Northern Affairs, the current member for the Arthur-Virden constituency, that the process was leading to a huge amount of frustration that none of the five, very few claims in fact had been settled. There were all kinds of arguments whether it was a legitimate claim, whether it was not. There were things before the arbitrator. There were lots of people advising and making good money as consultants and the like in that system with very little compensation or benefit coming to the communities involved. I believe that that minister proposed to the communities that, listen, why do we not do something different? Why do we not try to have an implementation agreement because the Northern Flood Agreement, as cast and everyone had signed off on, just was not working at resolving the issues and let us look at resolving a host of these issues in block by settling with the community on a block basis, because time had passed already. Many of the people who had been adversely affected were considerably older now; their needs had changed—so that we would have these implementation settlements done. Certain things, of course, would be ongoing liabilities, but for most of them the rights to settlement under the original Northern Flood would be extinguished in return for this master settlement with the community.

That member got into negotiations and I think the first one that he completed was Split Lake, if I am not mistaken, and I know had negotiated with, I believe it was Nelson House

and York Landing, and when I became Minister of Northern Affairs following a cabinet shuffle, I was the minister who signed on behalf of the province for York Landing and Nelson House. By the way, each of those settlement agreements saw an act come to Parliament and to the House of Commons basically extinguishing other rights under the Northern Flood because they had been replaced with the Northern Floods Implementation Agreements. Each of those communities had to vote on it and go through a referendum and it was done. As minister, I actually set up a principal's table with both Cross Lake and Norway House to come up with the same settlements. I was pleased to indicate that we reached agreement while I was minister at Norway House and when I departed to be replaced by the current member for Riel as minister, the Norway House agreement was in the ratification process and he signed that agreement on behalf of the province.

Regrettably Cross Lake, where we had concluded an agreement with the then Chief and Council, when it went back to the community for ratification, in my view you had many, many outside forces get involved in it and other agendas. At the end of the day it was rejected in the community and of course the option of not having an implementation agreement meant that those communities went back to the original Northern Flood with a claim-by-claim process. So for four of the five Northern Flood communities, their implementation agreement has been placed, ratified, signed off. Benefits are flowing and those communities are getting on with life. Cross Lake, in failing to implement, which was their choice, or ratify I should say, in failing to ratify the agreement that was reached between all the parties and their community, returned to the Northern Flood Agreement and the claim-by-claim process.

Now, with respect to the bridges, because these are governed by these particular areas, at South Indian Lake, their access issue is completion of a road access with a ferry, a small portion of it, which was the economic way to go, and I understand we are moving on that project. We are right now with the Department of Northern Affairs negotiating with Manitoba Hydro for the funding to be able to do that, because again this is part of the compensation

issues with that community which is a Northern Affairs community and moving into reserve status and not part of the Northern Flood Agreement per se. We hope that can be resolved in such a manner that we can begin construction this year.

With respect to the Cross Lake issue, there has been a number of arbitrations. The commitment under the original Northern Flood was for an all-weather access which we originally believed was offered by the road ferry and ice bridge system. That has gone to arbitration. There have been a number of appeals on that particular issue. I believe there are still a number of negotiations going on internally as to how that will be addressed and funded. Obviously, it is an issue that the Department of Highways in both cases is the party that will deliver these projects. It is a question of how they are funded. The legal compulsion to build it, in essence, comes under the old Northern Flood Agreement and their arbitration process.

Mr. Jennissen: With regard to South Indian Lake, I am still not entirely clear about the ferry versus the bridge. You know those are two arguments. I know a ferry would be cheaper in the short run. Some of the elders tell me that in the original flood agreement, I cannot pretend that I have actually found that in that agreement, it called for a bridge, because if it is not a bridge then it is not really an all-weather road, at least, during breakup in the spring and freeze up in the fall. I just want to clarify it once and for all whether that actually was in the agreement that there should be a bridge.

Mr. Praznik: Mr. Chair, my staff seem to believe there was a commitment, that the commitment at South Indian Lake may be in the Northern Flood Agreement. It is something we should check. I understand that the next in line for Estimates in the Chamber is the Department of Northern Affairs where the minister, if I could get his attention for a moment, I think that question should rightly be put to him about whether or not it is contained in the original Northern Flood, the commitment to South Indian Lake. He will endeavour to have the answer to that question in his Estimates, which I know the member for Flin Flon will want to attend as well,

given his interest in northern issues.
[interjection]

* (1550)

Mr. Praznik: Yes, there goes your Saturday. With respect to the issue of a bridge versus ferry, I understand that the community was consulted about this, that there is a resolution from them supporting the road and ferry. My deputy looks to me as if there were some issues around whether a bridge could even be constructed in that area. There were some issues. He raises this to me because of the fast-flowing nature of the water, the need to build a causeway in terms of construction, environmental approvals. It may in fact be a very difficult bridge to build, if it could be built at all. So this was part of the discussions that I am advised took place and that there was a support in the community for the road and ferry.

Mr. Jennissen: Did I understand the minister correctly to say a little while ago that the actual road from where the South Bay ferry now goes, from South Bay to South Indian Lake, that road under the flood agreement will eventually be built around the lake and then the ferry? I have asked that question I think every year since 1995, and I get the answer that there is some kind of surveying being done, some kind of preliminary work, but five years later now I really want to know: is that road on the go or is that still in the surveying stage?

Mr. Praznik: Mr. Chair, I am going to ask the deputy to answer what exactly has been done in this area for the technical detail, and I will deal with the policy issue.

The Acting Chairperson (Mr. Penner): Is there agreement in the House to let the honourable deputy minister answer? [agreed]

Mr. Horosko: Yes, indeed, the surveys are largely complete, and we are ready to start with the road. There are three pieces to the road. First, there is a need to upgrade the road, the Ruttan Lake road, which is the existing road, and then there is the need to construct the road from that point around to just across from the community, and then there is also a section of road on the community side. We are ready,

subject to funding, to start, and we would start with the first piece, upgrading the Ruttan Lake road. Perhaps, if funding was there, we would clear the right-of-way for the next stage. Yes, we are set.

Mr. Jennissen: If I understand the deputy minister correctly, we are talking about funding the road from Ruttan, the South Bay road, they call it. That would be the first part; the second part would be building the road around the lake across from the community; the third part would be that little spur from the lake to the community itself; and then the fourth part would be the ferry itself, I presume. Is that right?

Mr. Horosko: Yes, that is correct. I broke the road up into three phases. In fact, the ferry would be started as a concurrent activity in that process just to get the naval architect on board and to have the vessel designed and ready for being operational when the road is complete.

Mr. Jennissen: The portion, the first portion on the 391 to South Bay, the Ruttan road, there is funding in place for the upcoming year, correct? I believe 400-and-some thousand dollars.

Mr. Horosko: We have funding for basically the engineering activities associated with the construction, and that is what the \$400,000 is there for. That is not sufficient dollars to actually do the construction.

Mr. Jennissen: If I could ask the minister about the status, the possible status, I guess, of a bridge to Norway House. I believe that is feasible as well. I have never ever heard anyone talk about it, but I am sure it is possible.

Mr. Praznik: Mr. Chair, that particular issue is there. It is a project that, of course, we would like to do some day. We do not have the dollars in place today, so we have not had even the design work done. But I can tell the member, on many of these questions, if we are able to see an infrastructure kind of ongoing sustainable program that we have talked about in terms of dedicating fuel taxes, these are some of the kinds of expansion projects of our road network that certainly would have to be considered in that kind of mix. So, again, you know, there are so many of these projects that I would like to see

done as Minister of Highways, and this is certainly one of them into Norway House. That is why it is important that we continue to advocate to see the dedicated tax and the flow of those dollars so that we can get on with doing these kinds of projects.

The Acting Chairperson (Mr. Penner): 15.2. Highways and Transportation Programs (c) Bridges and Structures (1) Salaries and Employee Benefits \$2,057,100—pass; (2) Other Expenditures \$337,200—pass.

15.2.(d) Transportation Safety and Regulatory Services (1) Salaries and Employee Benefits \$2,753,900.

Mr. Jennissen: Under Transportation Safety and Regulatory Services, particularly trucking. I happened to receive a little mailout from a trucking organization, and they were pointing out some interesting things about Manitoba trucking, things that we had already believed, but I did not actually have the details. They are pointing out things, such as that there are approximately 600 for-hire trucking companies headquartered in Manitoba; that 95 percent of goods moved within Manitoba depend on trucks, which certainly surprises me because I think the overall percentage nationwide is about 65 percent and points out that our railroads could be carrying a lot more, although I do not know about the accuracy of the statistic, but I presume it is accurate; that for-hire trucking directly and indirectly contributes \$890 million of Manitoba's GDP; that the industry employs 19,000 people or 3 percent of the Manitoba labour force, and so on. Those are very important statistics and impressive statistics. That is why I am somewhat saddened that some of the larger trucking companies are no longer headquartered here for whatever reason, Reimer being one of those companies.

The thing that makes me wonder, though, is that we did not really make a big to-do about National Trucker Appreciation Week which I believe is May 31 to June 6. I am wondering, from the minister's perspective, whether it would not be a good idea to either make a ministerial statement or—I hate to use gimmicks because we get plants in front of us, like pots with trees

growing in them from the Minister of Environment and so on, but there must be a way we can highlight this rather important industry to Manitoba.

Mr. Praznik: Mr. Chair, as I believe that date was at the latter part of May, I would be delighted to take the member up on that offer as minister next year to ensure that we are more participatory in that particular day and would be delighted to use that as an opportunity for a ministerial statement next year. I certainly will.

Mr. Jennissen: Getting back to trucking and free trade for just a moment, because the minister seemed to be saying a day or two ago that NAFTA free trade was universally popular or more or less universally popular, it does not appear to be always that popular with the trucking industry. I have one of their news briefs, if I could just read that for a moment.

CTA says: No NAFTA in trucking. In a written submission to the NAFTA land and transportation plenary, the CTA raised two key points regarding the Canadian trucking industry's role in NAFTA. The essence of the submission is in the following section. In terms of the transportation component of NAFTA, quite frankly, we are of the view that the agreement does not exist, at least in a practical sense. The United States-Mexico border remains closed basically stifling progress towards a truly continental marketplace and retarding progress on harmonized standards. Indeed, as it relates to cross-border trucking between Canada and the United States, one might argue that NAFTA has been counterproductive. The United States Immigration and Naturalization Service and the United States Customs Service, USCS, have enacted or proposed numerous restrictive measures aimed principally at the southern border which could have serious negative implications for the free flow of goods across the border. Section 110 of the illegal immigration act and the USCS proposed rule marking on freight diversion at the border are examples. Even on issues where agreement on harmonized standards has been reached, for example, Canada and United States medical standards, former adoption of the standards has not been implemented.

I wonder if the minister could comment on this point which seems to run contrary to his earlier assertions.

* (1600)

Mr. Praznik: Mr. Chair, there is one thing one learns about one's colleagues in the United States. They may talk about free trade, but they are a nation that loves to put up a lot of impediments to free trade. One of the reasons why, in fact, members on this side of the House were so strong supporters of free trade agreements, and certainly taking the Canada-U.S. Free Trade Agreement extending to NAFTA to gain partners, is because it tied the Americans into a system and a process that would see barriers come down. When members opposite opposed those trade agreements, they were saying to us we should not even get our foot in the door. We should just live with trade barriers.

As a country that lives off of trade where we only have 30 million people here and we need to sell our goods and services to earn our living, and are very good at it, very good at it if given the chance, that position I just still cannot understand why one would be not wanting to be part of trade agreements that are giving us a foot in the door. It is not to say that it is easy, but it is a strong foot in the door with tools we did not have before to bring down barriers.

Mr. Chair, one of the things that I very strongly believe in and tend to advocate while I am in this office is for the harmonization of our standards and processes across North America. There is no doubt in my mind that in the future the ability to be able to move our goods and products across North America in a harmonized system is key to our growth and our prosperity, and as a province that exports so many products, these types of artificial barriers formed by different systems, structures and processes do nothing to facilitate the efficient movement of product.

Last night I had the honour of being a guest at the Jalisco Manitoba dinner. At my particular table were a number of officials from the Mexican Embassy in Ottawa as well as representatives of the government of Jalisco.

We talked about these barriers, and we both recognized that the United States, which, by the way, is not a country with a single structure that puts forward opinions, it is a country of diverse organizations, diverse interests, many different lobbies and lobby groups, as I have come to learn over the last dozen years, and there are many different interests in the United States.

There are forces in the United States that would love to put up a lot of barriers to Canadian transportation companies, trucks, railroads, Mexican trucking and railroad firms, to keep them out so that American goods or Canadian goods or Mexican goods only run on American trucks. They would love to use a variety of barriers, regulatory barriers, to be able to give themselves an advantage over Canadians, and, I would argue, Mexican companies, who can be competitive with them.

That is not what free trade is about. That does not mean to say that when you agree to free trade that everybody is going to embrace it wholly. There are many forces in the United States that do not embrace it. So it is incumbent upon us to continue to work diligently at moving towards breaking down those barriers to give access to our industry, who we believe can be very competitive.

Our colleagues from Jalisco in Mexico feel their sense was very much the same thing. One of the benefits of NAFTA and one of the feelings we saw last night as both of us being neighbours to this great economic powerhouse in the centre of North America is that there are alliances there that we can be working together to continue to put pressure on American regulators and the American government to be able to recognize the importance of harmonization of our systems to ensure safe, efficient flow of goods throughout North America as a key component to a free trade zone, which we have in North America.

Is it going to happen overnight? Not at all. Will there be opponents to developing that in the United States? Absolutely. But those opponents to harmonization in the United States are the same people who would want to ensure that we as Canadians can never get our foot in the door in the American market to sell our goods. Do

they have to be taken on? You bet they do, and we will continue to do it.

We are a small player, but I think we want to be a vocal player in this debate and continue to move forward because, if we have learned anything out of the experience of the last decade, it is whenever we are given a level playing field in terms of regulation, Manitobans and Canadians can be highly competitive, whether it be in manufacturing, food processing, agriculture, and certainly transportation. That is what I think we have to continue to work towards.

You know, I just say this to the member very sincerely. If we look at what has happened in Europe, if we look at what has happened as the artificial barriers of those boundaries have come down, as the European Community has grown and become more integrated in the lives of Europeans—and I know the member has experienced growing up in Holland. I do not know at what age he came to Canada, but I know he has referenced returning on many occasions to visit family. Europe is a very prosperous place. It has some very real problems in terms of subsidization that it has to come to grips with and a lot of inefficiencies in its economy, but it has seen real benefits from the free flow of goods across what used to be national boundaries in the days before the European Community. It has been able to see greater efficiencies in its economy and consequently more wealth by bringing those barriers down, by harmonizing its regulatory regimes so that goods and people with them can move freely across European borders. It has benefited from that kind of free movement of goods just as we expect all North Americans will benefit from the same free flow of goods.

Free flow of goods does not mean you can move the goods across the border with minimal interference or lack of tariffs. It also means you have to be able to move it on a physical means of transportation. We view that as a very integral part of the economic development of the continent, of which we are very much a part. So yes, there will be battles to fight, yes, we have to continue fighting them, yes, we have to continue moving towards the goal, because I ultimately

believe much of our prosperity in future years will depend upon it.

Mr. Jennissen: One of the issues that has always been the issue is truck safety both for the people driving the trucks themselves and also for other motorists on the road. If I am correct, I believe, since the late '50s, truck size has increased, at least the weight has increased by, I believe, about threefold, perhaps even more. I am not up on that statistic, but I do know the sizes and the weights have increased. A lot of larger trucks are on the road. They seem to move a lot faster, of course. Perhaps the roads are better than they were 40 years ago as well. However, there are accidents. I know there were in Ontario some grievous accidents in which wheels came off trucks and in fact killed several people. Ontario, I believe, imposes fines of up to \$50,000 in those kinds of accidents.

Now as far as I am aware, and this information comes from CBC radio, not that I am questioning it, but according to this statement from, I believe it is, Vera-Lynn Kubinec or Diana Swain, one of the two, that Manitoba has had 12 wheel-off accidents in the past one and half years. Should we be concerned?

Mr. Praznik: Mr. Chair, I would say to the member he should never rely on the CBC as a totally accurate source of information. That would be my advice to him. There have not been 12 accidents; there have been 12 incidents where wheels have come off, and none of them have resulted in accidents to our knowledge. Each one of those incidents is reported and investigated and what we learn from it we try to work into our system.

One of the things that has also advanced is the requirements for inspection of vehicles over the last number of years to ensure their safety. As well, we work very closely with the Manitoba Trucking Association as they train their drivers, and the amount of training that goes into the trucking industry today is really phenomenal. I think gone are the days where just someone is hired off the street with the right classification and thrown in a truck. Trucking companies have a great deal of investment in their operation. They do not put very expensive pieces of equipment in the hands of drivers who

do not know what they are doing, so they are investing a great deal of time and effort and training in making people aware of what to watch for, doing inspections because there is very little to be had in the cost of properly maintaining a truck and training an operator. It far outweighs the cost of damaged goods, bad reputation, et cetera, in a highly competitive industry.

So 12 particular incidents is not unusually high, and none of them resulted in an accident. I suspect some of the training that has gone into it prevented accidents in fact. I imagine one would hope we would never have those incidents. Things like that do happen but we are continuing to be vigilant about it. What I would not want to see happen is what has happened in other jurisdictions that one or two highly publicized incidents result in a whole furore of activity by regulators and that does not necessarily reduce the incidents. It just makes it look like government is doing something about it.

* (1610)

We saw that happen in some other jurisdictions and what has happened, of course, is it has made it difficult. An overreaction to the problem may have made it more difficult to harmonize regulatory regimes in a rational way, in a meaningful way, because people tend to throw in regulations to suit the calls of the media whether they actually have an effect or not, and in many cases do not really have an effect. Other jurisdictions do not want to adopt that in their structures because they are not necessarily useful regulatory additions, and they make it hard to develop the harmonization we need. Ultimately having a harmonized not only set of rules, good rules that work, and a regulatory inspection or regime that is also harmonized means that the trucking industry knows what to meet from coast to coast—hopefully, some day across North America—and is subject to regular inspection wherever they may be riding that validates them in other parts of the system, so that we are accommodating the movements of the industry rather than accommodating our geographic inspection schemes. Also, having ultimately an information system built right across the continent where that information goes into it, and you are able to identify the culprits,

those who are not living up to the regulation, and get those trucks off the roads. So again another reason to be diligently working towards harmonizing our regulatory regimes and processes.

Mr. Jennissen: The minister made a very good point at the beginning of his opening statement when he said the word that should have been used by Vera-Lynn Kubinec was 12 wheel-off incidents, not accidents, but the transcript I have says "accidents." It could in fact be a typing error. I am sure we did not have 12 accidents.

An Honourable Member: A normal CBC error.

Mr. Jennissen: A normal CBC error, the minister says. However, there was one truck wheel-off accident at or near Lynn Lake, and I think the department investigated that. The reason I am somewhat interested in that is because I had reports about a series of violations there for quite a while, and I do not know if it was just one person's perception or whether there was more to it than that, but certainly the accident did happen. I wonder if we could get a little update on why it happened. Has that been remedied? It was Mulder Brothers trucking, I believe.

Mr. Praznik: In the interests of accurate conveyance of information, if the member would allow us to have Mr. Hosang who is responsible for that area provide the report on this particular accident and then I can deal with the policy issues.

The Acting Chairperson (Mr. Penner): Please proceed.

Mr. John Hosang (Assistant Deputy Minister, Engineering and Technical Services Division, Highways and Transportation): The incident involved Park Transport [phonetic], if you recall. That was the name of the firm. Yes, our department did investigate it, and we conducted what is a normal wheel-off investigation. The investigation has been completed, and the facts, as we were best able to determine them, were that the vehicle which was on a private road at the time, not on a provincial road, did hit a soft spot in the shoulder, went into the ditch and, in doing so, came in contact with a large boulder.

In fact, that incident knocked the front axle off the truck. The pictures that you saw and that were reported to us that initiated the investigation were taken by an ex-employee of the firm when the truck had been pulled out of the ditch. The investigation has been completed, and there is no evidence that it was a wheel off per se. We believe, and the balance of evidence goes too, its being that he hit the ditch, and that caused the accident and the loss of the axle.

There are a number of issues that came to our attention during the investigation that we are continuing to follow up and they will be following the normal process of our facility audit. We have not finished that yet.

The Acting Chairperson (Mr. Penner): I apologize to the honourable member. I have been calling you the member for The Pas. I am just reminded it was Flin Flon.

Mr. Jennissen: That is all right. My constituency has expanded.

The Acting Chairperson (Mr. Penner): And you will be The Pas.

Mr. Jennissen: Mr. Chair, not a problem. The former employee has made other allegations, though, as well, one of them being that I believe the same company, one of their trucks was involved with a Gardewine truck, an accident, and alleges numerous other accidents, basically alleging that it is lack of maintenance. Is there more to this?

Mr. Praznik: Yes, Mr. Chair, I appreciate very much the question from the member for Flin Flon. My staff advise me that, in the kind of work that we do in preparing that report, we do work with the Department of Justice as to whether or not there has been a violation of a particular statute or regulation and whether charges should be laid. That is still under review with the Department of Justice. I am sure the member would appreciate that it is most difficult for my staff or myself to be answering his questions as frankly as I would like to for fear of, in any way, jeopardizing the result of that particular process. That is not to say that charges are likely to be laid or not likely to be

laid, but that is the difficulty of getting into the details of that kind of discussion.

Mr. Jennissen: I understand that. That is perfectly fine. Switching somewhat, I remember the deputy minister a year or several years ago giving a very good argument, I believe, for the impetus for longer hours for drivers of large trucks, although personally I have some real hesitation with this. I do not know which direction that was going. I think the argument the deputy minister made at the time that there were different rhythms or cycles with some people, and some people could, in fact, drive trucks quite safely for a number of hours. I do not know what the outcome of that was or where we are at in this province or this country, but some people are concerned, though, that the hours that truck drivers can legally drive may, in fact, be too long. I would like a comment from either the minister or the deputy minister on that.

Mr. Praznik: This is one of these issues of part of harmonization of at least within standards in Canada. We are having discussions with our counterparts across the country. Quite frankly, there is a range and different ways of viewing this, and we have not yet reached a resolution. I think from my perspective as minister that there are two critical parts to this. One is having numbers that are safe for the motoring public that take into account risk factors and averages, et cetera, that are safe; and, secondly, that they in fact be harmonized across the country, that we all agree to accept those numbers. What is important is you do not want a truck driver who is driving from Winnipeg to Toronto or to Montreal or from Regina to Toronto passing through a number of jurisdictions and being governed by a different set of rules in each jurisdiction. It becomes a nightmare to enforce because they may be driving so many hours in Manitoba, so many in Ontario. What rules apply? So we are trying to meet both those criteria, harmonization and a safe number, and we have yet concluded those discussions.

Mr. Jennissen: Yes, because I do realize that in other transportation areas, such as drivers of trains, pilots and airplanes and so on, there are limits of hours of being behind the wheel, so to speak, or the joystick, and hours of rest that are necessary and so on. I believe, if I recall

correctly, we were talking about truckers driving 13 hours, which seemed to me an awfully long time. I am basing that on my own experience. Of course, I am not a very young person anymore. When I drive north, it is seven, eight hours. Actually, when I drive legally, it should be eight hours, but sometimes I make it a little sooner. And I am extremely tired. I would find it difficult to believe that people can drive for these long stretches of time and maybe technically within the law, but that it would be safe. We are talking larger trucks, heavier trucks, denser traffic. True, the roads are better than they were 40 years ago, and perhaps the same guidelines should not apply. Perhaps there is a great variation from person to person. I know there are people who can be quite alert for 15, 20 hours; others cannot. I am just wondering if that is also part of that examining part is being done.

Mr. Praznik: One of the important parts about setting regulation when we do these things is that we are setting, we should remember, not the norm, but the maximum. That is always something we should take into account, that we are setting maximums over which you cannot exceed. So what is critical is you figure out what the reasonable range is and what the maximum is. That is what would appear in that kind of regulation. Currently, I believe we were talking about, or have in place, a range that is 15 hours of service on duty, of which 13 can be behind the wheel. So the current rate in Manitoba is that an operator in a 24-hour period can be on duty for no more than 15 and, of that 15, can be behind the wheel for no more than 13. That includes some downtime, inspecting trucks and other things.

Again, it is the balance. Is that the norm for most operators? Probably not. But it is viewed as the maximum range in which an operator can operate safely. Again, when you are setting maximums, you have to say what can you expect. It is hard to set a norm and a maximum, and there are always going to be circumstances when you are on a long route. If you are going to be in a circumstance where you will be using the maximum, to be prepared appropriately with rest time before, et cetera, so that is part of the process that is now in place and forms a great

part of the discussion. I am trying to harmonize that nationally.

* (1620)

Mr. Jennissen: In that 15 hours on duty, 13 hours behind the wheel, is there some other stipulation in the sense that there must be a break somewhere in there? I am not suggesting that it would have to be every three or four hours, but that it should not be 13 hours and then you take a two-hour break.

Mr. Praznik: The difficulty with sort of stipulating in that, I guess the break is as often as your bladder will allow you to sit. In all of these things, the ability for a driver to take a break is dependent upon places to take it. The trouble with crafting of regulation is that, if you say that with every three hours or two hours there has to be a break, you might be on that stretch of road going north where there just is not a place to take a break. How do we enforce it? Does the guy stop the truck and sit for 15 minutes; then carry on, and does not stop because he is half an hour from the next coffee shop, rest stop, et cetera?

Obviously it is in the interests of the trucking industry and truck drivers to ensure that they are taking some reasonable breaks. They obviously have issues of using washrooms, of freshening up, taking nourishment during this period to be able to continue to operate the vehicle. So one would always expect that common sense is certainly going to apply in this within those maximums. To date, I do not think we have had that I am aware of many complaints coming from drivers or others that there are unfair expectations as to breaks and stops within that maximum that is now set.

Mr. Jennissen: I was not trying to suggest that it was a serious issue. I was just wondering about the driver that would choose to drive at, say, eight hours at a stretch, then take a short break and so on which might not be as safe as it ought to be.

Some other questions I would have are, I believe, I am not really up on the issue, but I will ask the minister. Drivers for those large trucking companies, or owners of those large trucks, are

required to keep logbooks. Is that not correct? There is legislation before the House, and I am not sure of the protocol whether the minister can even discuss it while it is in the making, so to speak, that co-drivers also have logbooks. I do not know much about the issue, about logbooks and what is entered in a logbook. Are rest breaks in there as well? Perhaps he could talk about the co-drivers using logbooks. Thanks.

Mr. Praznik: First of all, I did not mean to imply in any way that the member was saying this was a serious issue with the rest break. The only reason I flagged the complaints is simply that in doing regulation, if we find an area where we are getting a continual amount of complaints, or if he is getting as a member, then it is worthy of saying: hey, common sense is not applying here, we have a problem and how are we going to deal with it? To date that is not the kind of response we had and that is the only reason I raised it, just to put in context that if we are not getting complaints, probably in practice, it is not something we should be particularly concerned about as long as we have set the maximums.

I am going to ask, with the member's indulgence, my staff to explain the rules around the logbook issues, because they are much more familiar with the detail than I am. I know the member would want to have it accurate, but these are very important issues and questions and understanding them. I think if the committee will indulge us, Mr. Hosang will give us the overview of that issue.

Mr. Hosang: With respect to co-drivers, yes, they have to carry logbooks with them and document the time that they are on and off duty. So if there are two drivers in the vehicle and it is stopped, they both have the same requirement to produce a logbook whether one is sleeping in the berth or not.

Mr. Jennissen: Roads cost a lot of money. We have been discussing this now for a few days, and obviously overweight loads and weight restrictions in the spring are important factors in making sure that our roads are not abused unnecessarily. I presume that weigh scales are an important factor here in limiting any kind of abuse. I do find it interesting though when I drive north from Winnipeg to Cranberry Portage,

up Highway No. 6 and across the Easterville road and then back up Highway No. 10, the only weigh scale I run into is near The Pas. I believe there are only 10 in the province anyway, but compare that to Europe again where there are weigh scales everywhere. It just seems to me you could do an awful lot of driving without ever being checked at a weigh scale.

Now, I know there are roaming inspectors as well, but I am just wondering if the system is open to abuse. I do know in the past, just as an aside, that truckers hauling logs from the North to the mill at The Pas would have what they call a cheater's scale. They would have these overloaded trucks, they would pull off and dump a bunch of logs off and then continue to the regular scales. This practice went on for a fair while. I do not know how systemic the abuse is, or if there even is any, but I have heard stories. I am just wondering if I could have an update on the perception of the people that would know more about it than I would.

Mr. Praznik: First of all, the comment about Europe is a very interesting one because, again, it is the ability to do a lot more because you have so much more traffic, so many more taxpayers to support that kind of system. In a sparsely populated jurisdiction like Manitoba, relative to Europe, my staff advised me that the use of the mobile scales on a spot-check basis is probably far more effective than a network with that happening. I am going to ask Mr. Hosang to add to my answer, given some statistics, or at least to ask the member if there are some specific statistics or situations he is liking, which we can provide him with that information. Mr. Hosang may have some other comments to add.

Mr. Hosang: In addition to our 10 permanent weigh stations which the member has mentioned, we have the mobile teams that are very effective in catching offenders. They will be wherever they think the overloads are being carried out at the time. Truckers could avoid the weigh scales and do if they are carrying overloads. Because it is a highly sort of mobile force, the number of teams, I do not have that information right here at the time if there is a specific activity that you would want. We do keep statistics more on the number of violations that we log, and we are prepared to table that

kind of information if you want on a comparative year-to-year basis.

Mr. Jennissen: I would be very interested to have that statistic actually. That would be very useful. One other question I have is, I was under the impression that there was another weigh scale to be built on the junction of Highway 60 and No. 10. Is that not a reality? Was that not in the planning a number of years ago?

Mr. Hosang: We have no firm plans at the moment to build a permanent weigh station there, no. We have considered at times providing a wider shoulder in certain locations to allow our mobile crews to go in there from time to time. The member may have heard of that being considered.

Mr. Jennissen: Now, if there is a weight restriction on a road, let us say 391, let us argue from Leaf Rapids to Lynn Lake, and there is a roaming inspector and he uses portable scales and the load is overweight, is there a system like one in which a fine is levied right away and the fine is based on the overweight, or is there a series of warnings first and that kind of protocol?

* (1630)

Mr. Hosang: We have a schedule. Yes, the fine is dependent on the actual overweight, depending on the circumstance, if our compliance officer were to determine that it is a brand-new driver or a new firm and there is reason to suspect they might not be aware of the overweight. But that is a pretty fundamental rule to follow. So we do show understanding whenever we pull a truck over. Something like an overweight is pretty fundamental, so there would have to be pretty extenuating circumstances not to levy the fine.

Mr. Chairperson in the Chair

Mr. Jennissen: I have one final question on this issue, and it is strictly a subjective one in many ways. I did talk with a person who was involved as a weight inspector and probably still is, and he showed some frustration when I talked with him. It was somewhat ironic. It was about one particular person, one farmer and trucks that that

particular person used being overweight and being penalized or attempting to penalize him. He would take this situation to court, and he seemed to beat the system via the courts quite often. There seemed to be a great degree of frustration.

Is this a common occurrence where someone says, look, I will fight it in the courts, and then you could win it on some technicality perhaps even? Is it common, or is this just an isolated incident?

Mr. Praznik: Here the member raises a matter that I think, as rural MLAs, particularly in areas where you have had a log haul in the winter, as I do in my constituency, has been somewhat frustrating for many of our operators. Of course, when a person is charged with being overweight, having an overweight truck, it is an offence and they have a right to be tried. They have a right to plead not guilty. They have a right also to plead guilty before a magistrate, with an explanation, and their sentence to be set by the hearing officer, who is dealing with the matter, whether it be a provincial court judge or a magistrate depending on the process. We do not control, nor should we, in a proper justice and democratic system, those kinds of decisions.

What my experience has been is that sometimes our enforcement officers are not using common sense necessarily in their enforcement, and sometimes there are circumstances where people are overweight on the roads. Particularly in the winter, they have accumulated ice, et cetera, that have added to their weights. I know in one particular instance last year in my area, we had people who were operating in the bush, weight restrictions went on, and the operator was coming out of the bush with a piece of equipment that was overweight. Well, you know, he had never had an opportunity to be informed that the weight restrictions had gone on. Discretion is important in enforcing the law as well, as I am sure the member would agree. Notice was provided, et cetera, and the individual in question in my area went before a magistrate, pled guilty, but said here is why: I was in the bush for three days, weight restrictions went on, I did not know about it. I was hauling my equipment home. It was unusually warm this time of the year. I did know

what had happened. I had no way of knowing because I was even out of cell phone range to call home.

I think the penalty was reduced to zero by the magistrate. So that kind of discretion should always be part of implementing our laws. Does that not lead to some frustration by enforcement officers? Absolutely. But I tell you, as minister, I always think that the operation of regulations and of laws has to always be tempered somewhat by common sense in the laying of charges. I would hope that our enforcement people do use common sense.

If, of course, you have somebody who is always claiming load after load is overweight, well, it is just ice. Well, come on, you have not learned anything. You should be hit with the penalty and pay the full cost of it. I remember as well, before I was the Minister of Highways, one of my constituents coming in to see me with an interesting story, got hit with an overweight case on a circumstance that, I cannot remember the exact detail, but it kind of suggested to me maybe discretion was not applied by the enforcement officer. That individual went to court, went before a judge, and the judge reduced the fine considerably and said: you go back to your politicians and tell them that their fine system is archaic compared to the nature of the crime.

He came to tell me and deliver that message to take to the Minister of Highways. Obviously some discretion is important. There is a fine line between discretion and not doing your job, and the safety valve on the system, in my mind, because we should not just rely on the proper use of discretion by enforcement officers because obviously that is a subjective matter and open to criticism on another count, but the safety valve for everyone is the fact that these penalties and these charges, in essence, have to be and can be, if desired by the accused, tested before a magistrate or by a judge in a court of law.

Ultimately that is a good thing to have in our system. Although you may find some enforcement people who are frustrated by that process, I cannot think of a better way to do it, quite frankly.

Mr. Jennissen: I thank the minister for that answer. Talking about the costs of roads and how expensive they are and the difficulty we are having getting the feds to put in some money, I have often wondered—and again I am off on a little bit of a philosophical bent here—why we do not have partnerships with larger businesses or huge companies that do pound our roads to pieces.

Let us take Tolko, for example, Repap, or Louisiana-Pacific. I do not want to single them out, but as an example, they do beat the road to pieces. Now, it is true they pay fuel tax, they pay licences and insurances and so on. We might argue we do not want to put any barriers in the way to economic development, but I know there are jurisdictions in other parts of the world where there are partnerships for those companies who would be required to also put in some money to keep that road system going.

I was somewhat surprised that prior to the '95 election we talked about putting \$90 million into northern roads, contingent on Repap expansion, and that we, the province, were going to carry that entire burden. The argument could be made that at least some of that burden should be borne by big business if they can afford it. We do not want to put unnecessary barriers in their way. [interjection] That is a possibility. I mean, just raising it as another direction we can go.

The other thing could be perhaps a more negative one. If railroads pull out, and CN and CP have big bucks, seem to have big bucks at least at the moment, I know they also lost big bucks, maybe there should be a negative aspect of this, too, because that puts more stress on our road system, so pulling out and abandoning rail lines, maybe there should be a penalty attached to that. That penalty should be money accrued to us in order to fix the road system, the rural system, which is taking extra stress due to their rail line abandonment, suggesting some possibly different options that I know were not on the books immediately, but maybe something we should at least look at.

Mr. Praznik: First of all, one of the arguments I have always been hit with by big users of the road is they say, hey, wait a minute, we are

already paying 10 cents a litre federal fuel tax and nothing is coming back and now you want more out of us? That is a very valid reason and that is why I believe the concept of dedicated fuel taxes, the road system being paid for by road users in the collective sense, is probably the way to go because it would allow us to say, look, if you are going to be travelling on roadways with vehicles of very excessive weights that do the most damage, perhaps you will require a permit to do that for which we can charge X number of dollars. And again, those who are using and wearing the road, that becomes part of the cost that they have to bear for moving freight at that kind of cost. We would have more vehicles by which to get the cost borne by the parties using the system and obviously those who use those goods, it gets reflected in their costs.

One difficulty I have with the member is he says we should just go after big companies. Well, the answer then is simply just contract all your work to single-owner drivers, right, because they are small. No, ultimately, if you are building your highway system on a usage system, and I am not advocating toll roads, I am saying I believe the way to do it is fuel tax or permit use for very large vehicles that do a great deal of damage, that you get some of the costs of that back, you will have more vehicles with which to ensure that those kinds of costs are now being collected in fees, et cetera, that come back into the system. Ultimately if one were to do that and look at fuel consumption and look at the very heavy weights that do the most damage, paying some sort of permit fee, you now have the ability to say whether you are a Repap or single user, you are the one doing the damage, you pay your share of it. So I appreciate what the member said.

* (1640)

Mr. Chairperson: 15.2. Highways and Transportation Programs (d) Transportation Safety and Regulatory Services (1) Salaries and Employee Benefits \$2,753,900—pass; (2) Other Expenditures \$666,800—pass.

15.2.(e) Regional Offices (1) Eastern Region Office (a) Salaries and Employee Benefits

\$2,348,100—pass; (b) Other Expenditures \$532,000—pass.

15.2.(e)(2) South Central Region Office (a) Salaries and Employee Benefits \$2,307,000—pass; (b) Other Expenditures \$612,400—pass.

15.2.(e)(3) South Western Region Office (a) Salaries and Employee Benefits \$2,149,400—pass; (b) Other Expenditures \$542,400—pass.

15.2.(e)(4) West Central Region Office (a) Salaries and Employee Benefits \$1,722,300—pass; (b) Other Expenditures, \$458,400—pass.

15.2.(e)(5) Northern Region Office (a) Salaries and Employee Benefits \$1,407,700—pass; (b) Other Expenditures \$450,300—pass.

15.2.(f) Winter Roads \$2,175,000.

Mr. Jennissen: I have a number of questions on winter roads, Mr. Chair. One of them is a general and generic question I am sure the minister's staff have heard me raise before, and that is that the northwestern region of the province still relies on winter toll roads which add an enormous burden to the cost of living of people in Tadoule Lake, Lac Brochet and so on and some of those other communities. I can understand and I support why the province is involved with winter roads elsewhere or in conjunction with the federal government on a 50-50 basis with winter roads to some other small remote communities or reserves. I do not understand why that particular section has been almost exempted. Maybe it is an historical accident, but I point out the fact that it does increase the basic costs of foodstuffs and gasoline enormously when you place a toll on the road. That toll is needed, I guess, to pay for constructing that winter road. I do know in the case of Lac Brochet, because I have talked with storekeepers that had a load of goodies coming through, a load of whatever it is, is \$6,000 or \$7,000. At least it used to be. I have seen bills of over \$100,000 from some stores directly related to tolls.

Now, that money has to be recouped somehow, and it is recouped via selling the material in the store. Therefore, the poorest of the poor people in northern Manitoba pay much

more than elsewhere. I think it is artificially high because that toll is there. Now, I know the toll road and the making of a winter toll road also creates jobs, and that is the other side that is very positive, but I am still not clear why we cannot have just one uniform policy all across this province.

Mr. Praznik: Well, Mr. Chair, the member is right. It is a historic anomaly and it is one that, quite frankly, we would have to find the dollars to address. That has not been done to date and, quite frankly, should be looked at.

I must admit it is the first I have been made aware of it, as the new minister coming in. It is the old issue that the Department of Highways took over the old, certain portions of the winter road system years ago that was developed I guess in the '60s and '70s. It came into the Department of Highways. That was not part of it.

It is a private winter road. The tolls are collected by the person who operates it and who builds it and maintains it. They do not receive a public subsidy. That is the explanation, as the member knows. I guess it is one of the issues that the Minister of Northern Affairs (Mr. Newman) and I should be looking at addressing with our federal counterparts and see if it can be included in a 50-50 road program with the feds, but it is one of those historical unfairnesses that needs to be addressed.

Mr. Jennissen: I also have a letter from the minister, February 25, 1999, asking for my assistance on the winter road we supply communities with in my constituency, because sometimes, you know, those roads do not materialize because of the weather conditions. I do appreciate the minister asking for input, because it is a great concern. Sometimes they do not get those roads pushed through. That is a risk that those people who put those toll roads up take because, if you do not get the road through, you may have spent a lot of money and there is nothing coming back for you. So that makes it even more imperative the next year to charge higher tolls, I guess.

I am not knocking the job creation or the entrepreneurship of the people building those

roads. I very much support that. If we do get involved, I hope we use those same people to continue building those winter roads, but it is a question of fairness, like the minister says.

What worries me more than anything else though, I think, is when I see people in Tadoule Lake, as one example, or Lac, who are living in a region of great unemployment, living on social assistance not because they are liking it, but because there do not appear to be opportunities for advancement, for jobs, for entrepreneurship, whatever. You walk into the store, and you need to buy something, whatever it might be. I remember in one case it was four shrunken apples. They were \$4. Or a litre jug of milk that anywhere else you pay maybe a dollar and a half for or whatever and over there it might be \$6. Sometimes the prices are just astro-nomical. Someone on social assistance, and I see a lot of young women with babies, I do not see how you can feed those children properly.

I know that if the toll portion could be removed off those goods that would be a significant portion and would make it a lot easier for those people. So for me it is also a social justice issue. It is a sore point with me because on the one hand, I want equality, but on the other hand, I do not want to be accused, not for narrow, partisan reasons, of preventing people of making a livelihood creating winter roads. There has to be a win-win situation there somewhere. I am basically just venting somewhat. I would like the minister's opinion on whether that makes sense.

Mr. Praznik: No, I agree wholeheartedly with him, it is a fairness issue. It is the first time I have been apprised of it that I remember or recall. It is a fairness issue. Why does the federal and provincial government subsidize winter roads in other parts of the province and not there? It is a fairness issue. Ultimately, at the end of the day, you know, you should be treating people in like circumstances and like ways. So it is something I am certainly going to have to look at with my staff as we prepare for next year's season.

Mr. Jennissen: Just for clarification sake, I would also like to know which roads actually are toll roads. Is, for example, the one stretch from

Lynn Lake or Co-op Point, whatever that is, to Brochet a toll road? I think it is, but just to confirm that.

Mr. Praznik: I am advised that is the case. I will ask my department to provide by way of a letter to the member, or a note to the member, which I will forward what sections are exactly toll or which are not. We will get that in writing for him.

Mr. Jennissen: I am sorry, and the South Indian Lake portion would also be a toll road then, would it? From Leaf Rapids to South Indian Lake, is that toll?

Mr. Praznik: Mr. Chair, I am advised it is not. I will have my staff actually prepare that list. Even if we are out of Estimates, we will provide it to the member.

Mr. Chairperson: I would have to ask the honourable members to slow it down just a little bit for Hansard, okay? When I have two mikes going off and on, it makes it a little difficult.

* (1650)

Mr. Jennissen: So I will not then ask for specific costs for various winter roads. I was going to ask for the cost of the winter road to Pukatawagan and so on. Perhaps the minister's staff could supply me that information as well.

I would like to raise, however, one winter road that ought to be but does not exist as far as I know, although Hydro did push a winter road through I think for a few years, and that is the one to Granville Lake. It is a very small community and it needs a lot of help. If a winter road is not possible, the community has asked on numerous occasions, would they at least be able to get a small grant. They would be willing to cut or pioneer a better snowmobile trail to Leaf Rapids, because apparently the one that they tend to use is dangerous because there are stretches—not because there is open water but because there are some currents under the ice and so on. There are some dangerous stretches. They have a better suggestion or a better route suggested, but that would take some money, and I am wondering if the minister's staff could look at it. We are not talking enormous costs here. I

think the total cost was I believe \$40,000 or something.

Mr. Praznik: Mr. Chair, I have just asked my staff. We will have a look at that option. I will ask them also to get some more information from the member for Flin Flon, because that sounds like a fairly reasonable solution. Somewhere near a hundred thousand dollar winter road could be a lot cheaper if the community built a properly signed and looked after snowmobile route. Quite frankly that might be a very economical way to improve access, much better than a winter road perhaps, and I will have my staff speak to the member. I am giving that instruction now and to get some more information. Maybe that is something we can look at as an option for next year.

Mr. Jennissen: Yes, and in the matter of clarification, I just want to point out that Granville Lake is one of those very few communities where there is no road access. There is no gravel airstrip either so you come in by pontoon plane in the summer and by ski plane in the winter, if you are lucky. It is a very isolated place, and I think it needs a little more attention from the province. I am sure of that.

In fact, on the positive side, some water and sewage issues are being addressed in that community. I am very happy to see that.

Mr. Praznik: Just one clarification though. I would like to say that this is one of the difficulties in expectation levels. My deputy has reminded me that Granville Lake is a community that broke off from an existing First Nation and sort of moved to the point and set up. I just want to make the point that when these kind of things happen there should not be an expectation without prior agreement that services will be provided.

I know there are a number of other places in my days as Northern Affairs where we had breakaways from First Nations. Groups of people could not get along and the split-away groups, often the minority, went to another piece of often Crown land, set up a bit of a settlement and then with no economic options there, no job opportunities, and then turned around to the Department of Northern Affairs and said we

want to be a Northern Affairs community. We want funding for this; we want funding for that. We want these kind of resources and the same level of services as other communities.

Part of being a breakaway community, when you leave a community, is you cannot expect the taxpayers of Canada or Manitoba to rush in to provide for a whole host of services without people agreeing to do that in advance. If a community wants to set up, raise its own dollars and build, I am not going to stop them, but that is one of the problems. I have seen it happen before, so I am just putting that caveat on my comments. We will certainly look at the snowmobile route issue. I think that might be a solution but part of good planning in most areas governed by municipalities. We have a planning act that allows some municipal authority to make decisions whether or not subdivisions will be approved, whether or not areas will be residential, because we know that that results in streets and school requirements and a host of infrastructure.

Many times municipalities turn down residential development, because they look at the cost of bringing the services to that area far away, you know, the benefits of that area being developed, or there are other reasons why that area should not be developed. So every day in the course of most municipal jurisdictions throughout this province, throughout this country, there are subdivisions and residential developments that are turned down. Just because this is in the North and on Crown land or Northern Affairs land that one can expect because you sort of set up a settlement there, all of a sudden everyone is going to move in with the services. So I just want to put that on as a caveat.

We will look at the snowmobile issue, but I think it is important to recognize too that if a group of people—it is the same story, I guess, if you had a major mineral find in an area and a company wanted to set up a town to support their workers, it would not require the approval of a province. It would require agreement on infrastructure. That is why we even created the special revenue school districts. The last remaining three are in my constituency: Pinawa, the Whiteshell School District in Pinawa; Pointe

du Bois which is Winnipeg Hydro; and, Pine Falls which is the paper company. Again, that kind of development does not necessitate that the taxpayers have to provide all those services in those particular areas, and those coming in have to accept some responsibility to build that infrastructure, so the same applies here.

I just wanted to put that on the record, because I would not want in the future someone to say: well, because we have a group who broke away from their community where infrastructure was provided for whatever reason and set up a new town, there is an automatic right and expectation that the rest of society should have to pay to bring in those services. If they agree in advance is why we have planning acts. We have those kind of things so we know what we are getting into when we agree at the beginning. That is not the case here, but having said that, we will still endeavour to look at the snowmobile trail issue.

Mr. Jennissen: The minister mentions break-away communities and I get the impression he thinks this happened yesterday. Just in the light of fact, I was travelling to Sherridon the other day with a Mr. Celestine Sayies who happened to be 67 years of age. He mentioned the fact he was born in the community of Granville Lake. I just want to put that on the record. So 67 years ago Granville Lake existed. I admit it is a breakaway in the sense of at one time being part of Mathias Colomb, but so is Black Sturgeon which is now recognized as I think the latest First Nation in our country. So, yes, it does happen but sometimes those are natural outgrowths. These are larger communities, and they hive off. They break. Granville Lake has been there for a long, long time.

Mr. Praznik: Yes, if I may, that is why I am certainly prepared to look at this snowmobile option. The only reason I want to put that on the record is there are communities that have in more recent times broken away. I have had other communities. Just for example, I cannot remember, was that Ebb and Flow or one of the First Nations where there was a brutal standoff? RCMP were involved and there was a group of people who left that community and then said to government: we want to set up a community

somewhere else and everybody should then provide us infrastructure.

Well, I really want to discourage that from happening without agreement in advance. There may be many times when a First Nation grows to a particular size and wants to set up another settlement somewhere. That is fine. I do not oppose that as long as people know in advance what it is, what can be provided, what are the economics around it, et cetera. I put that in not so much with respect to the long history of Granville Lake, but just the general policy issue of communities that split and making sure we assess their infrastructure needs in advance as opposed to after the fact.

Mr. Chairperson: 15.2.(f) Winter Roads \$2,175,000—pass.

15.2.(g) Other Jurisdictions (1) Gross Expenditures \$2,500,000.

Mr. Jennissen: Basically one question, we have dealt with it before and that is Other Jurisdictions. I think this is the place to be asking it. There are a number of places in northern Manitoba where there are cottages around lakes. In the past, the Highways department used to plow out those roads. I do not know whichever mechanism they worked out, it seemed to work. That has changed lately because I think the department is asking private people owning snowplows to do that. It has worked to some degree, but there is still some resentment in some quarters. I think it boils down to the fact that what was happening was that if a department snowplow came through and cleared the road and the cottagers paid for it, that money did not go back into the regional coffers but rather went, I believe it was, to the Minister of Finance, or perhaps even to the department coffers. So naturally the regional people were not too keen on doing this because it was losing money for them. I do not know if that has been really resolved or not, but it was a contentious issue last year and the year before. I am wondering if we could have just a very brief update on that.

Mr. Praznik: On this particular matter, there was, in days gone by, a Treasury Board issue in terms of revenue coming and having to be voted

back. So it did not pay the department, because it brought in revenue and had the expense but did not get the money in its budget. But I understand that has been corrected in our system with an additional line that allows those recoveries to come back to the department.

* (1700)

However, in many of these places, locally, there would be a private operator who would have a piece of equipment doing roadwork who would be available to do this work and was saying: listen, why is the Department of Highways competing with me? I am trying to find enough work to keep this piece of equipment in the community. In the long-term interest of the community, having the equipment there for other things was worthwhile then. So previous ministers have made a policy decision, which I support, that we should try not to be competing with the private people in the Department of Highways. We have quite frankly enough of our own work to do to be able to do this. Sometimes there are exceptions to this or cases where we have to, because there is not someone around, but wherever there is a private operator to do these roads—they may be public roads, but they are essentially residential roads. The Province of Manitoba is not in the road-cleaning business in residential subdivisions in Winnipeg or anywhere else for that matter. It is a local area. The problem here is, in many cases, there is not local government. So really the owners in that area have to provide for their own road cleaning. They do the contract. We just do not want to be in there competing with the private sector and end up taking the work away from them and seeing the equipment lost to the particular areas.

Mr. Jennissen: I would just like to make one more observation. It is in the nature of an observation rather than a question. That is, when we do have a particular exception like Simonhouse Bible Camp, which I suppose should be viewed more as a charity rather than a group of cottagers asking for services, which is 35 or so miles out of Cranberry, and if the snowplow comes through and that charitable institution and well-known institution is being used that winter, and they are willing to pay their share, I think we should make an exception.

Because in the past we have said, well, no, we will leave it to the private sector. There is nobody there, and nobody wants to go 35 kilometres out to plow a road that is only about a third of a mile long.

Mr. Praznik: Mr. Chair, the member's point is absolutely valid. So valid in fact my department now does that road on a cost-recovery basis, I am advised.

Mr. Chairperson: Shall the item pass? The item is accordingly passed.

15.2.(g)(2) Less: Recoverable from other appropriations (\$1,000,000)—pass.

15.2.(h) Planning and Design (1) Salaries and Employee Benefits \$1,699,900—pass; (2) Other Expenditures \$451,100—pass.

15.2.(j) Northern Airports and Marine Services (1) Salaries and Employee Benefits \$3,404,100—pass; (2) Other Expenditures \$2,387,200—pass.

15.2.(k) Materials and Research (1) Salaries and Employee Benefits \$1,729,600.

Mr. Jennissen: Just one question and that is regarding gravel pits and empty gravel pits filled with water. I am responding basically to a statement I have from a Christine Martel who is an aunt of two children, I guess, that drowned in a gravel pit not too long ago, in fact, May 17, 1998, so just over a year ago. Shantelle was age 7, and a 13-year-old was there, but an 11-year-old and a 7-year-old, I believe, drowned in that particular gravel pit. I think Mr. Ashton from Thompson has also put out a press release on it. The question I have is the safety of those gravel pits. Whose jurisdiction is that once you dig the stuff out and it obviously becomes a hazard for some people? It might be just a very unique happening, very unlikely to happen again but it could, and I wonder how it is being addressed.

Mr. Praznik: With respect to pits, the Department of Energy and Mines does require payment into and maintain a fund for pit rehabilitation. Although all water may not be drained out of it, they do try to rehabilitate pits on Crown lands. I believe most of these issues

come under the jurisdiction of the Department of Energy and Mines, the rehabilitation issues, Mr. Chair.

Mr. Chairperson: Shall the item pass? The item is accordingly passed. (2) Other Expenditures \$523,900—pass; (3) Less: Recoverable from other appropriations (\$1,049,200)—pass.

15.2.(m) Traffic Engineering (1) Salaries and Employee Benefits \$840,400—pass. (2) Other Expenditures \$244,400—pass.

15.2.(n) Policy, Planning and Development (1) Salaries and Employee Benefits \$1,776,500—pass. (2) Other Expenditures \$543,000—pass.

15.2.(p) Drivers and Vehicle Licensing (1) Salaries and Employee Benefits \$11,849,800.

Mr. Jennissen: Yes, we dealt with the graduated licence issue yesterday. I know the strong feeling that the member for The Maples (Mr. Kowalski) has on this issue. I think he has some very valid points he was making, and I appreciate him making those points. However, there is a wider discussion and I think we got a full range of that discussion. That discussion has not ended by any means, and I am sure that will be revisited again fairly soon.

Regarding driver and vehicle licensing, just one quick question to the minister. There are some more questions I could ask as well. The one about being tested in the language of your choice. Well, I am not sure if language of your choice is the exact word, but I am very happy that he retracted the narrowing down of the languages in which you could take vehicle testing. I am still not clear though about Cree. Is Cree testing not done? Is there no language testing of Cree drivers or any other aboriginal language, Saukteaux or Dene for that matter?

Mr. Praznik: I am not in the habit of blaming staff, but I tell you this. I will defend my staff when I am involved in decisions. I said this very clearly to my staff when this happened. If they are making decisions on matters of policy without the concurrence of the deputy and I, they are on their own. So these words are on the

record for my staff here more than members of the Legislature. I will tell you, in ministerial responsibility, I am responsible for this department. They cannot count on their minister backing their decisions if their minister was not part of those decisions. In this particular case, within that particular unit for budget reasons, other considerations, a policy decision was made to draw a line at 100 tests per year and eliminate the service. The decision was made and implemented without either the deputy or I being part of it. As a consequence, I do not feel bound to support that decision, and I have not. There is a lesson in that for all.

Now, was that made for an untoward decision? Absolutely not. Was that made to spite any particular group? Absolutely not. Was that made for any ill purpose? Absolutely not. It was an administrative decision that was made for what staff believed was sound judgment. The only difficulty was it did not have my concurrence or the deputy's and, as a consequence, I do not believe, in the interests of policy, it was a decision that I would support. So, upon learning about it, and again it is a minister's nightmare to find out that policy matters were made in your department without your concurrence for which you are, in this Chamber, held responsible.

So, as the minister, I take the responsibility that, as a new minister, that message may not have been clear to all my staff the way I operate. I will accept that responsibility. Is it such a serious matter that my resignation is pending? I think not, nor has anyone called for it. But the fact of the matter is it is better to learn and develop these relationships on matters that are relatively small and minor in the great scheme of things rather than serious.

I was asked by one of the media, you know, does this result in dismissal? Absolutely not. This was a judgment call that did not have the support of the deputy or minister. Consequently the corrective steps were done, but it was done for, I think, good purpose. The staff who did it, I want to say it very clearly on the record, I do not think they intended any ill will. They were making an administrative judgment.

By the way, there is a dilemma here for ministers. I do not want to so terrorize my

department that they are not using some discretion in judgment and are afraid that every decision has to come forward. It is always the balance. I guess the message that I have always tried to convey within departments, and I have not worked with this department for a long period and every minister has different styles, but my view always has been that I like to give my staff a great deal of power to be able to do many things that they have to do without wanting decisions from ministers all the time. The key part of that is there has to be a flow of information within the system so that if I feel that those decisions are not timely or are not supportive, I have my chance to say, hey, wait a minute, I really do not think we should be doing this now.

It is a matter of the balance between encouraging staff to be able to think, make decisions, and do the things we want them to do as administrators, also maintaining my role in ministerial responsibility within the department. So from my point of view, this was a good opportunity to remind everyone in my department about those roles and, again, without causing, I think, any grief to the public. The embarrassment was with me, and I accept that. That is part of ministerial responsibility.

* (1710)

I have asked our staff in this area, in the interests of client service, to give me a report over the next while in how we can accommodate more languages than we do where there is a demand or a need. What we are governed by is the ability for translators. Not all tests can be given in written form in different languages, but certainly what is the written test can be done orally. Where we can conveniently locate translators that we of course can trust and have confidence in, we should make reasonable attempts to facilitate that language demand. I wanted my staff to have some opportunity to think about how we could do this in a reasonable administrative fashion. I do not think if someone wants a test in a particular language where the cost of bringing in a translator is thousands of dollars, we cannot rely on the ability of the translator, that we would provide the test. Also, again, there has to be some reasonable sense that the driver is able to acknowledge and read the

road signs and the other kind of rules and regulations so that they are not a menace on the road.

So there is a balance, and it is one in which discretion needs to be applied. I am confident that that will be applied by our administrative staff in the department in bringing this about. If there are aboriginal languages where there is a need to provide what would be the written test orally in a different language, that is something we certainly want to look at. If the member or local MLA has cases where this comes to his attention, I would suggest that he contact directly our staff, Marlene Zyluk, to try to work out some arrangement. Again, we are not going to go to huge expense to do this. We do not have budget for that, but where it is reasonable we will try to accommodate.

The other point I also make and part of the problem here was the ability to find translators in different languages. We traditionally used the Department of Culture and Heritage, and my department does not have all the time in the world to go out and track down translators which were part of the reason some of this happened. So there was some very good administrative reasons behind this, just that they did not fit with the view of client service that I would like to have as minister. We have been able to locate some other people, but it has to be reasonable. The member for The Maples (Mr. Kowalski) I am sure will appreciate this as a law enforcement officer. The people you use for translation have to be trustworthy and appear to be trustworthy. If someone comes in with a language and asking for test and say, here is the translator, how do we know the person doing the test knows the stuff as opposed to the translator who is also providing the information?

So there is a balance here that my staff have to be comfortable with to ensure the safety of the roads. I guess what I am looking for is rather than hard and fast rules around what services we provide, we should be using one that is reasonable, dependent on time to time for the reasonable availability of translators and the trustworthiness that we can count on that they are in fact neutral and doing a proper job in translation. I have asked our staff to prepare

some policy work around this rather than the particular numbers.

Again, I think common sense should apply. The public should be protected and client service should be a part of that. That is what we are attempting to do. I have to tell you, back in the community of Beausejour where both the minister and deputy come from, it was very hard for us to be able to look at our Ukrainian neighbours with names like Horosko and Praznik. It was a little embarrassing to us, but that is life and no harm done. I say that a little tongue in cheek about Andy Horosko and Darren Praznik coming from Beausejour. I was ribbed a little bit about it, all in good jest, because I think ultimately at the end of the day, the client service there being met, I think some good has come out of this.

Again, common sense, client service, reasonable and reliable service without incurring costs, unreasonable costs that we certainly do not have the money for. I am very confident that this will be a matter that will be good. By the way, with respect to my staff, I am very confident in my staff. The staff in this particular area have hosted a national conference of administrators of motor transport, very successfully, are noted across the land for being very efficient administrators. Again, I just think one of those little decisions that are made that take on a huge significance in the media on a particular day, and at the end of it, in the life of the world, we will go on being a fairly good department in the administration of our law. The staff, I know I am quite impressed with in all their duties. So I would like to say that on the record. I thank the member for the question.

Mr. Jennissen: I am looking forward to the language being expanded and any day now, we will have Swahili and Low German, I am sure, but I do thank the minister for that answer. I am looking at an ad for western regional manager for driver testing out of Brandon and that person responsible for the supervision, planning, controlling and organizing of branch offices in Brandon, Portage la Prairie, Dauphin, Thompson and associated mobile testing units. I just want to suggest that because we are dealing with Thompson and Thompson region, a lot of people in northern Manitoba do not speak English;

basically in that region, it would be Cree. A lot of people need to be tested on the reserves. I think our people that are involved with that up there have to be sensitive culturally to aboriginal people but also language-wise. I am not suggesting built into this ad, but this might be an opportunity to make that real

Mr. Praznik: With respect to the Cree language, that is reinstated. We had two requests last year for tests in Cree. They were accommodated, and that will be continued, but I just want to point out that we had two requests last year.

Mr. Jennissen: I think this is the appropriate place to ask about photo ID as well. I think that is an excellent program. I am just wondering what is it, every two years we get a new picture? Some of us age very slowly, so I am just wondering, is there a need? Will there at some point be an examination saying, well, every five years? I am not sure if that is realistic. I seem to think that every two years is a little too often, but who knows.

Mr. Praznik: Yes, Mr. Chair, it is every four years. I just had my own redone, but I can tell the member—I know it is your first term, if I am not mistaken, completing his first term in the Legislature—public life does wear heavy on those who endure it. I can tell him that the kind of change in physical features, the greying of the hair, the aging of the skin as it thickens and hardens from the slings and arrows of political debate, I just have to tell him after two years in health care my family and friends are absolutely amazed now that mosquitoes do not even tend to bother me, that they tend to fly around me now, land on my skin, and I do not feel them anymore after two years in health care. Yes, the skin thickens and all of these things can change the image so we would not want the member to be travelling some day on a holiday, perhaps to Mexico or the United States, and using his driver's licence as an ID and be stopped simply because his image no longer in the photo reflects the reality of his endurance in political life.

Mr. Jennissen: Well, that is a point well taken. I am sorry, it was my mistake because I thought it was every two years. Every four years sounds reasonable.

I was not advocating the Belgian model either, where you have a passport, you get it taken once in your lifetime so you have a passport at 21 and you still use it when you are 85. There is no resemblance at all. I was not advocating that extreme, but I thought every two years was too much. If it is every four years, I can live with it.

Just one more question, the photo ID system, the costs and cost recovery. Mrs. Zyluk would probably have some information. It has been a worthwhile venture, I am gathering.

Mr. Praznik: Yes, Mr. Chair, one of the issues that has come up now we are into this discussion, of course, is because when government locates the machines, there are a number of requests I have had to add them in different communities and what are the roles, and of course insurance agencies certainly look at that as a loss leader to bring in business. And we have the questions of the city of Winnipeg, the frustration of only having a number of sites in Winnipeg, albeit their hours of operation have expanded, et cetera, and improved customer service. But there is this issue about how those are allocated, and that is one of the things as a new minister I would like to look at. Are there ways of improving the way in which we allocate, I think, be fair or not be bestowing advantages on one or the other? Is there a potential to expand convenience in the city of Winnipeg. Those are things, there is a lot of consideration, staffing cost, consumer demand, but those are something that every number of years we should be looking to see if we can improve our service delivery in this area, and that is one of things I am doing in the natural course of my responsibilities of ensuring we are meeting and updating our service to the people of Manitoba, our clients.

* (1720)

Mr. Jennissen: A little while ago we also switched to new licence plates and some people were opposed to that either because the model did not meet their needs or there was not French on it or Ukrainian or German, whatever. I think we have grown accustomed to that licence plate. I think it actually looks relatively good. I would

suggest a few modifications, but I know you cannot please everybody and beauty is in the eye of the beholder and art differs for everybody, but regarding the plates, is there a lifetime expectancy, like you say, these plates are going to be replaced eventually, let us say in 10 years from now, 12 years from now? Is there a life expectancy on most plates?

Mr. Praznik: Mr. Chair, I am learning so much about licence plates. The plates usually have a six year, I guess a manufacturer six-year life expectancy. We know from the previous plates we got 15 years out of them, but at the end of 15 years and perhaps less, as our province continues to prosper and grow under this administration, that you eventually run out of numbers as they work through the system. At some point they require a reissuance just to be able to provide you with a new set of numbers, I am told, or to be rehabilitating old ones.

Mr. Chairperson: 15.2. Highways and Transportation Programs (p) Driver and Vehicle Licensing (1) Salaries and Employee Benefits \$11,849,800—pass; (2) Other Expenditures \$5,768,100—pass; (3) Manitoba Public Insurance Cost-Sharing Agreement \$4,812,000—pass.

15.2.(q) Boards and Committees (1) Motor Transport and Highway Traffic Boards (a) Salaries and Employee Benefits \$376,500.

Mr. Jennissen: I am wondering about appealing a decision by the Highway Traffic Board. On Nairn Avenue, the speed limit was 50 kilometres per hour and it was moved to 60. That seems to have upset some citizens and they appealed that decision. They were told by staff that appeal was not possible. Could the minister explain that? If some people view that as a dangerous speed, why would that not be appealable?

Mr. Praznik: I am going to have my staff—if the member can provide some details as to who was told what to my staff after Estimates I will have this looked into, because we are all looking a little bit miffed at why something would not be appealable. Perhaps there is something we are missing in the information. But I would like to investigate this and I commit, when we do, I will respond. Because it may be after our Estimates,

I will undertake to respond in writing to the member an answer because it does seem to me a matter that requires further investigation.

Mr. Jennissen: Last year or the year before at least two of the boards were amalgamated. That is perhaps not the correct word. Instead of two separate bodies on the board, one set of people I believe covered both boards. I do not know if that actually led to any savings or not. What would be the qualifications for being on a motor transport or a highway traffic board? Is there a set qualification other than being a well-known Tory?

Mr. Praznik: Mr. Chair, like so many citizen boards within government, they are appointed by Order-in-Council by cabinet. The idea of course is to ensure that there are a collection of citizens on board such as these. Some may have had experience in the particular area, some may not. One tries to have a variety of life experiences represented on the board and for a very important reason: I think it is very important that that safety valve be there. In many of these cases our administrators who are professional bureaucracy administrators in an area develop for us administrative policies, enforce these policies, and these boards are an extension, I believe, of us as elected members of the people. They are there to remind the administration and the systems, the administrators of the need to apply common sense in the administration of various laws and regulations. Their role as being citizen appointees—some boards require people with certain expertise, others do not.

There are a whole variety of boards appointed in government and, yes, they are appointed by cabinet. They are, in essence, political appointments appointed by the government of the day to be reflective of the views of the government of the day, but they are there ultimately to ensure that citizens have an opportunity to appeal those matters before boards of other citizens, where they can make a case to ensure that, within the laws or regulations of the province, the discretion, et cetera, that should be there, that we would like to see there, are there in implementing decisions.

I just tell you, the Highway Traffic Board, for example, deals with issues such as signage

along highways, speed limits on various parts of roads. Although the determination of speeds is recommended by the Department of Highways, on the basis of scientific knowledge and experience and study and control of speeds, et cetera, that board of citizens is there to be able to say from time to time: well, there are issues here that have to be taken into account, and, perhaps, even though the science—you know, life is not exact; perhaps we should use a little bit of this common sense of citizens. So there is an opportunity for individuals to make their case to fellow citizens to ensure, I think, that our laws and our regulations are implemented in a common-sense fashion. If people feel that the policy or rules or decisions of a bureaucracy are not in some manner tested against the common sense of the citizenry in a formal fashion, it is and can be unfair.

Again, if we did not have these boards, then the appeals would likely be directly to the minister. Not that that is wrong in a democracy, but just the pure administrative means of dealing with that makes it very difficult. So I will just give the member an example out of my own area prior to being Minister of Highways.

In many of the cottage subdivisions in the R.M. of St. Clements and the R.M. of Alexander, the speed limits in those subdivisions were 50 kilometres an hour, and many people in the area felt that that was too fast, given the number of children riding bicycles and doing things, and they requested a reduction to 30 kilometres an hour. The engineers within the Department of Highways said that would be too low a speed, it would not work, et cetera. The communities went to the Highway Traffic Board.

The Highway Traffic Board said: you know, we understand that engineering argument, but we also know that, if you posted at 30, maybe you get a little enforcement from time to time, and it will have the effect of slowing the speeds in those subdivisions. The board recommended it on a trial basis in St. Clements. The communities were happy with the result, and that has been expanded to Alexander.

* (1730)

That happened again because of the citizen involvement. I know the member says the requirement of being a Tory or a Tory supporter of the board. One of the beauties about democracy in the appointment of these boards is they do not produce the names by a computer or by some amorphous body that makes recommendations. As my colleague from Lakeside would probably wax very eloquently on this subject in his long experience in democracy, they are appointed by a cabinet that is elected by the citizenry. If the citizenry do not like the decisions of government, they change that government, and a new group comes in and the new group makes the appointments from among their supporters or the people they wish to recommend, and they are judged by the electorate. So, ultimately, the electorate controls those appointments.

I always wonder, and I say this to the member for Flin Flon (Mr. Jennissen), as a first-time member, I was amazed during the minority government years when we had many more Liberals in this House, and I remember them suggesting that appointments to these boards should be made by some sort of body of prominent citizens who would make recommendations. What is that? What is the tie of that body to the general public? None at all.

The only tie to the general public is, in essence, that their elected government, which they can defeat, makes those appointments, and with the defeat of the government so go the appointments. The new people that they have elected then take the responsibility for making those appointments.

So, although it is easy to craft and say, well, there are Tory supporters, or in a New Democratic Party, they are NDP supporters, or Liberal supporters, that is a fundamental part, I think, of our democratic process. The alternative, which is to have some body of eminent citizens making appointments to boards, or simply the bureaucracy, in essence, making decisions without input, I think, if one thinks it through, is not a desirable feature. So I appreciate the member's comments, but I think also one has to put it into perspective. So, on these boards within our department, they are members appointed by cabinet; they are citizens

with a variety of experiences. I tell you as minister responsible, if there are members operating on that board that are making decisions that ultimately I view as not being in the public interest or not exercising their discretion in an appropriate fashion, then I have responsibility to go to cabinet to ask for their removal. Ultimately, that is the public's protection, that they have a direct connection to these people who are making decisions about their lives.

License Suspension Appeal Board is another example where we have put common citizens with a variety of experiences, representative of what we view as the public generally, who then cast judgment on whether individuals get back their licence temporarily when it has been suspended. Quite frankly, I accept wholeheartedly that if my party loses a general election, those who come in who have a mandate from the public have a right to make those appointments and put in whom they wish because they will be held responsible for their decisions. That is far better, I believe, than the alternative, which is to have simply a public administration casting judgment. It is unfair to public servants to ask them to be in that position as well, in many cases, or to have some amorphous or some body of prominent citizens making recommendations who, ultimately, are not answerable to the people at the ballot box.

So I thank the member for the chance to speak about it, but I think it is important from time to time to remind ourselves of how our system does, in fact, work, and that we are, generally speaking, well served by it.

Mr. Jennissen: The minister does make an interesting argument. However, I still have some concerns.

I do not think it is that terribly different from the regional health authorities where it seems that, yes, they are government appointees, but going out of your way to pick out of only one particular political spectrum when you are trying to represent the North, aboriginal people, women, and so on. I know there has been some attempt to address this. I would have preferred what the previous Health minister, previous to

the last minister, had suggested, that at least some of the members of those regional health authorities were elected. Now I know we are not talking about Health here, but similar things could happen or should happen.

I am aware that people on those boards are sometimes very good people. That is not my beef. But I would like to see it more transparent. I really would like to see them more reflective, especially larger boards, reflective of everybody, and that the political alliances or linkages would not even exist. That would be ideal.

For example, in the regional health authorities, even excluding people who are retired doctors or nurses who are no longer working, I think those people would be wonderful on a board, and yet they have been excluded. The fiscal transactions are not transparent. We do not know how much the CEOs get paid, how much the chairpeople get paid, and so on. In this case, perhaps it is a little more transparent, but I notice that, even when the boards were rationalized in terms of size of numbers, the cost did not go down. The board expenses are still there

In fact, I would like to know what it does cost for an average meeting. If we take a look here at what is allocated, here are the number of meetings we have, it should be a simple formula. I know last year or the year before when I asked the minister, he was somewhat upset about it, but it turned out to be quite a few thousands of dollars per meeting, nor am I saying they are not doing good work, but I wish that it was a little more transparent who was on these boards and a little more democratic.

Mr. Praznik: It is a very interesting discussion about this and, I think, important to have. First of all, about appointments and transparency of information, this party, this administration, brought in legislation that for the first time in the history of this province took everyone's payment over—I cannot remember, was it \$50,000 a year?—and made it public information. For the first time, medical doctors who bill our public system and bill over \$50,000 a year had that published. We brought in that legislation to bring in that transparency in Public Accounts.

What was interesting, many of the organizations that support the New Democratic Party very actively, groups like the Manitoba Teachers' Society, opposed that legislation because they did not want to see what they made out of public money published. Very interesting. If you want to balance it, this government has moved a long way in being very innovative in ensuring there is public accountability.

The member referenced regional health authorities, and as Health minister for two years I was very involved in that. When we brought in legislation, we allowed for election or appointment of the boards; that can happen. I say this to him, if one wants elected boards, even some boards, one of the things that I have learned in my experience is elected officials, if they are going to truly be accountable, the only way for elected people to be truly accountable to the people who elect them is they have to have the responsibility and power to tax those people to pay for what they are doing. Not entirely, but at least for their discretionary decisions.

I said this in a conversation that I happened to be part of with Premier Roy Romanow in Saskatchewan and with my colleagues who are Health ministers in Saskatchewan where they brought in elected health boards without a taxing power. They told me it was an absolute nightmare, because they had people who were elected who say: I speak for the people, but I never have to take a penny out of their pocket. So all of the decisions I have to make as an elected member without a taxing authority, well, I could just blame on the provincial government, blame on the federal government, because I never have to actually go back to the taxpayers and tax them for my decisions.

A fundamental principle of democracy is if we are electing people to make decisions on our behalf, they have to have some taxing power to pay for their discretion so that they can be held accountable. We do that with school boards, because they have a taxing power with respect to the special levy. Municipalities have a taxing power which they use; not all their revenue comes from it. We do an income tax share with them, but they still have a taxing power. We as legislators have a taxing power. Federal M.P.s have a taxing power.

As a consequence, when we make decisions that cost our ratepayers money, they know we are going right into their pocket and we have to stand up and defend our decisions. So that is why, quite frankly, I have always said, if you are going to elect health authorities, which may be what Manitobans want, you have to give them a taxing power to be able to pay for their discretionary decisions in order to hold them truly accountable and not just elect a course of people blaming everybody else, and that has been the experience where that has happened.

* (1740)

I also say to the member, we talk about elections. The other part about electing members to boards to be representative is having an annual general meeting to elect members to the boards in the communities is not representative. It is not necessarily representative. We all remember the debates among electing hospital boards over the years where they would have a community meeting and you would have the pro-life and the pro-choice factions, and whoever got the most people to the meeting elected the directors, because that issue was important to them.

First of all, is it a secret ballot? Is everyone who has the right to be part of the electorate actually voting? In most cases not, Mr. Chair. The same is true in Child and Family Services agencies now where members are elected to those agencies at annual general meetings. Is the whole community that we are supposed to represent canvassed by way of a secret ballot election? Not at all. If we are going to do those kind of things to put people on boards, then we better be prepared for a taxing power so people are held responsible. I am really talking about the health authorities and having a proper secret ballot election in which all eligible people have a right to cast the ballot.

They do that in many parts of the United States. They elect many, many public offices. That may be something we want to do, but let us understand how we do it. Simply electing people without a taxing authority, I think—if the member opposite was in government and his party elected health boards without a taxing authority, I would tell you they would be creating an

absolute nightmare for themselves that would come home to haunt them, because they would have elected boards blaming them for every decision and never taking responsibility because they never had to tax. I would dare say that the member's view would change very quickly.

I say to him as well, with respect to boards being representative, every government tries to make them representative within their view of what they expect those boards to do. We also know that there are many people who seeks appointment to boards who have a different point of view, who take a view and sometimes are appointed by governments, but ultimately if the government of day is going to be held responsible as it should be in a parliamentary system such as ours, then they have to be responsible for the appointments that they make.

Mrs. Myrna Driedger, Acting Chairperson, in the Chair

I fully expect that if the party I belong to was not on this side of the House in government, that it would be the right of the party that replaced us to be able to appoint who they so wished to all of the various boards and agencies serving the province because they would be held responsible for the actions of those appointments.

If there was some other vehicle of making those appointments, and I do not know what that would be, and I remember the Liberals under the leadership of now Senator Carstairs talking about some blue ribbon panel of community people nominating a variety of citizens, what would hold those people responsible for their appointments? Nothing. In fact, I would say to the member, what would happen is governments would say, well, we are not responsible for the Highway Traffic Board. We did not appoint them. Go talk to the blue ribbon panel. Well, how do you hold the blue ribbon panel accountable? You cannot.

So in a parliamentary system, and I know the member for Broadway (Mr. Santos) often talks in this Assembly about a government. I am sure he would agree as well that if people are going to be selected, it should be by the people and in an election, and when people are elected,

they do have to take responsibility for the results of their appointments. The member may take issue with the people we appoint from time to time. He may not like the decisions they make. In an election campaign he will challenge that as part of his campaign and if the electors agree with him as part of the whole package of issues, they will elect him and his party to office and then they can appoint the people they so wish and we will be judged by the electors.

If the people of this province are happy with the service they have had as part of the package of issues and re-elect us, then they will have spoken and cast judgment on these issues as well, and that is the nature of our parliamentary system. So although from time to time we may not like the people appointed, we may not think they are always representative of the whole community, the whole community speaks in a provincial general election, and they return a government. That government has responsibility for the delivery of service, the appointment of boards, to directors, "Crown" corporations and agencies, and that government has to live with the responsibilities of those decisions.

Part of my ministerial responsibility, should any one of the boards for which I am appointed and I am responsible for, behaves in a manner that is irresponsible or illegal or otherwise, I have the responsibility to take to cabinet the appropriate papers to ensure that they are removed, and cabinet has that responsibility to remove and change them. We are ultimately accountable to the electorate of this province.

I know of no other way to do it, other than the way the Americans do it, than post those positions by electors, by votes at various election times, elect all those particular positions as the Americans do from president to dogcatcher, but then, who do you hold responsible? If there is one criticism I think we can say of the American system of government is lack of responsibility because everybody else can point to somebody else who is holding up whatever has to be done.

When you elect a dogcatcher in a county, the mayor of that county is not responsible for that dogcatcher anymore. That dogcatcher is responsible only to the electorate. When the dogcatcher is appointed or hired by the mayor, if

that person is not doing the job, the mayor is responsible. That is a difference in the system. So I appreciate the member's concern. He has full right to criticize whom we appoint, to criticize their decisions and ask that we be judged on the basis of whom we appoint and what we do, but that is the nature of our system.

I will tell you I have come to appreciate it after 11 years, and if my party is no longer in government after this or another one coming or another general election, I accept wholeheartedly that those who replace us have the right to change all of those appointments and have the responsibility to stand by the people they appoint. Should we be re-elected, it is our right to appoint and our responsibility to stand by the decisions that they make or to replace those individuals.

Mr. Jennissen: Madam Chair, yes, that was an interesting exposition, Mr. Minister. Still, I would take my chances with a blue-ribbon panel, basically because I do think these are community leaders that represent a larger view, whereas if you appoint purely politically, that is, I think, a much narrower view. I guess there are certainly healthy differences of opinion here, but what I was getting at was not that if we were in power, our political party, would we be caught in a really bad position because we might also have to appoint people on boards?

I was hoping, in terms at least of the regional health authorities, that we would follow what the former Minister McCrae suggested, and that is that at least two members of that regional health authority were elected, not necessarily everybody. But at least the people could, you know, express their opinion in a general sense, and some of those people on that board could be elected. I mean, there are various ways of doing this.

Right now, the public is very cynical, and they see a lot of these board appointees as purely people that are political opportunists or political patronage, whatever word you wish to use. I do not know if that is always fair because I know that a lot of those people on those boards are good people, and I want to draw the distinction. I do not know of anybody on those boards that is

incompetent or not a good person. That is not the point. It is the process that I am questioning.

In terms of transparency, I do not know about these boards, but I certainly know in the regional health authority there is no way in hell, pardon the expression, we can find out what the CEO makes or what the chairperson of the regional health authority makes. We cannot find out how much money is being spent. Whether that bureaucratic level is taking away tons of money that should be going to the front-line health care, I do not know. I know that is off the topic, but the reason I am asking is because I think we want to use our money in the best possible way.

That is why I am asking the question. For example, there are \$55,000 being allocated to the board here; I presume those are stipends. The boards have shrunk in size, and I do not know if the money has shrunk in size. There is also \$46,000 allocated for accommodation. I presume most of the board members are from Winnipeg, so I do not know where that accommodation money goes. It may be just my ignorance, but I would like some clarification on that.

Mr. Praznik: You know, Mr. Chair, I do not mean to be too critical of members opposite, but when I was former Health minister, I attended quite a number of annual meetings of regional health authorities, South Westman, I think North Eastman, Interlake. Do you know what? All of those meetings, I cannot recall one New Democratic Party MLA being in attendance and asking those questions of the board. Is that not interesting? It sounds like a little bit of laziness on the part members opposite because many of those questions were asked.

I remember at the South Westman, there were questions asked about the cost of administration, and the CEO and the chair of the board gave a very extensive explanation of what they had done in reorganizing their staff and their administrative lines and that information was provided, but, you know, I do not recall one New Democratic Party MLA being there to ask the question. Boy, it sort of sounds to me that people are not taking advantage of opportunities that are there to garner the information.

Mr. Chairperson in the Chair

* (1750)

So I say to the member I would really invite him the next time that the Norman Regional Health Authority, as a right as a citizen of that district, as a local MLA, to attend that meeting and ask those questions. With respect to anybody in those organizations who is making over whatever it is, \$50,000 a year, you know there is a catch-up period in terms of fiscal years, which I imagine that report will be coming up shortly, if it has not already. If he looks through there, anybody who is making that will be listed. The salaries of the CEOs in the Winnipeg Hospital Authority, those things all come out in due course as part of the information. I cannot remember the name of the legislation that we passed that requires that to happen. So it is there. Those questions can be asked, but I tell him this. We do not live in a void. When all of those facilities were being run by basically private boards, even if they were public organizations or private corporations or municipal corporations, none of that information had any hope of ever being made public.

Did the Grey Nuns publish all their costs and salary levels for what they paid people at St. Boniface? No. Did Health Sciences Centre, who was not controlled at all by government, had an independent board of directors who made the decisions, did they publish the salaries of their senior executives? No. Never once did a New Democratic Party government require that. Not at all. So let us not make it sound as if somehow we have taken something back. In fact, if anything, we have advanced with our legislation of these regional health authorities. We have advanced the level of public disclosure and information and availability of public disclosure on the medical side than ever before in the history of this province.

Now if the member had come here and said: you know, I recognize you have moved forward. You may not have moved as far ahead as I would have liked, I would have said, okay, that is a fair comment, but to be critical of it when you look at where we are coming from, the member is not being fair at all. Again, millions, hundreds of millions of dollars, billions of

dollars of public money essentially being spent by private and municipal health corporations without any degree of the accountability that we now have in place, is it perfect? No. But it sure is a lot better than it was in the past, and I think that is important to appreciate and understand.

With respect to boards in this particular department, I will endeavour to get a list for the member of the boards that we appoint, what we pay in per diems, and roughly the number of meetings or times they sat. I will get my staff to lay that out and we will provide it to the member.

Mr. Jennissen: There is certainly a difference of opinion here, perhaps of misinterpreting fact, but I am under the impression, and I hate to go back to regional health, this is not Health Estimates, that for the CEOs and for the politically appointed chairpersons, there is no way you can find out how much money they make, nor how much they spend per meeting, because I am pretty sure that some of my staff have tried to get that information.

If the minister says that that information is easy to get, then I would appreciate finding out how much the CEO of the Norman Regional Health Authority and the president of that authority make per year. I would like to have that on record. I have not been able to find that, and I do not know any way of getting it either. The minister says it is wide open, it is a wide open procedure. I do not believe that, not for a minute. I think, in fact, it is exempted by Freedom of Information, but I could be wrong. If the information is that easy to get, I would really appreciate if he would make an effort to get that information to me, because I have not been able to get it yet.

Mr. Chairperson: Could I ask the honourable members, if they want to enter into debate on health care, it might be much more appropriate if they did it under the health authority, not under the Department of Highways and Transportation. We get into that debate here, we could be here for a long time.

Mr. Jennissen: You make a very good point. Let us continue with the line by line.

Mr. Chairperson: Shall the item pass? Pass. 15.2.(q)(1)(b) Other Expenditures \$199,200—pass.

15.2.(q)(2) License Suspension Appeal Board and Medical Review Committee (a) Salaries and Employee Benefits \$248,000.

Mr. Jennissen: Just a quick comment, because I know we do tend to get into some almost theological debates here, but I am very happy that they are free and free ranging. I appreciate the minister's candour as well and that of his staff, and sometimes we come from different philosophical directions and we agree to disagree. On the License Suspension Appeal Board and Medical Review, is that where we are, Mr. Chair?

Mr. Chairperson: License Suspension Appeal Board.

Mr. Jennissen: There is legislation before the House about offroad vehicles and drinking and driving and so on. In that same ballpark, I am wondering if I could table or give the minister, to make it easier, just this letter, it is actually an e-mail from Mr. John Goddard, he may already have it, from Treherne, who is talking not so much about the licensing aspect of it as the fact that we need to put more money into the snowmobiling sports, Snoman, and so on.

I am sure, although I do not remember exactly, because I have not looked at it for little while, whether he is advocating some kind of break on fuel tax as well, but the argument he makes is fairly good, that the snowmobile sport does bring a lot of money into the province and perhaps we need to pay more attention to it. We certainly are doing that on the safety side, but I think he is also talking about some other incentives. So I will just table that with the minister, if he would have a look at Mr. Goddard's e-mail.

Mr. Chairperson: Just for clarification, you are just passing this to the minister, you are not tabling it?

Mr. Jennissen: Yes. That is right.

Mr. Chairperson: Thank you. Shall the item pass? The item is accordingly passed.

15.2.(q) Boards and Committees (2) License Suspension Appeal Board and Medical Review Committee (b) Other Expenditures \$115,200—pass.

15.2.(q)(3) Taxicab Board (a) Salaries and Employee Benefits \$335,500.

Mr. Jennissen: Just for clarification. We are on Taxicab Board? Is that right?

Mr. Chairperson: Yes. That is where we are.

Mr. Jennissen: Again, the minister and I got—the only time I think last we got a little heated was over the taxicab issue. I do not want to resurrect that whole debate over Blueline again, but it was a question of converting luxury cab licences to regular licences. The argument that could be made—I know certainly David Orlikow made it, and he used to bug me about it quite regularly. I feel kind of guilty not raising the issue. He thought there was a better way for us to raise money if the people involved, that is, the people converting to luxury licences to regular licences, would have paid market value for them. That money could have been used for the cab industry or even for the province, whatever. That apparently did not happen. I wonder if we could just—I do not want to spend too much time on that to clarify that situation, where we are with that.

Mr. Praznik: Mr. Chairman, I am really not familiar enough with the details of this issue in 30 seconds to give the member an answer to it. I gather we will be spending probably some more time tomorrow or next week in these Estimates. If not, I could perhaps provide an answer in writing to the member.

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 now adjourns and stands adjourned until tomorrow (Thursday) at 10 a.m.